

VALLEY NATIONAL BANCORP  
Form S-4  
June 19, 2014  
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As filed with the Securities and Exchange Commission on June 19, 2014

Registration No. 333-

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

*under*

*THE SECURITIES ACT OF 1933*

VALLEY NATIONAL BANCORP

(Exact name of registrant as specified in its charter)

New Jersey

Edgar Filing: VALLEY NATIONAL BANCORP - Form S-4  
(State or other Jurisdiction of Incorporation of Organization)

6711

(Primary Standard Industrial Classification Code Number)

22-2477875

(I.R.S. Employer Identification No.)

1455 Valley Road

Wayne, New Jersey 07470

973-305-8800

(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

Gerald H. Lipkin, Chairman, President and Chief Executive Officer

Valley National Bancorp

1455 Valley Road

Wayne, New Jersey 07470

973-305-8800

(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

Please send copies of all communications to:

**RONALD H. JANIS, ESQ.**  
**MICHAEL T. RAVE, ESQ.**  
Day Pitney LLP  
One Jefferson Road

**JOHN MARINO**  
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One North Federal Highway

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**(973) 966-6300**

**Boca Raton, Florida 33432**  
**(561) 362-3435**

**West Palm Beach, Florida 33401**  
**(561) 655-1980**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large Accelerated Filer  Accelerated Filer   
 Non-Accelerated Filer  (Do not check if a smaller reporting company) Smaller Reporting Company   
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered*</b>	<b>Proposed maximum offering price</b>	<b>Proposed maximum aggregate</b>	<b>Amount of registration fee</b>

		<b>per unit</b>	<b>offering price**</b>	
Common stock, no par value	34,477,925 Shares	N/A	\$337,806,182	\$43,509.44

\* The maximum number of shares of Valley National Bancorp ( Valley ) common stock estimated to be issuable upon the completion of the merger of 1st United Bancorp, Inc. ( 1st United ) with and into Valley, based on the number of shares of 1st United common stock outstanding immediately prior to the merger, assuming that all stock options granted by 1st United and outstanding on the date hereof are exercised, and the exchange of each share of 1st United common stock for shares of Valley common stock pursuant to the formula set forth in the Agreement and Plan of Merger, dated as of May 7, 2014, among Valley and 1st United.

\*\* Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and calculated in accordance with Rule 457(f)(1) and Rule 457(c) of the Securities Act as follows: the product of (1) \$8.72, the average of the high and low sales prices per share of 1st United common stock on June 13, 2014 as quoted on the NASDAQ Global Select Market, multiplied by (2) 34,489,547, the sum of the aggregate number of shares of 1st United common stock outstanding as of June 13, 2014, plus 4,249,694, the aggregate number of shares of 1st United common stock issuable upon the exercise of 1st United stock options that are or may become exercisable prior to completion of the merger.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.**

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**Information in this joint proxy statement-prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement-prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION DATED JUNE 19, 2014**

**Proxy Statement of 1st United Bancorp, Inc.**

**Proxy Statement and Prospectus of Valley  
National Bancorp**

**MERGER AND AMENDMENT TO VALLEY NATIONAL BANCORP'S RESTATED CERTIFICATE OF  
INCORPORATION PROPOSED YOUR VOTE IS VERY IMPORTANT**

To the Shareholders of 1st United Bancorp, Inc. and Valley National Bancorp:

We are pleased to report that the Boards of Directors of Valley National Bancorp ( Valley ) and 1st United Bancorp, Inc. ( 1st United ) have approved an Agreement and Plan of Merger (the merger agreement ). Under the merger agreement, 1st United will merge with and into Valley, with Valley as the surviving company in the merger (the merger ). We cannot complete the merger transaction without your approval.

Each of 1st United and Valley will be holding a special meeting of their respective shareholders to vote on certain matters in connection with the merger. Holders of shares of 1st United common stock will vote at a special meeting of 1st United shareholders to be held on [ ], 2014 to approve the merger agreement and vote on related proposals. Holders of shares of Valley will vote at a special meeting of shareholders of Valley shareholders to be held on [ ], 2014 to approve the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares, which is necessary to allow the merger to close, and to vote on a related proposal.

Under the terms of the merger agreement, if the merger is completed, 1st United shareholders will be entitled to receive 0.89 of a share of Valley common stock for each share of 1st United common stock they own, subject to adjustment and subject to the payment of cash in lieu of fractional shares. In the event Valley's average closing share price during the 20 trading day period ending 5 days prior to closing ( Valley's Average Closing Price ) is less than \$8.09, then Valley will increase the 0.89 exchange ratio (or, in lieu of such increase, make a cash payment to 1st United shareholders) so that 1st United shareholders receive \$7.20 in Valley common stock (and cash, if applicable) for each 1st United share they hold. In the event Valley's Average Closing Price is greater than \$12.13, then Valley will decrease the 0.89 exchange ratio so that 1st United shareholders receive \$10.80 in Valley common stock for each

1st United share they hold. On [ ], 2014, a date immediately preceding the printing of this joint proxy statement-prospectus, the closing price of Valley common stock was \$[ ].

Valley common stock is listed on the New York Stock Exchange under the symbol VLY . 1st United common stock is listed on the NASDAQ Global Select Market under the symbol FUBC .

We generally expect the merger to be tax-free with respect to the Valley common stock that 1st United shareholders receive.

If the merger is completed and none of the outstanding 1st United stock options are exercised prior to the closing of the merger, 1st United shareholders will own approximately 30.1 million shares, or approximately 13.3%, of Valley s outstanding common stock.

**The 1st United Board of Directors unanimously recommends that 1st United shareholders vote to approve the merger agreement and the related proposals.**

**The Valley Board of Directors unanimously recommends that Valley shareholders vote to approve the amendment to Valley s Restated Certificate of Incorporation to increase the number of authorized shares of Valley s common stock by 100,000,000 shares and the related proposal.**

**Your vote is very important.** Whether or not you plan to attend the 1st United or Valley special meeting, as applicable, please take the time to vote by completing and mailing the enclosed proxy card to us.

**This document, which serves as a joint proxy statement for the special meetings of 1st United and Valley shareholders and as a prospectus for the shares of Valley common stock to be issued in the merger to 1st United shareholders, gives you detailed information about each respective company s special meeting and the merger. Please carefully read this entire document, including the Risk Factors beginning on page 27 for a discussion of the risks related to the proposed merger. You can also obtain information about both 1st United and Valley from documents that each has filed with the Securities and Exchange Commission.**

**Rudy E. Schupp**  
Chief Executive Officer

**Gerald H. Lipkin**  
President and Chief Executive Officer

1st United Bancorp, Inc.

Valley National Bancorp

**Neither the Securities and Exchange Commission, nor any bank regulatory agency, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

This joint proxy statement-prospectus is dated [ ], 2014, and is first being mailed to 1st United and Valley shareholders

on [ ], 2014.

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**HOW TO GET COPIES OF RELATED DOCUMENTS**

**This document incorporates important business and financial information about Valley National Bancorp and 1st United Bancorp, Inc. that is not included in or delivered with this document. Valley National Bancorp and 1st United Bancorp, Inc. shareholders may receive this information free of charge by writing or calling Investor Relations, Dianne Grenz, Valley National Bancorp, 1455 Valley Road, Wayne, New Jersey 07470; telephone number (973) 305-4005; or Suzanne Korman, Secretary, 1st United Bancorp, Inc., One North Federal Highway, Boca Raton, Florida 33432; telephone number (561) 362-3400.**

**We will respond to your request as soon as practicable by sending the requested documents by first class mail or other equally prompt means. In order to ensure timely delivery of the documents in advance of the meeting, any request must be made by [ ], 2014.**



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**1st United Bancorp, Inc.**

**One North Federal Highway**

**Boca Raton, Florida 33432**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [ ], 2014**

At the direction of the Board of Directors of 1st United Bancorp, Inc., NOTICE IS HEREBY GIVEN that a special meeting of shareholders of 1st United Bancorp, Inc. will be held at [ ], on [ ], 2014, at [ ] (local time) to consider and vote upon the following matters:

- (1) Approval of the Agreement and Plan of Merger, dated as of May 7, 2014, between Valley National Bancorp and 1st United Bancorp, Inc. pursuant to which 1st United Bancorp, Inc. will merge with and into Valley National Bancorp;
- (2) Approval, on a non-binding advisory basis, of the compensation of the named executive officers of 1st United Bancorp, Inc. based on or related to the merger; and
- (3) Approval of a proposal to authorize the Board of Directors to adjourn or postpone the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of approval of the merger agreement or to vote on other matters properly before such special meeting.

The Board of Directors has fixed [ ], 2014, as the record date for the determination of the shareholders entitled to notice of and to vote at the special meeting, and only shareholders of record on said date will be entitled to receive notice of and to vote at said meeting.

**The 1st United Bancorp, Inc. Board of Directors unanimously recommends that shareholders vote:**

- (1) **FOR approval of the merger agreement;**
- (2) **FOR approval, on a non-binding advisory basis, of the compensation of the named executive officers of 1st United Bancorp, Inc. based on or related to the merger; and**
- (3) **FOR approval of the authorization of the Board of Directors to adjourn or postpone the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of approval of the merger agreement or to vote on other matters properly before such special meeting.**

By Order of the Board of Directors,

**Warren S. Orlando**

*Chairman of the Board*

Boca Raton, Florida

[ ], 2014

**IMPORTANT WHETHER YOU PLAN TO ATTEND THE MEETING IN PERSON OR NOT, PLEASE VOTE PROMPTLY BY SUBMITTING YOUR PROXY BY INTERNET, PHONE OR BY COMPLETING, SIGNING, DATING AND RETURNING YOUR PROXY CARD IN THE ENCLOSED ENVELOPE. RETURNING THE PROXY CARD WILL NOT PREVENT YOU FROM VOTING IN PERSON IF YOU ATTEND THE MEETING.**

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**Valley National Bancorp**

**1455 Valley Road**

**Wayne, New Jersey 07470**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [ ], 2014**

At the direction of the Board of Directors of Valley National Bancorp, NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Valley National Bancorp will be held at [ ], on [ ], 2014, at [ ] (local time) to consider and vote upon the following matters:

- (1) Approval of an amendment to the Restated Certificate of Incorporation of Valley National Bancorp to increase the number of authorized shares of common stock, no par value per share, of Valley National Bancorp by 100,000,000 shares; and
- (2) Approval of a proposal to authorize the Board of Directors to adjourn or postpone the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of approval of the amendment to the Restated Certificate of Incorporation of Valley National Bancorp to increase the number of authorized shares of common stock, no par value per share, of Valley National Bancorp by 100,000,000 shares or to vote on other matters properly before such special meeting.

The Board of Directors has fixed [ ], 2014, as the record date for the determination of the shareholders entitled to notice of and to vote at the special meeting, and only shareholders of record on said date will be entitled to receive notice of and to vote at said meeting.

**The Valley National Bancorp Board of Directors unanimously recommends that shareholders vote:**

- (1) **FOR approval of the amendment to the Restated Certificate of Incorporation of Valley National Bancorp to increase the number of authorized shares of common stock, no par value per share, of Valley National Bancorp by 100,000,000 shares; and**
- (2) **FOR approval of the authorization of the Board of Directors to adjourn or postpone the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of approval of the proposed amendment to the Restated Certificate of Incorporation of Valley National Bancorp or to vote on other matters properly before such special meeting.**

By Order of the Board of Directors,

**Alan D. Eskow**

*Secretary*

Wayne, New Jersey

[ ], 2014

**IMPORTANT WHETHER YOU PLAN TO ATTEND THE MEETING IN PERSON OR NOT, PLEASE VOTE PROMPTLY BY SUBMITTING YOUR PROXY BY INTERNET, PHONE OR BY COMPLETING, SIGNING, DATING AND RETURNING YOUR PROXY CARD IN THE ENCLOSED ENVELOPE. RETURNING THE PROXY CARD WILL NOT PREVENT YOU FROM VOTING IN PERSON IF YOU ATTEND THE MEETING.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS**

**Q: WHAT IS THE PURPOSE OF THIS DOCUMENT?**

A: This document serves as both a joint proxy statement of 1st United Bancorp, Inc. and Valley National Bancorp and a prospectus of Valley National Bancorp. As a joint proxy statement, it is being provided to 1st United shareholders because the 1st United Board of Directors is soliciting their proxy for use at the 1st United special meeting of shareholders at which the 1st United shareholders will consider and vote on (i) approval of the merger agreement between 1st United and Valley, (ii) approval, on a non-binding advisory basis, of the compensation of the named executive officers of 1st United based on or related to the merger (the Executive Compensation Proposal), and (iii) approval of the authorization of the 1st United Board of Directors to adjourn or postpone the 1st United special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of approval of the merger agreement or to vote on other matters properly before such special meeting (the 1st United Adjournment Proposal). As a joint proxy statement, it is also being provided to Valley shareholders because the Valley Board of Directors is soliciting their proxy for use at the Valley special meeting of shareholders at which the Valley shareholders will consider and vote on (i) approval of the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares (the Charter Amendment Proposal) and (ii) approval of the authorization of the Valley Board of Directors to adjourn or postpone the Valley special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of approval of the proposed amendment to Valley's Restated Certificate of Incorporation or to vote on other matters properly before such special meeting (the Valley Adjournment Proposal). As a prospectus, it is being provided to 1st United shareholders because Valley is offering to exchange shares of its common stock for their shares of 1st United common stock upon completion of the merger.

**Q: WHAT WILL 1ST UNITED SHAREHOLDERS RECEIVE IN THE MERGER?**

A: Upon completion of the merger, 1st United shareholders will receive 0.89 of a share of Valley common stock for each share of 1st United common stock they own, subject to adjustment and subject to the payment of cash in lieu of fractional shares. In the event Valley's average closing share price during the 20 trading day period ending 5 days prior to closing (Valley's Average Closing Price) is less than \$8.09, then Valley will increase the 0.89 exchange ratio (or, in lieu of such increase, make a cash payment to 1st United shareholders) so that 1st United shareholders receive \$7.20 in Valley common stock (and cash, if applicable) for each 1st United share they hold. In the event Valley's Average Closing Price is greater than \$12.13, then Valley will decrease the 0.89 exchange ratio so that 1st United shareholders receive \$10.80 in Valley common stock for each 1st United share they hold. On [ ], 2014, a date immediately preceding the printing of this joint proxy statement-prospectus, the closing price of Valley common stock was \$[ ].

**Q: HOW DO I VOTE?**

A: *Shares Held of Record.* If you are a shareholder of record of 1st United as of the 1st United record date or a shareholder of record of Valley as of the Valley record date, you may submit your proxy before your respective company's special meeting in one of the following ways:

Use the toll-free number shown on your proxy card,

Visit the website shown on your proxy card to vote via the Internet,

Complete, sign, date and return the enclosed 1st United or Valley proxy card, as applicable, in the enclosed postage-paid envelope, or

You may also cast your vote in person at your respective company's special meeting.

*Shares Held in Brokerage Accounts.* If you hold your shares in street name (that is, you hold your shares through a broker, bank or other holder of record), your bank, broker or other holder of record will forward proxy materials and voting instructions that you must follow in order to vote your shares. You may receive more than

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one proxy card if your shares are registered in different names or are held in more than one account. If you hold your shares in street name and plan to attend the 1st United meeting or Valley meeting, as applicable, you should bring either a copy of the voting instruction card provided by your broker or nominee or a recent brokerage statement showing your ownership of 1st United common stock as of the 1st United record date or Valley common stock as of the Valley record date, as applicable.

*Shares Held in Valley's 401(k) Plan.* If you are a participant in the Valley National Bank Savings and Investment Plan (a 401(k) plan with an employee stock ownership feature (the Valley 401(k) Plan)), you may vote any shares of Valley common stock held in your Valley 401(k) Plan account as of the Valley record date ONLY by following the separate voting instructions provided by the Valley 401(k) Plan's administrator. You may not vote the applicable shares by proxy or by ballot at the Valley special meeting.

*Shares Held in Valley's Dividend Reinvestment Plan.* If you are a participant in Valley's Dividend Reinvestment Plan, the shares that are held in your dividend reinvestment account will be voted in the same manner as your other shares, whether you vote by mail, by telephone or by internet. You may not vote the applicable shares by proxy or by ballot at the Valley special meeting.

### **Q: WHY IS THE VOTE OF HOLDERS OF 1ST UNITED COMMON STOCK IMPORTANT?**

A: The approval of the merger agreement requires the affirmative vote of the holders of at least a majority of the 1st United common stock outstanding. If you do not vote by proxy, telephone or internet or in person at the 1st United special meeting, it will have the effect of a vote AGAINST approval of the merger agreement, but will have no effect on the vote to approve the Executive Compensation Proposal or the 1st United Adjournment Proposal. Failure to vote, however, may affect whether a quorum is present.

The Executive Compensation Proposal will be approved if affirmative votes cast by the holders of 1st United common stock present in person or represented by proxy at the 1st United special meeting and entitled to vote exceed the votes cast in opposition. This proposal is advisory in nature and a vote for or against approval will not be binding on 1st United or the 1st United Board of Directors.

The 1st United Adjournment Proposal will be approved if the affirmative votes cast by the holders of 1st United common stock present in person or represented by proxy at the 1st United special meeting and entitled to vote exceed the votes cast in opposition.

### **Q: WHAT DOES THE 1ST UNITED BOARD OF DIRECTORS RECOMMEND?**

A: The 1st United Board of Directors has unanimously approved the merger agreement and believes that the proposed merger is in the best interests of 1st United and its shareholders. Accordingly, the 1st United Board of Directors unanimously recommends that you vote FOR approval of the merger agreement.

The 1st United Board of Directors also unanimously recommends a vote FOR approval of the Executive Compensation Proposal and FOR approval of the 1st United Adjournment Proposal.

### **Q: WHY IS THE VOTE OF HOLDERS OF VALLEY COMMON STOCK IMPORTANT?**

A: The approval by Valley shareholders of the Charter Amendment Proposal is required to ensure Valley has sufficient shares for issuance to consummate the merger and issue shares of Valley common stock to 1st United shareholders. As of the date of this joint proxy statement-prospectus, Valley has approximately 24.9 million

authorized but unissued shares of common stock (net of shares reserved for issuance pursuant to stock options and warrants). Under the terms of the merger agreement and assuming all 1st United stock options are exercised prior to the closing of the merger, Valley will be required to issue approximately 34.5 million shares of common stock to 1st United shareholders. Accordingly, if Valley shareholders fail to approve the proposed amendment, Valley cannot complete the merger. Additional authorized shares not issued in the merger will be used for

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general corporate purposes, including possible future acquisitions and capital raising. The proposed amendment to Valley's Restated Certificate of Incorporation requires the affirmative vote of a majority of the votes cast by the holders of Valley common stock at the Valley special meeting.

The Valley Adjournment Proposal requires the affirmative vote of a majority of the votes cast by the holders of Valley common stock at the Valley special meeting.

If you do not vote by proxy, telephone or internet or in person at the Valley special meeting, it will have no effect on the vote to approve either of these proposals but may affect whether a quorum is present.

**Q: WHAT DOES THE VALLEY BOARD OF DIRECTORS RECOMMEND?**

A: The Valley Board of Directors has unanimously approved the Charter Amendment Proposal and believes that the increase in authorized shares of Valley's common stock is in the best interests of Valley and its shareholders. Accordingly, the Valley Board of Directors unanimously recommends that you vote FOR approval of the Charter Amendment Proposal.

The Valley Board of Directors also unanimously recommends a vote FOR approval of the Valley Adjournment Proposal.

**Q: IF MY SHARES ARE HELD IN STREET NAME BY MY BROKER, WILL MY BROKER AUTOMATICALLY VOTE MY SHARES FOR ME?**

A: No. Your broker cannot vote your shares of 1st United or Valley common stock, as applicable, without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker. Without instructions, your shares will not be voted at your respective company's special meeting, which will have the effects described above.

**Q: WHAT IF I ABSTAIN FROM VOTING OR FAIL TO INSTRUCT MY BROKER?**

A: Abstentions will count as shares of 1st United or Valley common stock, as applicable, represented and entitled to vote at the respective company's special meeting for purposes of determining a quorum but will not be counted as votes cast. Accordingly, abstentions will have no effect on any of the proposals at the 1st United or Valley special meetings other than the proposal to approve the merger agreement at the 1st United special meeting where abstentions are effectively a vote AGAINST the merger agreement. Broker non-votes are proxies received from brokers who, in the absence of specific voting instructions from beneficial owners of shares of 1st United or Valley common stock, as applicable, held in brokerage name, are unable to vote such shares in those instances where discretionary voting by brokers is not permitted. Broker non-votes will be counted toward a quorum at the 1st United special meeting and the Valley special meeting, as applicable, and will have the effect of a vote at the 1st United special meeting AGAINST approval of the merger agreement, but will have no effect on any other proposals at the 1st United or Valley special meetings.

**Q: CAN I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY?**

A: You may revoke your grant of a proxy at any time before it is voted by:

filing a written revocation of the proxy with the Secretary of 1st United or Valley, as the case may be;

executing a later Internet or telephone vote;

submitting a signed proxy card bearing a later date to the Secretary of 1st United or Valley, as the case may be; or

attending and voting in person at the respective company's special meeting.

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1st United shareholders should send written revocations to Suzanne Korman, Secretary, 1st United Bancorp, Inc., One North Federal Highway, Boca Raton, Florida 33432. Attendance at the 1st United special meeting will not in and of itself revoke a proxy, unless you choose to cast a ballot at such special meeting.

Valley shareholders should send written revocations to Alan D. Eskow, Secretary, Valley National Bancorp, 1455 Valley Road, Wayne, New Jersey 07470. Attendance at the Valley special meeting will not in and of itself revoke a proxy, unless you choose to cast a ballot at such special meeting.

If you use the Internet, you can change your vote at the Internet address shown on your 1st United or Valley proxy card, as applicable. The Internet voting system for 1st United shareholders is available 24 hours a day until [ ], Eastern Time, on [ ], 2014. The Internet voting system for Valley shareholders is available 24 hours a day until [ ], Eastern Time, on [ ], 2014.

If you vote by telephone, you can change your vote by using the toll free telephone number shown on your 1st United or Valley proxy card, as applicable. The telephone voting system for 1st United shareholders is available 24 hours a day in the United States until [ ], Eastern Time, on [ ], 2014. The telephone voting system for Valley shareholders is available 24 hours a day in the United States until [ ], Eastern Time, on [ ], 2014.

Valley shareholders may revoke their instructions to the Valley 401(k) Plan's administrator with respect to voting of the shares held in their Valley 401(k) Plan account by submitting to the Valley 401(k) Plan administrator a signed instruction card bearing a later date, provided that such new instruction card must be received by the Valley 401(k) Plan administrator on or prior to the last date for submission of such instructions with respect to the Valley special meeting designated in the separate voting instructions provided by the Valley 401(k) Plan's administrator.

**Q: IF I AM A HOLDER OF 1ST UNITED COMMON STOCK WITH SHARES REPRESENTED BY STOCK CERTIFICATES, SHOULD I SEND IN MY 1ST UNITED STOCK CERTIFICATES NOW?**

A: No. Following the merger, 1st United shareholders will receive a letter of transmittal from American Stock Transfer & Trust Company, who has been appointed as the exchange agent for the merger, which will provide them with instructions as to how they will exchange their 1st United common stock for Valley common stock. The shares of Valley common stock that 1st United shareholders will receive in the merger will be issued in book-entry form. Please do not send in 1st United stock certificates with the 1st United proxy card.

**Q: WHAT SHOULD 1ST UNITED SHAREHOLDERS DO IF THEY HOLD THEIR SHARES OF 1ST UNITED COMMON STOCK IN BOOK-ENTRY FORM?**

A: 1st United shareholders are not required to take any specific actions if their shares of 1st United common stock are held in book-entry form. After the completion of the merger, shares of 1st United common stock held in book-entry form will automatically be exchanged for shares of Valley common stock in book-entry form.

**Q: WHO CAN 1ST UNITED SHAREHOLDERS CONTACT IF THEY CANNOT LOCATE THEIR 1ST UNITED STOCK CERTIFICATE(S)?**

A: If 1st United shareholders are unable to locate their original 1st United stock certificate(s), they should contact John Marino, President, 1st United Bancorp, Inc., 1700 Palm Beach Lakes Boulevard, Suite 1000, West Palm Beach, Florida 33401; telephone number (561) 616-3046.

**Q: WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO 1ST UNITED SHAREHOLDERS?**



A: We expect that for federal income tax purposes, the merger generally will not be a taxable event to 1st United shareholders.

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1st United will have no obligation to complete the merger unless tax counsel for 1st United provides a legal opinion that the merger will qualify as a transaction that is generally tax-free for federal income tax purposes.

We urge 1st United shareholders to consult with their tax advisors to gain a full understanding of the tax consequences of the merger to them. Tax matters are very complicated, and, in many cases, the tax consequences of the merger will depend on 1st United shareholders' particular facts and circumstances. See Proposal 1 of the 1st United Special Meeting The Merger Material Federal Income Tax Consequences of the Merger, beginning at page [ ].

**Q: DO 1ST UNITED SHAREHOLDERS HAVE THE RIGHT TO DISSENT FROM THE MERGER?**

A: No. See Proposal 1 of the 1st United Special Meeting The Merger No Dissenters Rights, beginning at page [ ].

**Q: ARE THERE ANY REQUIRED REGULATORY OR OTHER CONDITIONS TO THE MERGER?**

A: Yes. The merger must be approved by the Office of the Comptroller of the Currency (the OCC) and a waiver or approval must be received from the Board of Governors of the Federal Reserve System (the FRB). In addition, the merger agreement must be approved by the 1st United shareholders; the Charter Amendment Proposal must be approved by Valley shareholders; and written consent from the Federal Deposit Insurance Corporation (the FDIC) for the assignment of the shared-loss agreements between 1st United Bank and the FDIC must be received by Valley. As of the date of this joint proxy statement-prospectus, Valley has received the written consent from the FDIC for the assignment of such shared-loss agreements and has submitted an application for approval of the merger by the OCC and intends to submit a waiver request to the FRB.

While Valley shareholders are not voting on approval of the merger agreement, they effectively have a vote to approve the merger agreement because they have a vote to approve the Charter Amendment Proposal, which is required to consummate the merger.

Completion of the merger is also subject to certain other conditions, including there being no material adverse change in the financial condition of 1st United. See Proposal 1 of the 1st United Special Meeting The Merger The Merger Agreement Conditions to Complete the Merger, beginning at page [ ].

**Q: IS THERE OTHER INFORMATION I SHOULD CONSIDER?**

A: Yes. Much of the business and financial information about Valley and 1st United that may be important to you is not included in this document. Instead, that information is incorporated by reference to documents separately filed by Valley and 1st United with the Securities and Exchange Commission (the SEC). This means that each of Valley and 1st United, respectively, may satisfy its disclosure obligations to you by referring you to one or more documents separately filed by it with the SEC. See Information Incorporated by Reference beginning at page [ ] for a list of documents that each of Valley and 1st United, respectively, has incorporated by reference into this joint proxy statement-prospectus and for instructions on how to obtain copies of those documents. The documents are available to you without charge.

**Q: WHAT IF THERE IS A CONFLICT BETWEEN DOCUMENTS?**

A: You should rely on the LATER FILED DOCUMENT. Information in this joint proxy statement-prospectus may update information contained in one or more of the Valley or 1st United documents incorporated by reference. Similarly, information in documents that Valley or 1st United may file after the date of this joint proxy statement-prospectus may update information contained in this joint proxy statement-prospectus or information

contained in previously filed documents. Later dated documents filed with the SEC and incorporated by reference update and, in the event of a conflict, supersede earlier documents filed with the SEC.

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**Q: WHEN DO YOU EXPECT TO COMPLETE THE MERGER?**

A: We are working toward completing the merger as quickly as possible and intend to close the merger in the fourth quarter of 2014. We cannot close the merger until after 1st United shareholders approve the merger agreement; Valley shareholders approve the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares and all regulatory approvals have been obtained.

**Q: WHO SHOULD I CALL WITH QUESTIONS OR TO OBTAIN ADDITIONAL COPIES OF THIS JOINT PROXY STATEMENT-PROSPECTUS?**

A: If you have questions about the 1st United special meeting or if you need additional copies of this joint proxy statement-prospectus, you should contact:

**John Marino**

**President**

**1st United Bancorp, Inc.**

**1700 Palm Beach Lakes Boulevard, Suite 1000**

**West Palm Beach, Florida 33401**

**Telephone number: (561) 616-3046**

If you have questions about the Valley special meeting or if you need additional copies of this joint proxy statement-prospectus, you should contact:

**Dianne Grenz**

**Executive Vice President**

**Valley National Bancorp**

**1455 Valley Road**

**Wayne, New Jersey 07470**

**Telephone number: (973) 305-4005**

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**SUMMARY**

*This is a summary of certain information regarding the proposed merger, the 1st United shareholder meeting to vote on the merger agreement and the Valley shareholder meeting to vote on the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares. We urge you to carefully read the entire joint proxy statement-prospectus, including the appendices, before deciding how to vote.*

*This joint proxy statement-prospectus, including information included or incorporated by reference in this joint proxy statement-prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between Valley and 1st United, including future financial and operating results and performance; statements about Valley's and 1st United's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as expects, anticipates, intends, plans, believes, views, seeks, estimates, predicts, continues, allows, reflects, typically, usually, will, should, may or the negative of these terms or words of similar meaning. These forward-looking statements are based upon the current beliefs and expectations of Valley's and 1st United's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of Valley and 1st United. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements. See *Forward-Looking Statements* on page [ ].*

**What this Document is About**

The Board of Directors of 1st United and the Board of Directors of Valley have each approved an Agreement and Plan of Merger for the merger of 1st United into Valley. In order to complete the merger, the shareholders of 1st United must approve the merger agreement and the shareholders of Valley must approve the Charter Amendment Proposal. The 1st United Board of Directors has called a special meeting of 1st United shareholders to vote on approval of the merger agreement, to vote on approval of the Executive Compensation Proposal, and to vote on approval of the 1st United Adjournment Proposal. The Valley Board of Directors has called a special meeting of Valley shareholders to vote on approval of the Charter Amendment Proposal and to vote on approval of the Valley Adjournment Proposal. This document is the joint proxy statement used by the 1st United Board of Directors and the Valley Board of Directors to solicit proxies for their respective company's special meeting. It is also the prospectus of Valley regarding the Valley common stock to be issued to 1st United shareholders if the merger is completed.

**1st United Special Meeting**

Shares Entitled to Vote

The 1st United Board of Directors has selected [ ], 2014 as the record date for the 1st United special meeting. Each of the [ ] shares of 1st United common stock outstanding on the record date are entitled to vote at the 1st United special meeting.

As of such record date, directors and executive officers of 1st United and their affiliates owned or had the right to vote a total of [ ] shares or [ ]% of the outstanding 1st United common stock on such date. As of such record date, none of Valley's directors or executive officers, or their respective affiliates, had the right to vote any shares of 1st United common stock entitled to be voted at the 1st United special meeting.



As of such record date, directors and executive officers of Valley and their affiliates owned or had the right to vote a total of [ ] shares or [ ]% of the outstanding Valley common stock on such date. As of



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such record date, none of 1st United's directors or executive officers, or their respective affiliates, had the right to vote any shares of Valley common stock entitled to be voted at the Valley special meeting.

**Quorum**

The presence at the special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of Valley common stock as of the Valley record date is considered a quorum for the transaction of business. If you submit a properly completed proxy or if you appear at the Valley special meeting to vote in person, your shares of Valley common stock will be considered part of the quorum. Abstentions and broker non-votes will be counted as present to determine if a quorum for the transaction of business is present.

**Vote Required to Approve the Charter Amendment Proposal**

The affirmative vote of a majority of the votes cast by the holders of Valley common stock at the Valley special meeting is required to approve the Charter Amendment Proposal.

**Vote Required to Approve the Valley Adjournment Proposal**

The affirmative vote of a majority of the votes cast by the holders of Valley common stock at the Valley special meeting is required to approve the Valley Adjournment Proposal.

**The Companies**

**Valley**

Valley, a New Jersey corporation, is the bank holding company for Valley National Bank. Valley is a regional bank holding company headquartered in Wayne, New Jersey with \$16.3 billion in assets. Its principal subsidiary, Valley National Bank, currently operates 204 branches in 144 communities serving 16 counties throughout northern and central New Jersey, Manhattan, Brooklyn, Queens and Long Island. Valley's principal executive offices are located at 1455 Valley Road, Wayne, New Jersey 07470, and its telephone number is (973) 305-8800.

**1st United**

1st United, a Florida corporation, is the bank holding company for 1st United Bank. 1st United is a \$1.7 billion financial holding company headquartered in Boca Raton, Florida. 1st United's principal subsidiary, 1st United Bank, is a Florida chartered commercial bank, which operates 21 branches in southeast and central Florida, including Brevard, Broward, Hillsborough, Indian River, Miami-Dade, Orange, Palm Beach, and Pinellas Counties. 1st United's principal executive offices are located at One North Federal Highway, Boca Raton, Florida 33432, and its telephone number is (561) 362-3400.

**The Merger**

**General Description**

1st United will merge with Valley, with Valley as the surviving entity. The merger is expected to occur on the last day of the fiscal quarter which is five business days after receipt of all regulatory approvals and

all material conditions to closing have been met or

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such other date as the parties agree. The terms of the proposed merger are set forth in a merger agreement signed by 1st United and Valley. A copy of the merger agreement is attached as *Appendix A* to this document and is incorporated herein by reference.

Consideration to 1st United Shareholders

In the merger, 1st United shareholders will receive 0.89 of a share of Valley common stock for each share of 1st United common stock they own, subject to adjustment and subject to the payment of cash in lieu of fractional shares. In the event Valley's Average Closing Price is less than \$8.09, then Valley will increase the 0.89 exchange ratio (or, in lieu of such increase, make a cash payment to 1st United shareholders) so that 1st United shareholders receive \$7.20 in Valley common stock (and cash, if applicable) for each 1st United share they hold. In the event Valley's Average Closing Price is greater than \$12.13, then Valley will decrease the 0.89 exchange ratio so that 1st United shareholders receive \$10.80 in Valley common stock for each 1st United share they hold. On May 7, 2014, the last trading day before the merger was publicly announced, the closing price of Valley common stock was \$9.76. On [ ], 2014, a date which is shortly before the date of this joint proxy statement-prospectus, the closing price of Valley common stock was \$[ ].

Assuming none of the outstanding 1st United stock options are exercised prior to the closing of the merger, the parties currently estimate that Valley will issue approximately 30.1 million shares of its common stock in connection with the merger.

1st United Stock Options

Each outstanding 1st United stock option, whether unvested or vested, will be cancelled and converted into the right to receive a cash payment from 1st United immediately prior to the effective time of the merger equal to the product of the number of shares underlying the 1st United stock option multiplied by the excess, if any, of Valley's Average Closing Price, multiplied by the exchange ratio, over the exercise price of the 1st United stock option.

Listing of Valley Common Stock and Delisting of 1st United Common Stock

Valley will apply for listing of the common shares to be issued in the merger on the New York Stock Exchange, where Valley common shares are currently listed. If the merger is completed, the shares of Valley common stock to be issued in the merger will be listed on the New York Stock Exchange under the symbol VLY, and 1st United shares will no longer be listed on the NASDAQ Global Select Market and will be deregistered under the Exchange Act.

Tax-Free Nature of the Merger

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and it is a condition to our respective obligations to

complete the merger that each of Valley and 1st United receive a legal opinion to that effect. Accordingly, the merger generally will be tax-free to you for United States federal income tax purposes as to the shares of Valley common stock you receive in the merger.

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**Tax matters are very complicated, and the tax consequences of the merger to each 1st United shareholder will depend on the facts of that shareholder's particular situation. We urge you to read the more complete description of the merger's tax consequences beginning on page [ ] and to consult with your own tax advisor regarding the specific tax consequences of the merger to you under applicable tax laws.**

Exchanging 1st United Stock Certificates

Shortly following the closing, 1st United shareholders will receive a letter of transmittal and instructions for exchanging their 1st United stock certificates. In order to receive their Valley common stock, 1st United shareholders must send their stock certificates to American Stock Transfer & Trust Company, the exchange agent, after the closing. 1st United shareholders will need to carefully review and complete these materials and return them as instructed along with their stock certificates for 1st United common stock.

If 1st United shareholders do not have stock certificates but hold shares of 1st United common stock with their broker in street name, the shares will be exchanged for them by their broker.

Dividends

Valley and 1st United have agreed in the merger agreement that 1st United may continue to pay a quarterly cash dividend equal to \$0.02 per share consistent with past practice with respect to the quarterly periods following the signing of the merger agreement, subject to the discretion of the 1st United Board of Directors. In the event the merger does not close before December 31, 2014, 1st United may increase its quarterly cash dividend to a per share amount equal to Valley's then-current quarterly cash dividend.

Reselling the Stock You Receive in the Merger

The shares of Valley common stock to be issued in the merger will be registered under the Securities Act of 1933, as amended. You may freely transfer those shares after you receive them.

Recommendation of 1st United Board of Directors

1st United's Board of Directors has determined that the merger is fair and in the best interests of 1st United and its shareholders. The 1st United Board of Directors unanimously recommends that 1st United shareholders vote **FOR** approval of the merger agreement.

Risk Factors

An investment in Valley common stock includes substantial risks. See the section entitled Risk Factors beginning on page [ ] for a discussion of risks associated with the merger and an investment in Valley common stock.

Opinions of 1st United's Financial Advisors

In connection with evaluating the proposed merger, the 1st United Board of Directors considered the separate opinions of 1st United's financial

advisors, Keefe, Bruyette & Woods, Inc. ( KBW ) and RP Financial, LC ( RP Financial ), each dated May 7, 2014, to the effect that the 0.89 exchange ratio in the merger was fair to holders of 1st United common stock from a financial point of view. The KBW

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opinion and the RP Financial opinion are attached to this joint proxy statement-prospectus as *Appendix B* and *Appendix C*, respectively. We encourage 1st United shareholders to read these opinions. These opinions do not constitute a recommendation as to how any 1st United shareholder should vote on the merger. For information on how KBW and RP Financial arrived at their respective opinions, see pages [ ] - [ ].

Holdings of 1st United Common Stock Do Not Have Dissenters' Rights

Dissenters' rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares in cash as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Dissenters' rights are not available in all circumstances, and exceptions to these rights are provided under the Florida Business Corporation Act (the "FBCA"). Under the provisions of the FBCA, the holders of 1st United common stock are not entitled to dissenters' rights in the merger. See the section entitled "Proposal 1 of the 1st United Special Meeting - The Merger - No Dissenters' Rights" on page [ ].

Conditions That Must Be Satisfied or Waived for the Merger to Occur

Currently, we expect to complete the merger during the fourth quarter of 2014. As more fully described in this document and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, receipt of the requisite approvals of 1st United shareholders, the receipt of all required regulatory approvals and consents or waivers, including from the OCC and the FRB, receipt of the requisite approval of Valley shareholders to the amendment to Valley's Restated Certificate of Incorporation, the receipt of written consents from the FDIC for the assignment of the shared-loss agreements between 1st United Bank and the FDIC to Valley National Bank (which has been received by Valley), and the receipt of legal opinions by each company regarding the United States federal income tax treatment of the merger.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination of the Merger Agreement

1st United and Valley may mutually agree to terminate the merger agreement before completing the merger, even after shareholder approval.

The merger agreement can be terminated by either party in any of the following circumstances:

if the merger has not been completed on or before May 31, 2015, unless the failure to complete the merger by that date is due to the breach of the merger agreement by the party seeking to terminate the merger agreement;



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if there has been a final, non-appealable action denying any required regulatory approval for the merger or the transactions contemplated by the merger agreement unless the failure to obtain the regulatory approval is due to the breach of the merger agreement by the party seeking to terminate the merger agreement;

if the requisite 1st United shareholder vote in connection with approval of the merger agreement is not obtained at the 1st United special meeting (or any adjournment or postponement thereof);

if the requisite Valley shareholder vote in connection with approval of the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley common stock by 100,000,000 shares is not obtained at the Valley special meeting (or any adjournment or postponement thereof); or

if there is a breach of the representations and warranties or other covenants in the merger agreement by one of the parties that is not cured within 30 days following notice or cannot be cured prior to May 31, 2015, and would result in (i) the failure to satisfy any of the closing conditions by May 31, 2015, or (ii) a material adverse effect on the party committing such breach, provided that the terminating party is not in breach of the merger agreement.

The merger agreement can be terminated by Valley in any of the following circumstances:

if, prior to receipt of the 1st United shareholder approval, 1st United, its Board of Directors or any committee of its Board of Directors (1) withdraws, modifies or qualifies in a manner adverse to Valley, or refuses to make, the recommendation that its shareholders approve the merger agreement or adopts, approves, recommends, endorses or otherwise declares advisable certain other business combination proposals, (2) fails to recommend the merger and the approval of the merger agreement by its shareholders, (3) breaches its non-solicitation obligations under the merger agreement in any material respect adverse

to Valley, or (4) in response to a tender or exchange offer for 10% or more of the outstanding shares of 1st United's common stock being commenced (other than by Valley or a subsidiary thereof), recommends that its shareholders tender their shares or otherwise fails to recommend that their shareholders reject such offer within a 10-business day period; or

if 1st United cannot meet the closing conditions by May 31, 2015.

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The merger agreement can be terminated by 1st United in any of the following circumstances:

if, prior to receipt of the 1st United shareholder approval, 1st United receives a proposal that the 1st United Board of Directors concludes to be more favorable than the merger with Valley and enters into an acquisition agreement with a third-party with respect to such superior proposal; or

if, prior to receipt of the 1st United shareholder approval, the 1st United Board of Directors determines in good faith, after consultation with 1st United's counsel and financial advisors, that the 1st United Board of Directors would be breaching its fiduciary duties under applicable law by not withdrawing its recommendation to 1st United shareholders of approval of the merger with Valley or by not entering into an agreement which is intended to or is reasonably likely to lead to an acquisition proposal; or

if Valley cannot meet the closing conditions by May 31, 2015.

For a more complete description of these and other termination rights available to 1st United and Valley, see page [ ].

Termination Fee and Termination Expenses

Under certain circumstances, if the merger agreement is terminated and 1st United is acquired or executes a definitive agreement to be acquired by another entity within 12 months after the termination, Valley is entitled to receive a termination fee from 1st United of \$14.5 million, plus Valley's reasonable out of pocket expenses up to \$750,000. Under certain circumstances, if the merger agreement is terminated by Valley or 1st United due to the breach by the other party of any representations, warranties, covenants or other agreements contained in the merger agreement and such breach is not cured and would result in the failure to satisfy any of the closing conditions by May 31, 2015 or a material adverse effect on the party committing such breach, then the non-breaching party is entitled to receive reasonable out of pocket expenses up to \$750,000 from the breaching party. For a more complete description of the termination fee and termination expenses potentially payable under the merger agreement, see page [ ].

Valley Board of Directors Following  
Completion of the Merger

Upon completion of the merger, there will be no additions or changes to Valley s or Valley National Bank s Boards of Directors.

1st United has Agreed Not to Solicit  
Alternative Transactions

In the merger agreement, 1st United has agreed not to initiate, solicit or knowingly encourage or facilitate inquiries with, or engage in negotiations with, or provide any information to, any person other than Valley concerning an acquisition transaction involving 1st United or 1st United Bank. However, 1st United may take certain of

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these actions if its Board of Directors determines that it should do so. This determination by the 1st United Board of Directors must be made after such Board of Directors consults with counsel and its financial advisors, and must be based in accordance with the 1st United Board of Director s fiduciary duties. This restriction may deter other potential acquirors of 1st United.

**The Rights of 1st United Shareholders Will Change as a Result of the Merger**

The rights of 1st United shareholders are governed by Florida law, as well as the 1st United Amended and Restated Articles of Incorporation, as amended, and the 1st United Amended and Restated Bylaws. After completion of the merger, the rights of former 1st United shareholders who receive Valley common stock in the merger will be governed by New Jersey law and the Valley Restated Certificate of Incorporation and the Valley By-laws. A description of the material differences in shareholder rights begins on page [ ].

**Share Information and Market Prices**

Valley common stock is listed on the New York Stock Exchange under the symbol VLY and 1st United common stock is traded on the NASDAQ Global Select Market under the symbol FUBC . The following table lists the closing prices of Valley common stock and 1st United common stock on May 7, 2014, the last trading day before the announcement of the merger, and on [ ], 2014, a date shortly before the date of this joint proxy statement-prospectus as well as the implied value of one share of 1st United common stock on each date based on the anticipated exchange ratio of 0.89 of a share of Valley common stock for each share of 1st United common stock. You should obtain current market quotations for Valley and 1st United common stock. Because the exchange ratio is fixed and trading prices fluctuate, 1st United shareholders are not assured of receiving any specific market value of Valley common stock.

<b>Date</b>	<b>Closing Sale Price Per Share of Valley Common Stock</b>	<b>Closing Sale Price Per Share of 1st United Common Stock</b>	<b>Equivalent Value of Consideration Per Share of 1st United Common Stock</b>
May 7, 2014	\$9.76	\$7.31	\$8.69
[ ], 2014	\$[ ]	\$[ ]	\$[ ]

**Financial Interests of 1st United s Directors and Executive Officers in the Merger**

On the record date of the 1st United special meeting, directors and executive officers of 1st United and their affiliates owned or had the right to vote a total of [ ] shares or [ ]% of the outstanding 1st United common stock on such date.

Certain 1st United directors and executive officers have interests in the merger as individuals in addition to, or different from, their interests as shareholders, such as receiving salaries or other benefits.

Pursuant to the merger agreement, Valley will honor the existing revised employment agreements between 1st United and its officers

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and has entered into new employment agreements with certain 1st United executive officers that become effective upon the closing of the merger.

Valley has agreed to indemnify the directors and officers of 1st United against certain liabilities for a six-year period following the merger.

For additional information on the benefits of the merger to 1st United directors and management, see page [ ].

**Litigation Relating to the Merger**

1st United, 1st United's directors and Valley are named as defendants in a purported class action lawsuit brought by a 1st United shareholder challenging the proposed merger and seeking, among other things, to enjoin completion of the merger on the agreed-upon terms. Another earlier such lawsuit was voluntarily dismissed by the named plaintiff. See Proposal 1 of the 1st United Special Meeting The Merger Litigation Relating to the Merger beginning on page [ ] for more information about the purported class action lawsuit related to the merger that is pending.

**Other Proposals at 1st United Special Meeting**

**Approval of the Executive Compensation Proposal**

In accordance with SEC rules, 1st United is providing its shareholders with the opportunity to vote on approval, on a non-binding advisory basis, of the compensation of the named executive officers of 1st United based on or related to the merger, as reported on the table Golden Parachute Compensation Subject to Advisory Vote on page [ ], and the associated narrative discussion. The 1st United Board of Directors unanimously recommends that 1st United shareholders vote FOR approval of the Executive Compensation Proposal.

**Approval of the 1st United Adjournment Proposal**

1st United shareholders are being asked to approve a proposal to authorize the 1st United Board of Directors to adjourn or postpone the 1st United special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before such special meeting. The 1st United Board of Directors unanimously recommends that 1st United shareholders vote FOR the 1st United Adjournment Proposal.

**Approval of the Amendment to Valley's Restated Certificate of Incorporation**

**Approval of the Charter Amendment Proposal**

As a condition to the closing of the transactions contemplated by the merger agreement, Valley shareholders are required to approve an amendment to Valley's Restated Certificate of Incorporation to increase

the number of authorized shares of Valley's common stock



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by 100,000,000 shares. Valley requires this amendment to Valley's Restated Certificate of Incorporation to allow Valley to have sufficient authorized common stock to issue Valley common stock as merger consideration to 1st United shareholders. As of the date of this joint proxy statement-prospectus, Valley has approximately 24.9 million authorized but unissued shares of common stock (net of shares reserved for issuance pursuant to stock options and warrants). Under the terms of the merger agreement and assuming all 1st United stock options are exercised prior to the closing of the merger, Valley will be required to issue approximately 34.5 million shares of common stock to 1st United shareholders. Accordingly, if Valley shareholders fail to approve the proposed amendment, Valley cannot complete the merger. Additional authorized shares not issued in the merger will be used for general corporate purposes, including possible future acquisitions and capital raising. The Valley Board of Directors unanimously recommends that Valley shareholders vote FOR approval of the Charter Amendment Proposal.

## Opinion of Valley's Financial Advisor

In deciding to approve the merger agreement, the Valley Board of Directors required an opinion of its financial advisor, Sandler, O'Neill & Partners, L.P. (Sandler O'Neill), dated as of May 7, 2014, that the exchange ratio was fair to Valley from a financial point of view. The opinion is attached to this joint proxy statement-prospectus as *Appendix D*. We encourage Valley shareholders to read this opinion. This opinion does not constitute a recommendation as to how any Valley shareholder should vote on the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares. For information on how Sandler O'Neill arrived at its opinion, see pages [ ] - [ ].

**Other Proposal at Valley Special Meeting**

## Approval of the Valley Adjournment Proposal

Valley shareholders are being asked to approve a proposal to authorize the Valley Board of Directors to adjourn or postpone the Valley special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of approval of the proposed amendment to Valley's Restated Certificate of Incorporation or to vote on other matters properly before such special meeting. The Valley Board of Directors unanimously recommends that Valley shareholders vote FOR the Valley Adjournment Proposal.

**Table of Contents****SUMMARY FINANCIAL DATA OF VALLEY**

Valley is providing the following information to aid you in your analysis of the financial aspects of the merger. Valley derived the financial information as of and for the fiscal years ended December 31, 2009 through December 31, 2013 from its historical audited financial statements for these fiscal years. Valley derived the financial information as of and for the three months ended March 31, 2013 and March 31, 2014 from its unaudited financial statements, which financial statements include, in the opinion of Valley's management, all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of those results. The per common share data below have been restated to give retroactive effect to stock splits and stock dividends.

The results for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2014. This information is only a summary, and you should read it in conjunction with Valley's consolidated financial statements and the related notes contained in Valley's periodic reports filed with the SEC that have been incorporated by reference in this joint proxy statement-prospectus. See "Information Incorporated by Reference" beginning on page [ ].

(dollars in thousands, except per share data)	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,				
	2014	2013	2013	2012 <sup>(1)</sup>	2011	2010	2009
<b>Selected Financial Condition Data:</b>							
Total assets	\$ 16,344,464	\$ 16,028,703	\$ 16,156,541	\$ 16,012,646	\$ 14,252,755	\$ 14,151,249	\$ 14,290,734
Loans and loans held for sale	11,726,980	10,946,551	11,578,100	11,143,029	9,824,810	9,424,753	9,395,563
Allowance for loan losses	(106,709)	(121,844)	(113,617)	(130,200)	(133,802)	(124,704)	(101,990)
Investment securities	2,623,934	2,543,004	2,575,693	2,429,680	2,547,374	2,991,169	2,969,819
Cash and interest bearing deposits with banks	379,602	970,036	369,168	853,100	379,049	366,286	661,337
Goodwill and other intangible assets	462,420	463,206	464,364	459,357	338,780	343,541	320,729
Deposits	11,267,985	11,302,591	11,319,262	11,264,018	9,673,102	9,363,614	9,547,285
Borrowings	3,373,479	3,033,997	3,114,850	3,040,144	3,124,546	3,313,098	3,343,617

Shareholders equity	1,559,889	1,507,999	1,541,040	1,502,377	1,254,836	1,284,935	1,243,748
<b>Selected Operating Data:</b>							
Interest income	\$ 153,038	\$ 153,033	\$ 616,097	\$ 671,193	\$ 673,824	\$ 676,812	\$ 712,184
Interest expense	39,014	42,997	168,377	181,312	199,013	214,060	262,870
Net interest income	114,024	110,036	447,720	489,881	474,811	462,752	449,314
Provision for credit losses	3,998	1,769	16,095	25,552	53,335	49,456	47,992
Net interest income after provision for loan losses	110,026	108,267	431,625	464,329	421,476	413,296	401,322
(Losses) gains on securities transactions, net	(8)	3,958	14,678	2,587	32,068	11,598	8,005
Net impairment losses on securities recognized in earnings				(5,247)	(19,968)	(4,642)	(6,352)
Trading (losses) gains, net	(9)	(2,202)	909	2,793	2,271	(6,897)	(10,434)
Gains on sales of loans, net	913	15,060	33,695	46,998	10,699	12,591	8,937
(Losses) gains on sale of assets, net	(148)	(268)	10,947	(329)	426	619	605
All other non-interest income	18,774	14,748	68,424	74,144	86,801	78,058	71,490
FDIC insurance assessment	3,287	3,353	16,767	14,292	12,759	13,719	20,128
All other non-interest expense	91,596	92,086	364,571	360,608	325,797	305,969	288,039
	34,665	44,124	178,940	210,375	195,217	184,935	165,406

Income before income taxes								
Income tax expense	830	12,814	46,979	66,748	62,706	54,929	50,587	
Net income	33,835	31,310	131,961	143,627	132,511	130,006	114,819	
Dividends on preferred stock and accretion								19,524
Net income available to common shareholders	\$ 33,835	\$ 31,310	\$ 131,961	\$ 143,627	\$ 132,511	\$ 130,006	\$ 95,295	

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(dollars in thousands, except per share data)	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,				
	2014	2013	2013	2012 <sup>(1)</sup>	2011	2010	2009
<b>Selected Financial Ratios and Other Data:</b>							
<i>Performance Ratios:</i>							
Return on average assets	0.84%	0.79%	0.83%	0.91%	0.93%	0.92%	0.80%
Return on average shareholders equity	8.76	8.31	8.69	9.57	10.11	10.23	8.55
Net interest margin	3.15	3.12	3.14	3.47	3.71	3.65	3.45
Efficiency ratio <sup>(2)</sup>	71.05	67.53	66.16	61.38	57.67	57.70	59.09
Average interest-earning assets to average interest-bearing liabilities	1.34	1.31	1.32	1.28	1.25	1.22	1.23
<i>Per Common Share Data:</i>							
Basic earnings per share	\$ 0.17	\$ 0.16	\$ 0.66	\$ 0.73	\$ 0.74	\$ 0.73	\$ 0.57
Diluted earnings per share	0.17	0.16	0.66	0.73	0.74	0.73	0.57
Dividends declared	0.11	0.16	0.60	0.65	0.66	0.66	0.66
Book value (end of period)	7.79	7.58	7.72	7.57	7.02	7.22	7.02
Tangible book value <sup>(3)</sup>	5.48	5.25	5.39	5.26	5.13	5.29	5.21
Dividend payout ratio	65%	100%	91%	89%	89%	90%	116%
<i>Capital Ratios:</i>							
Average shareholders equity to average assets	9.53%	9.52%	9.51%	9.48%	9.19%	9.00%	9.40%
Shareholders equity to total assets	9.54	9.41	9.54	9.38	8.80	9.08	8.70
Tangible common equity to tangible assets <sup>(4)</sup>	6.91	6.71	6.86	6.71	6.58	6.82	6.61
<i>Regulatory Capital Ratios:</i>							
Tier 1 capital	9.72%	11.08%	9.65%	10.87%	10.81%	10.83%	10.54%
Total capital	11.85	12.53	11.87	12.38	12.64	12.81	12.45
Leverage capital	7.37	8.16	7.27	8.09	7.99	8.23	8.07

**Asset Quality Ratios:**

Non-performing assets ( NPAs )	\$ 114,601	\$ 200,263	\$ 124,792	\$ 195,528	\$ 167,438	\$ 117,260	\$ 98,398
Non-accrual loans to total loans	0.55%	1.16%	0.82%	1.20%	1.27%	1.12%	0.98%
NPAs to total loans and NPAs	0.97	1.82	1.07	1.74	1.68	1.24	1.04
Net loan charge-offs to average loans	0.41	0.36	0.28	0.26	0.45	0.28	0.40
Allowance for loan losses to total loans	0.91	1.13	0.98	1.18	1.37	1.33	1.09
Allowance for credit losses to total loans	0.93	1.15	1.01	1.20	1.39	1.35	1.11

**Notes to Selected Financial Data:**

- (1) Includes the acquisition of State Bancorp, Inc. effective January 1, 2012.
- (2) The efficiency ratio measures total non-interest expense as a percentage of net interest income plus total non-interest income.
- (3) Tangible book value per common share, which is a non-GAAP measure, is computed by dividing shareholders equity less goodwill and other intangible assets by common shares outstanding, as follows:

(dollars in thousands, except per share data)	At March 31,		At December 31,				
	2014	2013	2013	2012	2011	2010	2009
Common shares outstanding	200,361,014	199,045,938	199,593,109	198,438,271	178,683,030	178,010,307	177,102,621
Shareholders equity	\$ 1,559,889	\$ 1,507,999	\$ 1,541,040	\$ 1,502,377	\$ 1,254,836	\$ 1,284,935	\$ 1,243,748
Less: Goodwill and other intangible assets	462,420	463,206	464,364	459,357	338,780	343,541	320,729
Tangible common shareholders equity	\$ 1,097,469	\$ 1,044,793	\$ 1,076,676	\$ 1,043,020	\$ 916,056	\$ 941,394	\$ 923,019
Tangible book value per common	\$ 5.48	\$ 5.25	\$ 5.39	\$ 5.26	\$ 5.13	\$ 5.29	\$ 5.21

share

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(4) Tangible common shareholders' equity to tangible assets, which is a non-GAAP measure, is computed by dividing tangible shareholders' equity (shareholders' equity less goodwill and other intangible assets) by tangible assets, as follows:

(dollars in thousands)	At March 31,		At December 31,				
	2014	2013	2013	2012	2011	2010	2009
Tangible common shareholders equity	\$ 1,097,469	\$ 1,044,793	\$ 1,076,676	\$ 1,043,020	\$ 916,056	\$ 941,394	\$ 923,019
Total assets	16,344,464	16,028,703	16,156,541	16,012,646	14,252,755	14,151,249	14,290,734
Less: Goodwill and other intangible assets	462,420	463,206	464,364	459,357	338,780	343,541	320,729
Tangible assets	\$ 15,882,044	\$ 15,565,497	\$ 15,692,177	\$ 15,553,289	\$ 13,913,975	\$ 13,807,708	\$ 13,970,005
Tangible common shareholders equity to tangible assets	6.91%	6.71%	6.86%	6.71%	6.58%	6.82%	6.61%



**Table of Contents****SUMMARY FINANCIAL DATA OF 1ST UNITED**

1st United is providing the following information to aid you in your analysis of the financial aspects of the merger. 1st United derived the financial information as of and for the fiscal years ended December 31, 2009 through December 31, 2013 from its historical audited financial statements for these fiscal years. 1st United derived the financial information as of and for the three months ended March 31, 2013 and March 31, 2014 from its unaudited financial statements, which financial statements include, in the opinion of 1st United's management, all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of those results. The per common share data below have been restated to give retroactive effect to stock splits and stock dividends.

The results for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2014. This information is only a summary, and you should read it in conjunction with 1st United's consolidated financial statements and the related notes contained in 1st United's periodic reports filed with the SEC that have been incorporated by reference in this joint proxy statement-prospectus. See Information Incorporated by Reference beginning on page [ ].

	<b>As of and for the Three</b>		<b>As of and for the Year Ended December 31,</b>				
<b>(dollars in thousands, Months Ended March 31,</b>	<b>2014</b>	<b>2013</b>	<b>2013<sup>(1)</sup></b>	<b>2012<sup>(2)</sup></b>	<b>2011<sup>(3)</sup></b>	<b>2010<sup>(4)</sup></b>	<b>2009</b>
<b>except per share data)</b>							
<b>Selected Financial Condition Data:</b>							
Total assets	\$ 1,738,395	\$ 1,561,449	\$ 1,845,113	\$ 1,568,612	\$ 1,421,487	\$ 1,267,181	\$ 1,013,441
Loans and loans held for sale	1,159,066	927,692	1,133,980	913,168	879,536	875,931	667,140
Allowance for loan losses	(10,033)	(9,523)	(9,648)	(9,788)	(12,836)	(13,050)	(13,282)
Investment securities	323,828	310,956	327,961	260,122	201,722	102,289	88,843
Cash and interest bearing deposits with banks	78,314	143,962	198,221	207,117	165,424	119,752	135,241
Goodwill and other intangible assets	67,603	61,594	67,798	61,767	55,765	48,297	48,053
Deposits	1,429,381	1,300,277	1,547,913	1,303,022	1,181,708	1,064,687	802,808
Borrowings	58,128	16,610	49,381	19,855	13,746	22,636	32,334
Shareholders' equity	235,241	238,110	230,108	236,690	215,351	173,488	170,594
<b>Selected Operating Data:</b>							
Interest income	\$ 19,538	\$ 17,720	\$ 79,750	\$ 72,849	\$ 60,409	\$ 45,763	\$ 28,539
Interest expense	858	991	3,790	5,313	6,349	7,745	7,246
Net interest income	18,680	16,729	75,960	67,536	54,060	38,018	21,293
Provision for credit losses	333	650	3,475	6,350	7,000	13,520	13,240
	18,347	16,079	72,485	61,186	47,060	24,498	8,053

Net interest income after provision for loan losses							
Gains on securities transactions, net	122	824	1,673	364	435	596	
Gains on sales of loans, net	46	58	106	58	73	98	
All other non-interest income	(1,246)	(1,156)	(9,132)	(4,445)	1,317	14,036	22,268
FDIC insurance assessment	360	308	1,379	1,281	1,209	1,659	1,140
All other non-interest expense	12,540	12,168	51,893	49,703	41,636	34,770	25,028
Income before income taxes	4,201	2,615	10,963	7,536	5,954	2,613	4,847
Income tax expense	1,515	995	4,092	2,808	2,282	1,015	1,827
Net income	2,686	1,620	6,871	4,728	3,672	1,598	3,020
Dividends on preferred stock and accretion							774
Net income available to common stockholders	\$ 2,686	\$ 1,620	\$ 6,871	\$ 4,728	\$ 3,672	\$ 1,598	\$ 2,246

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(dollars in thousands, except per share data)	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,				
	2014	2013	2013 <sup>(1)</sup>	2012 <sup>(2)</sup>	2011 <sup>(3)</sup>	2010 <sup>(4)</sup>	2009
<b>Selected Financial Ratios and Other Data:</b>							
<b>Performance Ratios:</b>							
Return on average assets	0.63%	0.42%	0.41%	0.31%	0.28%	0.15%	0.46%
Return on average shareholders equity	4.64	2.76	2.91	2.03	1.80	0.91	2.44
Net interest margin <sup>(5)</sup>	4.97	5.09	5.29	5.13	4.76	4.06	3.69
Efficiency ratio <sup>(6)</sup>	70.57	75.52	71.75	74.80	74.27	61.38	51.06
Average interest-earning assets to average interest-bearing liabilities	1.58	1.52	1.52	1.46	1.48	1.44	1.39
<b>Per Common Share Data:</b>							
Basic earnings per share	\$ 0.08	\$ 0.05	\$ 0.20	\$ 0.14	\$ 0.13	\$ 0.06	\$ 0.17
Diluted earnings per share	0.08	0.05	0.20	0.14	0.13	0.06	0.17
Dividends declared <sup>(7)</sup>	0.02		0.13	0.10			
Book value (end of period)	6.82	6.94	6.71	6.95	7.04	7.00	6.88
Tangible book value <sup>(8)</sup>	4.86	5.15	4.73	5.13	5.22	5.05	4.94
Dividend payout ratio	25%	%	65%	71%	%	%	%
<b>Capital Ratios:</b>							
Average shareholders equity to average assets	13.50%	15.32%	14.26%	15.21%	15.64%	16.56%	18.97%
Shareholders equity to total assets	13.53	15.25	12.47	15.09	15.15	13.69	16.83
Tangible common equity to tangible assets <sup>(9)</sup>	10.03	11.77	9.13	11.61	11.69	10.27	12.69
<b>Regulatory Capital Ratios:</b>							
Tier 1 capital	14.70%	20.36%	14.61%	21.21%	23.90%	21.02%	23.23%
Total capital	15.58	21.48	15.47	22.43	25.16	23.08	25.45
Leverage capital	10.09	11.62	9.66	11.44	11.75	11.78	12.54
<b>Asset Quality Ratios:</b>							
Non-performing assets ( NPA's )	\$ 31,528	\$ 42,669	\$ 34,416	\$ 42,945	\$ 56,988	\$ 30,196	\$ 16,259
Non-accrual loans to total loans	1.32%	2.54%	1.40%	2.56%	4.94%	2.60%	2.34%
NPA's to total loans and NPA's	2.65	4.40	2.95	4.49	6.09	3.33	2.38
Net loan charge-offs to average loans		0.10	0.35	1.01	0.87	2.01	1.14
Allowance for loan losses to total loans	0.87	1.03	0.85	1.07	1.46	1.49	1.99

Allowance for credit losses to total loans	0.87	1.03	0.85	1.07	1.46	1.49	1.99
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**Notes to Selected Financial Data:**

- (1) Includes the acquisition of Enterprise Bancorp, Inc. effective July 1, 2013.
- (2) Includes the acquisition of Anderen Financial, Inc. effective April 1, 2012.
- (3) Includes the acquisition of Old Harbor Bank of Florida effective October 1, 2011.
- (4) Includes the acquisition of The Bank of Miami, N.A. effective December 17, 2010.
- (5) Includes 0.75%, 0.91%, 1.13%, 0.81%, 0.33%, 0.60% and 0%, respectively, related to the resolution of and changes in cash flows on acquired assets.
- (6) The efficiency ratio measures total non-interest expense as a percentage of net interest income plus total non-interest income.
- (7) Calculated based on dividends declared in period regardless of period paid.
- (8) Tangible book value per common share, which is a non-GAAP measure, is computed by dividing shareholders equity less goodwill and other intangible assets by common shares outstanding, as follows:

Dollars in thousands, except per share data)	At March 31,			At December 31,			
	2014	2013	2013	2012	2011	2010	2009
Common shares outstanding	34,489,547	34,287,056	34,288,841	34,070,270	30,569,032	24,793,089	24,781,660
Shareholders equity	\$ 235,241	\$ 238,110	\$ 230,108	\$ 236,690	\$ 215,351	\$ 173,488	\$ 170,594
Less: Goodwill and other intangible assets	67,603	61,594	67,798	61,767	55,765	48,297	48,053
Tangible common shareholders equity	\$ 167,638	\$ 176,516	\$ 162,310	\$ 174,923	\$ 159,586	\$ 125,191	\$ 122,541
Tangible book value per common share	\$ 4.86	\$ 5.15	\$ 4.73	\$ 5.13	\$ 5.22	\$ 5.05	\$ 4.94

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(9) Tangible common shareholders equity to tangible assets, which is a non-GAAP measure, is computed by dividing tangible shareholders equity (shareholders equity less goodwill and other intangible assets) by tangible assets, as follows:

(dollars in thousands)	At March 31,		2013	2012	At December 31,		2009
	2014	2013			2011	2010	
Tangible common shareholders equity	\$ 167,638	\$ 176,516	\$ 162,310	\$ 174,923	\$ 159,586	\$ 125,191	\$ 122,541
Total assets	1,738,395	1,561,449	1,845,113	1,568,612	1,421,487	1,267,181	1,013,441
Less: Goodwill and other intangible assets	67,603	61,594	67,798	61,767	55,765	48,297	48,053
Tangible assets	\$ 1,670,792	\$ 1,499,855	\$ 1,777,315	\$ 1,506,845	\$ 1,365,722	\$ 1,218,884	\$ 965,388
Tangible common shareholders equity to tangible assets	10.03%	11.77%	9.13%	11.61%	11.69%	10.27%	12.69%

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**COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA AND  
COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

Set forth below are the earnings per share, period-end book value per share and cash dividends per share for the common stock of Valley and 1st United for the periods noted. The data is presented on a historical and pro forma basis. The historical per share data were derived from the financial statements of Valley and 1st United that have been filed with the SEC, certain of which are incorporated by reference herein. See Information Incorporated by Reference on page [ ]. The pro forma combined share data have been derived after giving effect to the 1st United merger as if it occurred at the beginning of the period presented using the purchase method of accounting. The historical per share data for both Valley and 1st United have been restated to retroactively reflect the effect of stock dividends and stock splits. See Summary Financial Data of Valley on page [ ] and Summary Financial Data of 1st United on page [ ].

The preliminary pro forma financial information reflects estimated adjustments to record 1st United's assets and liabilities at their respective fair values based on Valley management's best estimate using the information available at this time. The preliminary pro forma adjustments will be revised as additional information becomes available and as additional analyses are performed. The final allocation of the purchase price will be determined after the merger is completed and after the completion of a final analysis to determine the fair values of 1st United's tangible and identifiable intangible assets and liabilities as of the closing date. The final purchase price adjustments may differ materially from the estimated pro forma adjustments reflected in the preliminary pro forma financial information. Increases or decreases in the fair value of certain balance sheet amounts and other items of 1st United as compared to the estimates reflected in the preliminary pro forma financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact the statement of income due to adjustments in yield and/or amortization of adjusted assets and liabilities.

It is anticipated that the merger will provide Valley with financial benefits, such as possible expense efficiencies and revenue enhancements, among other factors, although no assurances can be given that these benefits will actually be achieved. The impact of these benefits has not been reflected in the preliminary pro forma financial information. Additionally, merger related expenses and the amortization and accretion of the purchase accounting adjustments are not expected to be material to the post acquisition results of operation and are not included in the preliminary pro forma financial information.

The preliminary pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the financial results of the combined companies had the merger actually been completed as of or at the beginning of each period presented nor does it indicate future results for any other interim or full-year period.

Book value per share for the pro forma combined presentation is based upon outstanding shares of Valley common stock, adjusted to include the estimated number of shares of Valley common stock to be issued in the merger for outstanding shares of 1st United common stock at the time the merger is completed, assuming that the exchange ratio is 0.89 of a share of Valley common stock for each share of 1st United common stock. The per share equivalent pro forma combined data for shares of 1st United common stock is also based on the assumption that the exchange ratio is 0.89 of a share of Valley common stock for each share of 1st United common stock.

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The dividend per share data shown below do not necessarily indicate the dividends that you should expect for any future period. The amount of future dividends payable by Valley or 1st United, if any, is at the discretion of their respective Boards of Directors. When declaring dividends, the Boards of Directors normally consider cash needs, general business conditions, dividends from subsidiaries and applicable governmental regulations and policies. Pro forma amounts assume that Valley would have declared cash dividends per share on Valley common stock, including the Valley common stock issued in the merger for 1st United common stock, equal to its historical cash dividends per share declared on Valley common stock.

	<b>Historical Valley</b>	<b>Historical 1st United</b>	<b>Pro Forma Combined</b>
<b>Three Months Ended March 31, 2014</b>			
Earnings per share:			
Basic	\$ 0.17	\$ 0.08	\$ 0.16
Diluted	0.17	0.08	0.16
Period-end book value per share	7.79	6.82	7.95
Cash dividends per share	0.11	0.02	0.11
<b>Year Ended December 31, 2013</b>			
Earnings per share:			
Basic	\$ 0.66	\$ 0.20	\$ 0.61
Diluted	0.66	0.20	0.60
Period-end book value per share	7.72	6.71	7.89
Cash dividends per share	0.60	0.14	0.60

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The first table below presents, for the periods indicated, the high and low prices per share of Valley common stock and 1st United common stock and the cash dividends declared per share of Valley common stock and 1st United common stock. The prices of Valley common stock and 1st United common stock have been restated to give retroactive effect to all stock dividends and stock splits. The second table presents the implied value of one share of 1st United common stock on May 7, 2014 (the last trading day before the public announcement of the merger), computed by multiplying the Valley closing price on that date by the 0.89 exchange ratio. The second table also presents the implied value of one share of 1st United common stock on [ ], 2014 (the most recent practicable trading day prior to the date of this joint proxy statement-prospectus) by multiplying the 0.89 exchange ratio by the [ ], 2014 Valley closing price. Valley common stock is listed on the New York Stock Exchange under the symbol  **VLY**  and 1st United common stock is listed on the NASDAQ Global Select Market under the symbol  **FUBC** . We urge you to obtain current market quotations for Valley common stock and 1st United common stock. Because trading prices fluctuate, 1st United shareholders are not assured of receiving any specific market value of Valley common stock. The price of Valley common stock when the merger becomes effective may be higher or lower than its price when the merger agreement was signed, when this proxy statement was mailed or when Valley or 1st United shareholders meet to vote on the merger.

	Price of Valley Common Stock and Dividends Declared			Price of 1st United Common Stock and Dividends Declared		
	High	Low	Dividends	High	Low	Dividends
<b>2014:</b>						
Second Quarter (through June 13, 2014)	\$ 10.81	\$ 9.42	\$ 0.11	\$ 8.79	\$ 7.16	\$ 0.02
First Quarter	10.50	9.28	0.11	8.24	7.17	0.02
<b>2013:</b>						
Fourth Quarter	\$ 10.53	\$ 9.67	\$ 0.11	\$ 8.25	\$ 7.17	\$ 0.11 <sup>(a)</sup>
Third Quarter	10.73	9.41	0.16	8.25	6.75	0.01
Second Quarter	10.28	8.75	0.16	6.83	6.03	0.01
First Quarter	10.50	9.50	0.16	6.57	5.93	0.00
<b>2012:</b>						
Fourth Quarter	\$ 10.27	\$ 8.65	\$ 0.16	\$ 6.83	\$ 5.30	\$ 0.10 <sup>(a)</sup>
Third Quarter	11.07	9.10	0.16	6.56	5.40	0.00
Second Quarter	12.50	10.17	0.16	6.39	5.31	0.00
First Quarter	12.69	11.30	0.16	6.36	5.47	0.00

(a) Includes a special dividend of \$0.10 per share.

Date	Closing Sale Price Per Share of Valley Common Stock	Closing Sale Price Per Share of 1st United	Equivalent Value of Merger Consideration Per Share of 1st
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	<b>Common Stock</b>		<b>United Common Stock</b>
May 7, 2014	\$ 9.76	\$ 7.31	\$ 8.69
[ ], 2014	\$ [ ]	\$ [ ]	\$ [ ]

There were approximately 8,202 shareholders of record of Valley as of March 31, 2014. There were approximately 448 shareholders of record of 1st United as of March 31, 2014.

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**RISK FACTORS**

*In addition to the other information included and incorporated by reference in this document, including the information addressed in *Forward-Looking Statements* beginning on page [ ], 1st United shareholders should consider the risks described below in determining whether to approve the merger agreement and Valley shareholders should consider the matters described below in determining whether to approve the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares.*

***1st United shareholders cannot be sure of the market value of the merger consideration they will receive because the market price of Valley common stock may fluctuate.***

Upon completion of the merger, each share of 1st United common stock will be converted into merger consideration consisting of 0.89 of a share of Valley common stock, subject to adjustment in the event Valley's Average Closing Price falls below \$8.09 or rises above \$12.13 prior to the closing of the merger and subject to the payment of cash in lieu of fractional shares. The market value of the merger consideration may vary from the closing price of Valley common stock on the date we announced the merger, on the date that this document was mailed to 1st United shareholders, on the date of the special meeting of 1st United shareholders and on the date we complete the merger and thereafter. Any change in the market price of Valley common stock prior to completion of the merger will affect the market value of the merger consideration that 1st United shareholders will receive upon completion of the merger. Accordingly, at the time of the 1st United special meeting, 1st United shareholders will not know or be able to calculate the market value of the merger consideration they would receive upon completion of the merger except that they will receive between \$7.20 and \$10.80 worth of merger consideration.

Other than the adjustment in the event Valley's Average Closing Price falls below \$8.09 or rises above \$12.13 prior to the closing of the merger, there will be no adjustment to the merger consideration for changes in the market price of either shares of Valley common stock or shares of 1st United common stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in Valley's or 1st United's respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond Valley's or 1st United's control. 1st United shareholders should obtain current market quotations for shares of Valley common stock and for shares of 1st United common stock before they vote on the merger.

***The merger is subject to the receipt of consents and approvals from government entities that may not be received, or may impose burdensome conditions.***

Before the merger may be completed, various approvals, waivers or consents must be obtained from the OCC and the FRB. These government entities may refuse to approve the merger or impose conditions on their approval of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying or preventing completion of the merger or imposing additional costs on or limiting the revenues of the combined company following the merger, any of which might have an adverse effect on the combined company following the merger. Valley has received the written consent of the FDIC for the assignment of the shared-loss agreements between 1st United Bank and the FDIC to Valley National Bank.

***We may fail to realize all of the anticipated benefits of the merger.***

The success of the merger will depend, in part, on Valley's ability to realize anticipated cost savings and to combine the businesses of Valley and 1st United in a manner that permits growth opportunities to be realized and does not materially disrupt the existing customer relationships of 1st United nor result in decreased revenues due to any loss of

customers. However, to realize these anticipated benefits, the businesses of Valley and 1st United must be successfully combined. If the combined company is not able to achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

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Valley and 1st United have operated and, until the completion of the merger, will continue to operate independently. The anticipated cost savings from the merger are largely expected to derive from the absorption by Valley of many of 1st United's back-office administrative functions and the conversion of 1st United's operating platform to Valley's systems. It is possible that the integration process could result in the loss of key employees, as well as the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies, any or all of which could adversely affect Valley's ability to maintain relationships with clients, customers, depositors and employees after the merger or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. A failure to successfully navigate the complicated integration process could have an adverse effect on the combined company.

Another expected benefit from the merger is an expected increase in the revenues of the combined company from anticipated sales of Valley's wide variety of financial products, and from increased lending out of Valley's substantially larger capital base, to 1st United's existing customers and to new customers in 1st United's market area who may be attracted by the combined company's enhanced offerings. An inability to successfully market Valley's products to 1st United's customer base could cause the earnings of the combined company to be less than anticipated.

***Valley may be unable to retain 1st United's employees.***

The merger involves the integration of two companies that have previously operated independently. The difficulties of combining the operations of the two companies include integrating personnel with diverse business backgrounds, combining different corporate cultures and retaining key employees. The integration of the two companies will require the experience and expertise of certain executive officers of 1st United who have agreed to work for Valley for periods of time following the completion of the merger and other key employees who Valley expects to retain. However, Valley may not be successful in retaining those employees who have not agreed to work for Valley for the time period necessary to successfully integrate 1st United's operations with those of Valley. In addition, Valley may not be successful in retaining employees such as loan officers and branch personnel who prefer to work at locally based financial institutions in Florida. The loss of 1st United employees could have an adverse effect on the business and results of operation of Valley in Florida following the merger.

***Valley may be unable to retain 1st United's customers or grow the 1st United business.***

1st United operates in geographic markets, and with customers primarily located, in and around southeast and central Florida, while Valley's markets and customers are located primarily in northern and central New Jersey, New York City and Long Island, New York. Any time there is a change in products, services, ownership, or management of a bank, there is a risk that customers may choose to obtain some or all of their banking products and services from other banks. Valley believes that 1st United's customers will not seek products or services elsewhere as a result of the merger because Valley's community banking model is similar to 1st United's community banking model. However, as the 1st United operations and customers are in a new geographic region for Valley, there can be no assurances that Valley will be able to retain all of 1st United's customers or grow the customer base in southeast and central Florida.

***The market price of Valley common stock after the merger may be affected by factors different from those currently affecting the shares of 1st United or Valley common stock.***

The businesses of Valley and 1st United differ in important respects and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of Valley and 1st United. For a discussion of the businesses of Valley and 1st United and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this document and referred to under "Information

Incorporated by Reference beginning on page [ ].

**Table of Contents*****Valley may further reduce or eliminate the cash dividend on its common stock.***

Holders of Valley common stock are only entitled to receive such cash dividends as the Valley Board of Directors may declare out of funds legally available for such payments. In the fourth quarter of 2013, Valley announced that it was reducing its quarterly cash dividend to \$0.11 per share from \$0.1625 per share. Although Valley has historically declared cash dividends on its common stock, Valley is not required to do so and may further reduce or eliminate its common stock cash dividend in the future depending upon Valley's results of operations, financial condition or other metrics. This could adversely affect the market price of Valley common stock. Additionally, as a bank holding company, Valley's ability to declare and pay dividends is dependent on federal regulatory policies and regulations, including the supervisory policies and guidelines of the OCC and the FRB regarding capital adequacy and dividends. Among other things, consultation of the FRB supervisory staff is required in advance of Valley's declaration or payment of a dividend that exceeds its earnings for a period in which the dividend is being paid. New regulatory guidelines, known as Basel III, will increase Valley's minimum capital requirements in the future.

***The merger agreement limits 1st United's ability to pursue an alternative acquisition proposal and requires 1st United to pay a termination fee of \$14.5 million, plus Valley's reasonable out of pocket expenses up to \$750,000, under certain circumstances relating to alternative acquisition proposals.***

The merger agreement prohibits 1st United from initiating, soliciting, knowingly encouraging or engaging in negotiations with, or providing any information to, any third party with respect to alternative acquisition proposals, subject to limited exceptions. Further, Valley generally has the opportunity to modify the terms of the merger in response to any competing acquisition proposals that may be made before the 1st United Board of Directors withdrawal or modification of its recommendation to shareholders to approve the merger agreement. The merger agreement also provides for the payment by 1st United of a termination fee in the amount of \$14.5 million, plus Valley's reasonable out of pocket expenses up to \$750,000, in the event that Valley or 1st United terminate the merger agreement for certain reasons. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of 1st United. See Proposal 1 of the 1st United Special Meeting *The Merger* *The Merger Agreement* *Agreement Not to Solicit Other Offers* on page [ ].

These provisions could discourage a potential competing acquiror that might have an interest in acquiring 1st United from considering or proposing that acquisition, even if it were prepared to pay higher per share consideration proposed to be received or realized in the merger, or might result in a potential competing acquiror to pay a lower price than it might otherwise be prepared to pay because of the added expense of the termination fee.

***If the merger is not completed, 1st United and Valley will have incurred substantial expenses without realizing the expected benefits of the merger.***

1st United and Valley have incurred substantial legal, accounting and investment banking expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement. If the merger is not completed, 1st United and Valley would have to recognize these expenses without realizing the expected benefits of the merger.

***1st United and Valley will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainties about the effect of the merger on their businesses may have an adverse effect on 1st United and Valley. These uncertainties may also impair 1st United's ability to attract, retain and motivate strategic personnel until the merger is consummated, and could cause their customers and others that deal with 1st United to seek to change their

existing business relationship, which could negatively impact Valley upon consummation of the merger. In addition, the merger agreement restricts 1st United from taking certain specified actions without

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Valley's consent until the merger is consummated or the merger agreement is terminated. These restrictions may prevent 1st United from pursuing or taking advantage of attractive business opportunities that may arise prior to the completion of the merger.

***The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may cause the market price of 1st United common stock to decline.***

The merger is subject to customary conditions to closing, including the receipt of required regulatory approvals and approval of the 1st United shareholders. The closing of the merger is also subject to approval of the Valley shareholders of the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares. If any condition to the merger is not satisfied or, where permitted, waived, the merger will not be completed. In addition, Valley and/or 1st United may terminate the merger agreement under certain circumstances even if the merger is approved by 1st United shareholders.

If the merger is not completed, the market price of 1st United common stock may decline to the extent that the current market price of its shares reflects a market assumption that the merger will be completed. If the merger is not completed, additional consequences could materialize, including any adverse effects from a failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. For more information on closing conditions to the merger agreement, see the section entitled "Proposal 1 of the 1st United Special Meeting The Merger Merger Agreement Conditions to Complete the Merger" on page [ ].

***1st United shareholders do not have dissenters' appraisal rights in the merger.***

Dissenters' rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with such extraordinary transaction. Under the FBCA, shareholders do not have dissenters' rights with respect to shares of any class of stock which, at the record date fixed to determine shareholders entitled to receive notice of and to vote at the meeting of shareholders at which a merger or consolidation was acted on, were listed on a national securities exchange and the consideration consists solely of cash or shares of stock listed on a national securities exchange. Because 1st United's common stock is listed on the NASDAQ Global Select Market, a national securities exchange, and the merger consideration consists of shares of Valley common stock, which is listed on the New York Stock Exchange, a national securities exchange, holders of 1st United common stock will not be entitled to dissenters' appraisal rights in the merger with respect to their shares of 1st United common stock.

***1st United's directors and executive officers have interests in the merger that differ from the interests of 1st United's shareholders.***

1st United's executive officers and directors have interests in the merger that are in addition to, and may be different from, the interests of 1st United shareholders generally. With respect to certain 1st United executive officers, these interests include acceleration of vesting and payouts of their 1st United equity compensation awards, the right to receive change-in-control payments, accelerated payouts, and enhancement of deferred compensation balances under supplemental executive retirement plan agreements. In addition, certain 1st United executive officers have entered into employment agreements with Valley that will become effective upon the closing of the merger. See "Proposal 1 of the 1st United Special Meeting The Merger Interests of Certain of Persons in the Merger Interests of 1st United Executive Officers and Directors in the Merger" beginning on page [ ] for a discussion of these interests.





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***A lawsuit has been filed against 1st United, 1st United's directors and Valley challenging the merger, and an adverse judgment in such lawsuit may prevent the merger from being completed or from being completed within the expected timeframe.***

1st United, 1st United's directors and Valley are named as defendants in a purported class action lawsuit brought by a 1st United shareholder challenging the proposed merger and seeking, among other things, to enjoin completion of the merger on the agreed-upon terms. See Proposal 1 of the 1st United Special Meeting The Merger Litigation Relating to the Merger beginning on page [ ] for more information about the purported class action lawsuit related to the merger that is pending.

One of the conditions to the closing of the merger is that no order, injunction (whether temporary, preliminary or permanent) or decree issued by a governmental authority or other agency of competent jurisdiction that prohibits the completion of the merger shall be in effect. Therefore, if the plaintiffs are successful in obtaining an injunction prohibiting the completion of the merger on the agreed-upon terms, then such injunction may prevent the merger from being completed, or from being completed within the expected timeframe.

***The shares of Valley common stock to be received by 1st United shareholders as a result of the merger will have different rights from the shares of 1st United common stock.***

Upon completion of the merger, 1st United shareholders will become Valley shareholders and their rights as shareholders will be governed by New Jersey law, the Valley Restated Certificate of Incorporation and the Valley By-laws. The rights associated with 1st United common stock are different from the rights associated with Valley common stock. Please see Comparison of the Rights of Shareholders of Valley and 1st United beginning on page [ ] for a discussion of the different rights associated with Valley common stock.

***1st United shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.***

1st United's shareholders currently have the right to vote in the election of 1st United's Board of Directors and on other matters affecting 1st United. When the merger occurs, each 1st United shareholder that receives shares of Valley common stock will become a shareholder of Valley with a percentage ownership of the combined organization that is much smaller than the shareholder's percentage ownership of 1st United. Because of this, 1st United shareholders will have less influence on the management and policies of Valley than they now have on the management and policies of 1st United.

***The opinions from the respective financial advisors of 1st United and Valley do not reflect any changes in circumstances that may have occurred since the signing of the merger agreement.***

KBW and RP Financial, 1st United's financial advisors in connection with the proposed merger, have each delivered to the Board of Directors of 1st United its opinion, dated May 7, 2014, regarding the fairness, from a financial point of view and as of the date of such opinions, to the holders of 1st United common stock of the 0.89 exchange ratio in the merger. Sandler O'Neill, Valley's financial advisor in connection with the proposed merger, has delivered to the Board of Directors of Valley its opinion, dated May 7, 2014, regarding the fairness, from a financial point of view to Valley and as of the date of such opinion, of the 0.89 exchange ratio to be paid by Valley to 1st United shareholders in connection with the merger. Neither 1st United nor Valley have obtained an updated opinion as of the date of this document from KBW, RP Financial or Sandler O'Neill, as the case may be.

Changes in the operations and prospects of Valley or 1st United, general market and economic conditions and other factors which may be beyond the control of Valley and 1st United may have altered the value of Valley or 1st United or the prices of shares of Valley common stock and shares of 1st United common stock as of the date of this document, or may alter such values and prices by the time the merger is completed. The financial advisors' opinions do not speak as of any date other than the date of each such opinion. For a description of the

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opinions that the 1st United Board of Directors received from KBW and RP Financial, please refer to Proposal 1 of the 1st United Special Meeting The Merger Opinions of 1st United's Financial Advisors beginning on page [ ]. For a description of the opinion that Valley received from Sandler O'Neill, please refer to Proposal 1 of the Valley Special Meeting Amendment to Valley's Restated Certificate of Incorporation to Increase the Number of Authorized Shares of Valley's Common Stock by 100,000,000 Shares Opinion of Sandler O'Neill beginning on page [ ]. For a description of the other factors considered by 1st United's Board of Directors in determining to approve the merger, please refer to Proposal 1 of the 1st United Special Meeting The Merger Recommendation of 1st United's Board of Directors and Reasons for the Merger beginning on page [ ]. For a description of the other factors considered by Valley's Board of Directors in determining to approve the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares, please refer to Proposal 1 of the 1st United Special Meeting The Merger Valley's Reasons for the Merger beginning on page [ ].

***If the proposed amendment to Valley's Restated Certificate of Incorporation is approved, Valley will be able to issue additional shares of its common stock in the future, which may adversely affect the market price of Valley common stock and dilute the holdings of existing shareholders.***

The proposed amendment to Valley's Restated Certificate of Incorporation, if approved by Valley shareholders, will increase the number of authorized shares of Valley's common stock by 100,000,000 shares. In the future, Valley may issue additional shares of Valley common stock in connection with another acquisition, to increase its capital resources or, if Valley or Valley National Bank's capital ratios fall below or near the current or new (final Basel III) regulatory required minimums, Valley could be required to raise additional capital by making additional offerings of common stock. Additional common stock offerings may dilute the holdings of Valley's existing shareholders or reduce the market price of Valley common stock, or both. Holders of Valley common stock are not entitled to preemptive rights or other protections against dilution.

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**FORWARD-LOOKING STATEMENTS**

This joint proxy statement-prospectus, including information included or incorporated by reference in this joint proxy statement-prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between Valley and 1st United, including future financial and operating results and performance; statements about Valley's and 1st United's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as expects, anticipates, intends, plans, believes, views, seeks, estimates, predicts, continues, allows, reflects, typically, usually, will, or any negative of these terms or words of similar meaning. These forward-looking statements are based upon the current beliefs and expectations of Valley's and 1st United's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of Valley and 1st United. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements.

The following factors, among others, including the risks and uncertainties listed in Risk Factors beginning on page [ ] of this joint proxy statement-prospectus, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

the failure of the parties to satisfy the closing conditions in the merger agreement in a timely manner or at all;

the failure of the shareholders of 1st United to approve the merger agreement;

the failure of the shareholders of Valley to approve the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock by 100,000,000 shares;

the failure to obtain governmental approvals of the merger or to satisfy other conditions to the merger on the proposed terms and within the proposed timeframe;

disruptions to the businesses of Valley and 1st United as a result of the announcement and pendency of the merger;

higher than expected increases in Valley's or 1st United's loan losses or in the level of nonperforming loans;

the risk that the businesses of Valley and 1st United may not be combined successfully, or such combination may take longer or be more difficult, time-consuming or costly to accomplish than expected;

weakness or unexpected decline in the U.S. economy, in particular in New Jersey, the New York Metropolitan area, including Long Island, and Florida;

higher than expected costs and expenses incurred in connection with the merger, or in connection with litigation relating to the merger;

higher than expected charges Valley incurs in connection with marking 1st United's assets to fair value;

unexpected changes in interest rates;

unexpected declines in real estate values within Valley's and 1st United's market areas;

other than temporary impairments or declines in value in Valley's or 1st United's investment portfolio;

higher than expected FDIC insurance assessments;

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the failure of other financial institutions with whom Valley and 1st United have trading, clearing, counterparty and other financial relationships;

lack of liquidity to fund Valley's and 1st United's various cash obligations;

unanticipated reduction in Valley's and 1st United's deposit base;

government intervention in the U.S. financial system and the effects of, and changes in, trade and monetary and fiscal policies and laws, including the interest rate policies of the FRB;

legislative and regulatory actions (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations) subject Valley and 1st United to additional regulatory oversight which may result in increased compliance costs and/or require Valley and 1st United to change their business model;

changes in accounting policies or accounting standards;

Valley's and 1st United's inability to promptly adapt to technological changes;

Valley's and 1st United's internal controls and procedures may not be adequate to prevent losses;

the possibility that litigation may be brought pertaining to fiduciary responsibility, environmental laws and other matters or that existing litigation may have unanticipated consequences;

the possibility that the expected benefits of this acquisition will not be fully realized by Valley;

the inability to realize expected cost savings and synergies from the merger of 1st United with Valley in the amounts or in the timeframe anticipated;

costs or difficulties relating to integration matters might be greater than expected;

material adverse changes in Valley's or 1st United's operations or earnings;

the inability to retain 1st United's customers and employees; and

other unexpected material adverse changes in Valley's or 1st United's operations or earnings. Additional factors that could cause Valley's and 1st United's results to differ materially from those described in the forward-looking statements can be found in Valley's and 1st United's filings with the SEC, including their respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this joint proxy statement-prospectus or the date of any document incorporated by reference in this joint proxy statement-prospectus. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement-prospectus and attributable to Valley or 1st United or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Valley and 1st United undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement-prospectus or to reflect the occurrence of unanticipated events.



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**CERTAIN INFORMATION ABOUT VALLEY**

**General**

Valley, a New Jersey corporation, was organized in 1983 as a holding company for Valley National Bank. Valley indirectly owns additional subsidiaries through Valley National Bank. Valley is registered as a bank holding company with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act.

As of March 31, 2014, Valley had:

consolidated total assets of \$16.3 billion;

total deposits of \$11.3 billion;

total loans of \$11.6 billion; and

total shareholders' equity of \$1.6 billion.

In addition to Valley's principal subsidiary, Valley National Bank, Valley owns all of the voting and common shares of GCB Capital Trust III, State Bancorp Capital Trust I and State Bancorp Capital Trust II, through which trust preferred securities were issued.

Valley's principal executive offices and telephone number are:

1455 Valley Road

Wayne, New Jersey 07470

(973) 305-8800

**Valley National Bank**

Valley National Bank is a national banking association chartered in 1927 under the laws of the United States. Currently, Valley National Bank has 204 branches in 144 communities serving 16 counties throughout northern and central New Jersey, the New York City boroughs of Manhattan, Brooklyn and Queens, as well as Long Island, New York. Valley National Bank provides a full range of commercial, retail and wealth management financial services products. Valley National Bank provides a variety of banking services including automated teller machines, telephone, mobile and internet banking, remote deposit capture, overdraft facilities, drive-in and night deposit services, and safe deposit facilities. Valley National Bank also provides certain international banking services to customers including standby letters of credit, documentary letters of credit and related products, and certain ancillary services such as foreign exchange, documentary collections, foreign wire transfers and the maintenance of foreign bank accounts.

Valley National Bank's wholly-owned subsidiaries are all included in the consolidated financial statements of Valley. These subsidiaries include:

an all-line insurance agency offering property and casualty, life and health insurance;

asset management advisors which are SEC registered investment advisors;

title insurance agencies in both New Jersey and New York;

subsidiaries which hold, maintain and manage investment assets for the Bank;

a subsidiary which owns and services auto loans;

a subsidiary which owns and services general aviation aircraft loans and existing commercial equipment leases;

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a subsidiary which specializes in health care equipment and other commercial equipment leases; and

a subsidiary which owns and services New York commercial loans and specializes in asset-based lending. Valley National Bank's subsidiaries also include real estate investment trust subsidiaries (the REIT subsidiaries) which own real estate related investments and a REIT subsidiary, which owns some of the real estate utilized by Valley National Bank and related real estate investments. Except for Valley's REIT subsidiaries, all subsidiaries mentioned above are directly or indirectly wholly owned by Valley National Bank. Because each REIT subsidiary must have 100 or more shareholders to qualify as a REIT, each REIT subsidiary has issued less than 20 percent of its outstanding non-voting preferred stock to individuals, most of whom are non-senior management Valley National Bank employees. Valley National Bank owns the remaining preferred stock and all the common stock of the REIT subsidiaries.

Valley has grown significantly in the past five years primarily through bank acquisitions in the New York/New Jersey metropolitan area.

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**CERTAIN INFORMATION ABOUT 1ST UNITED**

**General**

1st United, a Florida corporation, was organized in 1999. Its principal subsidiary is 1st United Bank, a Florida-chartered commercial bank. 1st United is registered as a financial holding company with the Federal Reserve under the Gramm-Leach-Bliley Act and is registered as a bank holding company with the Federal Reserve under the Bank Holding Company Act.

As of March 31, 2014, 1st United had:

consolidated assets of \$1.7 billion;

total deposits of \$1.4 billion;

total loans of \$1.1 billion; and

total shareholders' equity of \$235 million.

1st United's principal executive offices and telephone number are:

One North Federal Highway

Boca Raton, Florida 33432

(561) 362-3400

**1st United Bank**

1st United Bank operates 21 banking centers in Florida from Central Florida through the Treasure Coast to Southeast Florida. 1st United Bank provides financial services through its four offices in Palm Beach County, four offices in Broward County, four offices in Miami-Dade County, one office each in the cities of Vero Beach, Sebastian and Barefoot Bay, four offices in Pinellas County and one office each in Orange and Hillsborough Counties. 1st United follows a business plan that emphasizes the delivery of commercial banking services to businesses and individuals in its geographic market who desire a high level of personalized service. The business plan includes business banking, professional market services, real estate lending and private banking, as well as full community banking products and services. 1st United focuses on the building of a balanced loan and deposit portfolio, with emphasis on low cost liabilities and variable rate loans.

As is the case with banking institutions generally, 1st United's operations are materially and significantly influenced by general economic conditions and by related monetary and fiscal policies of financial institution regulatory agencies, including the Federal Reserve and the FDIC. Deposit flows and costs of funds are influenced by interest rates on competing investments and general market rates of interest. Lending activities are affected by the demand for financing of real estate and other types of loans, which in turn is affected by the interest rates at which such financing

may be offered and other factors affecting local demand and availability of funds. 1st United faces strong competition in the attraction of deposits (its primary source of lendable funds) and in the origination of loans.

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**INFORMATION ABOUT THE 1ST UNITED MEETING**

**Date, Time and Place**

This document solicits, on behalf of the 1st United Board of Directors, proxies to be voted at a special meeting of 1st United shareholders and at any adjournments or postponements thereof. The 1st United meeting is scheduled for:

[ ], 2014, at [ ] (local time)

[ ]

[ ]

[ ]

[ ]

**Purpose**

At the meeting, 1st United shareholders will consider and vote on:

approval of the merger agreement;

approval of the Executive Compensation Proposal; and

approval of the 1st United Adjournment Proposal.

**Board Recommendations**

**The 1st United Board of Directors unanimously recommends that shareholders vote FOR:**

**approval of the merger agreement;**

**approval of the Executive Compensation Proposal; and**

**approval of the 1st United Adjournment Proposal.**

**Record Date; Quorum; Required Vote; Voting Agreements**

As of the record date, [ ], 2014, [ ] shares of common stock of 1st United were issued and outstanding. The common stock is 1st United's only class of securities entitled to vote, each share being entitled to one vote. The presence at the 1st United special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of 1st

United common stock as of the record date is considered a quorum for the transaction of business. If 1st United shareholders submit a properly completed proxy or if they appear at the 1st United special meeting to vote in person, their shares of common stock will be considered part of the quorum. Abstentions and broker non-votes will be counted as present to determine if a quorum for the transaction of business is present. In the absence of a quorum, the 1st United special meeting will be adjourned or postponed.

The merger cannot be completed without 1st United shareholder approval of the merger agreement. The affirmative vote of a majority of the shares of 1st United common stock outstanding on the record date is required to approve the merger agreement.

On May 7, 2014, the directors and executive officers of 1st United as a group beneficially owned a total of 3,111,335 shares of 1st United common stock, representing 9.0% of the issued and outstanding shares. In connection with the execution of the merger agreement, Valley entered into voting agreements with each 1st United director. Pursuant to the voting agreements, the 1st United directors have each agreed to vote the shares of 1st United beneficially owned by them (whether solely or jointly with others) in favor of approval of the merger agreement. On the record date, a total of [ ] shares of common stock representing approximately [ ]% of the outstanding 1st United common stock are covered by the voting agreements.

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Approval of the Executive Compensation Proposal requires that the affirmative votes cast by the holders of 1st United common stock present in person or represented by proxy at the 1st United special meeting and entitled to vote exceed the votes cast in opposition. This proposal is advisory in nature and a vote to approve or disapprove will not be binding on 1st United or the 1st United Board of Directors.

Approval of the 1st United Adjournment Proposal requires that the affirmative votes cast by the holders of 1st United common stock present in person or represented by proxy at the 1st United special meeting and entitled to vote exceed the votes cast in opposition.

The matters to be considered at the 1st United special meeting are of great importance to the shareholders of 1st United. Accordingly, you are urged to read and carefully consider the information presented in this joint proxy statement-prospectus, and to complete, date, sign and promptly return the enclosed proxy in the enclosed postage paid envelope as instructed on the proxy card or to vote by Internet or telephone.

## **Voting Rights; Proxies**

If 1st United shareholders properly execute a proxy card and send it to 1st United in the enclosed envelope in a timely manner, their proxy will be voted in accordance with the instructions they indicate, unless they revoke their proxy prior to the vote. **If 1st United shareholders send 1st United a proxy card that does not instruct 1st United how to vote, their shares will be voted (1) FOR approval of the merger agreement, (2) FOR approval of the Executive Compensation Proposal, and (3) FOR approval of the 1st United Adjournment Proposal.**

1st United shareholders may revoke their grant of a proxy at any time before it is voted by:

- (a) filing a written revocation of the proxy with the Secretary of 1st United;
- (b) executing a later Internet or telephone vote;
- (c) submitting a signed proxy card bearing a later date; or
- (d) attending and voting in person at the 1st United special meeting.

Written revocations should be sent to Suzanne Korman, Secretary, 1st United Bancorp, Inc., One North Federal Highway, Boca Raton, Florida 33432. Attendance at the 1st United special meeting will not in and of itself revoke a proxy, unless you choose to cast a ballot at such special meeting.

If 1st United shareholders use the Internet, they can change their vote at the Internet address shown on their proxy card. The Internet voting system is available 24 hours a day until [ ], Eastern Time, on [ ], 2014.

If 1st United shareholders vote by telephone, they can change their vote by using the toll free telephone number shown on their proxy card. The telephone voting system is available 24 hours a day in the United States until [ ], Eastern Time, on [ ], 2014.



The inspectors of election appointed for the 1st United special meeting, who will determine whether or not a quorum is present, will tabulate votes cast by proxy or in person at such special meeting. Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Abstentions occur when proxies are marked as abstentions, or when shareholders appear in person but abstain from voting. Broker non-votes occur when a broker indicates on a proxy that it does not have discretionary authority regarding certain shares. Abstentions are effectively a vote AGAINST the merger agreement but will have no effect on any other proposals at the 1st United special meeting. Broker non-votes will have the effect of a vote AGAINST the merger agreement but will have no effect on any other proposals at the 1st United special meeting.

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If 1st United shareholders do not vote by proxy, telephone or internet or in person at the 1st United special meeting, it will have the effect of a vote AGAINST the merger agreement, but will have no effect on the vote to approve the Executive Compensation Proposal or the 1st United Adjournment Proposal. Failure to vote, however, may also affect whether a quorum is present.

**Solicitation of Proxies**

1st United will bear all costs of soliciting proxies for the 1st United special meeting. Alliance Advisors, LLC has been retained to assist in the solicitation of proxies under a contract providing for payment of an estimated fee of \$10,000, plus reimbursement for its expenses. In addition to solicitations by mail and by Alliance Advisors, LLC, the directors, officers and employees of 1st United may solicit proxies for the 1st United special meeting from 1st United shareholders in person or by telephone. These directors, officers and employees will not be specifically compensated for their services. 1st United will also make arrangements with brokerage firms and other custodians, nominees and fiduciaries to send proxy materials to their principals and will reimburse those parties for their expenses in doing so.

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**INFORMATION ABOUT THE VALLEY MEETING**

**Date, Time and Place**

This document solicits, on behalf of the Valley Board of Directors, proxies to be voted at a special meeting of Valley shareholders and at any adjournments or postponements thereof. The Valley meeting is scheduled for:

[ ], 2014, at [ ] (local time)

[ ]

[ ]

[ ]

[ ]

**Purpose**

At the meeting, Valley shareholders will consider and vote on:

approval of the Charter Amendment Proposal; and

approval of the Valley Adjournment Proposal.

**Board Recommendations**

**The Valley Board of Directors unanimously recommends that shareholders vote FOR:**

**approval of the Charter Amendment Proposal; and**

**approval of the Valley Adjournment Proposal.**

**Record Date; Quorum; Required Vote**

As of the record date, [ ], 2014, [ ] shares of common stock of Valley were issued and outstanding. The common stock is Valley's only class of securities entitled to vote, each share being entitled to one vote. The presence at the Valley special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of Valley common stock as of the record date is considered a quorum for the transaction of business. If Valley shareholders submit a properly completed proxy or if they appear at the Valley special meeting to vote in person, their shares of common stock will be considered part of the quorum. Abstentions and broker non-votes will be counted as present to determine if a quorum for the transaction of business is present. In the absence of a quorum, the Valley special meeting will be adjourned or postponed.

The merger cannot be completed without Valley shareholder approval of the Charter Amendment Proposal. The Charter Amendment Proposal will be approved if a majority of the votes cast by the holders of Valley common stock at the Valley special meeting are FOR approval of such proposal.

On the record date, the directors and executive officers of Valley as a group beneficially owned a total of [ ] shares of Valley common stock, representing [ ]% of the issued and outstanding shares.

The Valley Adjournment Proposal will be approved if a majority of the votes cast by the holders of Valley common stock at the Valley special meeting are FOR approval of such proposal.

The matters to be considered at the Valley special meeting are of great importance to the shareholders of Valley. Accordingly, you are urged to read and carefully consider the information presented in this joint proxy statement-prospectus, and to complete, date, sign and promptly return the enclosed proxy in the enclosed postage paid envelope as instructed on the proxy card or to vote by Internet or telephone.

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### **Voting Rights; Proxies**

If Valley shareholders properly execute a proxy card and send it to Valley in the enclosed envelope in a timely manner, their proxy will be voted in accordance with the instructions they indicate, unless they revoke their proxy prior to the vote. **If Valley shareholders send Valley a proxy card that does not instruct Valley how to vote, their shares will be voted (1) FOR approval of the Charter Amendment Proposal, and (2) FOR approval of the Valley Adjournment Proposal.**

Valley shareholders may revoke their grant of a proxy at any time before it is voted by:

- (a) filing a written revocation of the proxy with the Secretary of Valley;
- (b) executing a later Internet or telephone vote;
- (c) submitting a signed proxy card bearing a later date; or
- (d) attending and voting in person at the Valley special meeting.

Written revocations should be sent to Alan D. Eskow, Secretary, Valley National Bancorp, 1455 Valley Road, Wayne, New Jersey 07470. Attendance at the Valley special meeting will not in and of itself revoke a proxy, unless you choose to cast a ballot at such special meeting.

If Valley shareholders use the Internet, they can change their vote at the Internet address shown on their proxy card. The Internet voting system is available 24 hours a day until [ ], Eastern Time, on [ ], 2014.

If Valley shareholders vote by telephone, they can change their vote by using the toll free telephone number shown on their proxy card. The telephone voting system is available 24 hours a day in the United States until [ ], Eastern Time, on [ ], 2014.

The inspectors of election appointed for the Valley special meeting, who will determine whether or not a quorum is present, will tabulate votes cast by proxy or in person at such special meeting. Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Abstentions occur when proxies are marked as abstentions, or when shareholders appear in person but abstain from voting. Broker non-votes occur when a broker indicates on a proxy that it does not have discretionary authority regarding certain shares. Abstentions and broker non-votes will have no effect on any of the proposals at the Valley special meeting.

If Valley shareholders do not vote by proxy, telephone or internet or in person at the Valley special meeting, it will have no effect on the vote to approve the Charter Amendment Proposal or the vote to approve the Valley Adjournment Proposal. Failure to vote, however, may affect whether a quorum is present.

### **Solicitation of Proxies**

Valley will bear all costs of soliciting proxies for the Valley special meeting. AST Phoenix Advisors has been retained to assist in the solicitation of proxies under a contract providing for payment of an estimated fee of \$10,000, plus reimbursement for its expenses. In addition to solicitations by mail and by AST Phoenix Advisors, the directors, officers and employees of Valley may solicit proxies for the Valley special meeting from Valley shareholders in person or by telephone. These directors, officers and employees will not be specifically compensated for their services. Valley will also make arrangements with brokerage firms and other custodians, nominees and fiduciaries to send proxy materials to their principals and will reimburse those parties for their expenses in doing so.

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**PROPOSAL 1 OF THE 1ST UNITED SPECIAL MEETING THE MERGER**

**Background of the Merger**

As part of its ongoing consideration and evaluation of its long-term prospects and strategies, 1st United's Board of Directors and senior management have regularly reviewed and assessed 1st United's business strategies and objectives, including strategic opportunities and challenges, and have considered various strategic options potentially available to them, all with the goal of enhancing value for 1st United's shareholders. The strategic discussions have focused on, among other things, the evaluation of potential buyers, the need to be larger in order to be in a position to deliver a competitive return to 1st United's shareholders, and the business environment facing financial institutions generally and 1st United, including specifically, net interest margin and bank regulatory pressures.

On December 10, 2013, the Boards of Directors of 1st United and 1st United Bank met together for a strategy discussion; also present was a representative of 1st United's outside counsel, Gunster, Yoakley & Stewart, P.A. (Gunster). 1st United's executive management, Messrs. Orlando, Schupp, and Marino, presented three strategic alternatives to pursue over the next couple of years: staying the course of growing organically and through acquisitions, seeking a transformational merger, or selling the company. Messrs. Orlando, Schupp, and Marino presented to both Boards of Directors financial and competitive data regarding each of the three alternatives taking into account the current and forecasted economic and regulatory climate and related risks. The data presented by 1st United's executive management was compiled with the assistance of KBW, a leading investment banking firm in the financial institution industry which had previously acted in advisory roles on behalf of 1st United. While the Boards of Directors discussed all three alternatives, no decision was made as to which strategy to pursue. However, in light of potentially opportunistic timing factors (including the improving valuations and the improving Florida economy), the increasing costs of regulatory compliance, the limited likelihood that healthy growth could be maintained in the current banking environment and the limited opportunities for transformational mergers, both Boards of Directors indicated an interest to further explore the possible sale of 1st United.

On December 19, 2013, 1st United held a special meeting of its Board of Directors; also present was a representative of Gunster. The 1st United Board of Directors further discussed the three strategic alternatives presented at the December 10th meeting. The 1st United Board of Directors discussed projected earnings, as well as projected tangible book value, of 1st United for the next three years, under various scenarios. Various risks were discussed, including the risks of an increasing interest rate environment. Based upon a comprehensive discussion of opportunities and risks of each strategy, 1st United's Board of Directors elected to explore the sale of 1st United. A representative of Gunster discussed with members of the Board of Directors the legal standards applicable to the Board of Directors' decisions and actions with respect to a potential business combination transaction, including the Board of Directors' duty of care and fiduciary duties to 1st United shareholders. Mr. Schupp discussed a preliminary timeline for a potential process, as well as management's recommendation to hire KBW as 1st United's financial advisor to advise on a potential transaction, including to assist in the process of identifying potentially interested counterparties and evaluating any proposals or indications of interest received by 1st United, in an effort to identify a potential acceptable buyer.

At the December 19th meeting, 1st United's Board of Directors authorized the formation of a special strategic committee of the Board of Directors (Strategic Committee) to assist in evaluating any potential transactions. The purpose of the Strategic Committee was to consider promptly and recommend action to the full 1st United Board of Directors on any strategic transactions that might arise. The Board of Directors believed that the formation of the Strategic Committee comprised of a smaller number of directors would allow for negotiations to be more timely and efficient than those involving the entire Board of Directors. Because Messrs. Orlando, Schupp, and Marino had extensive experience with financial institution mergers and acquisitions, the Board of Directors determined that Messrs. Orlando, Schupp, and Marino should be included on the Strategic Committee. However, the Board of

Directors acknowledged the fact that Messrs. Orlando, Schupp and Marino may have interests in the merger separate from those of the other 1st United shareholders relating to the executives' change in control provisions in their employment agreements and supplemental executive retirement



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plan agreements. To help manage these additional interests, the Board of Directors appointed four independent directors to the Strategic Committee: Arthur Loring (the Independent Lead Director of 1st United), Paula Berliner (Chair of 1st United's Compensation Committee), Jeffery Carrier (Chair of 1st United's Audit Committee), and Joseph Veccia. The members of the Strategic Committee had been selected based on the directors' respective experience in the financial services industry, and experience with mergers and acquisition transactions.

On January 14, 2014, Messrs. Orlando, Schupp, and Marino met with representatives of KBW to discuss 1st United hiring KBW as a financial advisor and preliminary transaction considerations. Discussions continued on January 15, 2014 between representatives of KBW and 1st United's management.

The Strategic Committee met on January 28, 2014 to deal with procedural issues and to discuss the retention of KBW as 1st United's financial advisor. A representative of Gunster also attended this meeting. The Strategic Committee appointed Mr. Loring (the Independent Lead Director of 1st United) and Mr. Orlando as Co-Chairmen of the Strategic Committee. Mr. Schupp reported that a list of potential purchasers had been developed with the assistance of KBW based on a variety of factors, including strategic and geographic interests, capacity to pay, and ability to obtain regulatory approval. The Strategic Committee approved hiring KBW as 1st United's financial advisor.

Over the course of February, Messrs. Orlando, Schupp, and Marino and representatives of KBW engaged in preliminary exploratory discussions with numerous financial institutions, including Valley, considered to be potentially attractive partners for 1st United in a strategic business combination based on the factors approved by the Strategic Committee. In late January and early February, 1st United entered into confidentiality agreements with eight potential acquirers, including Valley, to receive information regarding 1st United to facilitate their consideration of a transaction. Following the execution of these confidentiality agreements, the interested parties were given a presentation prepared by management and a copy of 1st United's most recent annual report on Form 10-K and the ability to meet with Messrs. Orlando, Schupp, and Marino for further diligence discussions.

Messrs. Orlando, Schupp, and Marino were concerned that the costs associated with the existing change in control provisions in the employment agreements and supplemental executive retirement plan agreements of these executives could affect the consideration offered by a potential acquiror for 1st United. The Board of Directors and Strategic Committee evaluated these concerns. To mitigate this possibility, Messrs. Orlando, Schupp, and Marino decided to pursue reducing the benefits payable upon a change in control under their employment agreements and supplemental executive retirement plan agreements, and the positive effects of these anticipated changes were communicated to the potential acquirers by KBW at the direction of the Strategic Committee. 1st United retained special benefits counsel to explore and document the anticipated reduction of the change in control payments to these three executives.

In late February and early March, Valley and three other interested parties, including a financial institution that we refer to as Party A, submitted preliminary indications of interest to acquire 1st United. Party A made a preliminary indication of interest comprised of 100% cash consideration.

On March 4, 2014, the Strategic Committee met to consider the preliminary indications of interest and discuss the process to date. Representatives of KBW and Gunster also attended the meeting. During that meeting, representatives of KBW provided an overview of the process that had been conducted to identify potentially interested parties, detailed the parties with whom 1st United had executed confidentiality agreements, and described the financial and other aspects of the four preliminary indications of interest that 1st United had received (including the fact that most of the bidders expressed a desire to hire some of 1st United's executives). Representatives of KBW noted that Valley and two of the other bidders could potentially pay a higher implied valuation for 1st United with an all-stock proposal rather than including cash as partial consideration. KBW also discussed with the Strategic Committee financial aspects of 1st United continuing on a standalone basis. The Strategic Committee then discussed the advantages and

disadvantages of continuing to pursue 1st United's current strategy versus selling the company. The Strategic Committee determined that it was premature to make a

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recommendation to the full Board of Directors as to whether the company should be sold. Instead, the Strategic Committee instructed KBW to contact Valley, Party A, and the two other bidders to improve their preliminary indications of interest, and to also contact the two bidders that had attended a management presentation but had yet to submit a preliminary indication of interest.

At the request of Valley, on March 8, 2014, Messrs. Orlando, Schupp, and Marino met with Gerald H. Lipkin, Alan D. Eskow and Peter Crocitto (all members of Valley's senior management) and Eric Edelstein, Gerald Korde and Robert Soldoveri (three of Valley's directors). The purpose of the meeting was to help Valley understand the Florida markets and to conduct further due diligence on 1st United's management team and 1st United.

On March 10, 2014, KBW received revised preliminary indications of interest from Valley, Party A, and each of the two other bidders that had submitted initial preliminary indications of interest.

The Strategic Committee met on March 11, 2014 to discuss the revised preliminary indications of interest, three of which had improved their financial terms, including Valley and Party A. Representatives of KBW and Gunster discussed with the Strategic Committee the terms indicated in the parties' revised preliminary indications of interest. Given that each revised preliminary indication of interest had strengths and weaknesses, but all four offers appeared to be at relatively high levels when compared to recent comparable transactions, the Strategic Committee instructed KBW to invite all four bidders to conduct further due diligence on 1st United. Each of the four bidders, including Valley and Party A, were then given access to an electronic data room containing a limited amount of non-public due diligence materials concerning 1st United. From March 24th through April 12th, each of the four bidders conducted five days of on-site due diligence.

On March 24, 2014, Messrs. Orlando, Schupp, and Marino voluntarily decided to eliminate the Section 280G excise tax reimbursements from their employment agreements, supplemental executive retirement plan agreements and unvested equity awards, and to increase the discount for the computation of the value of lump sum payments under the supplemental executive retirement plan agreements to the greater of 4% or the discount rate prescribed by the Pension Benefit Guarantee Corporation (PBGC) in connection with the termination of a single employer defined benefit plan (which is currently 1.5%). The effect of these changes was to lower the lump sum payments from 1st United to each of the three affected officers by approximately \$4.5 million each upon a change of control of 1st United.

On March 25, 2014, the full Board of Directors of 1st United met to discuss the progress of the Strategic Committee. Representatives of Gunster and KBW also attended the meeting. Chairman Orlando provided a full update as to the status of the process. Representatives of KBW then reviewed and discussed with the 1st United Board of Directors, among other things, the timeline of the process, the full process of contacting bidders, the revised preliminary indications of interest received, and a market overview of each of the four potential acquirers, including Valley and Party A. Chairman Orlando also informed 1st United's Board of Directors that Messrs. Orlando, Schupp, and Marino had voluntarily agreed to reduce the benefits to which they were entitled under their employment agreements and supplemental executive retirement plan agreements by approximately \$4.5 million each, which the executives believed would have a positive impact on the purchase price to be paid to 1st United's shareholders in connection with a proposed acquisition of 1st United. Later on March 25, 2014, at the regularly scheduled meeting of the Board of Directors of 1st United Bank, Mr. Orlando updated that Board on the status of the process.

In mid-April, Valley, Party A, and two other bidders submitted final offers to acquire 1st United. Valley's final offer had increased from its preliminary indication of interest. Valley offered two proposals: consideration payable 100% in shares of common stock at a 0.855 exchange ratio, or consideration payable 80% in shares of common stock and 20% in the form of Valley non-cumulative preferred stock in amounts consistent with the same 0.855 exchange ratio. Subsequent to Valley delivering its final offer, Valley was requested to provide a third alternative that would allow

each 1st United shareholder to elect to receive the consideration payable in a

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combination of common stock and cash, at a 0.855 exchange ratio; provided, that the total aggregate consideration payable by Valley to all of the shareholders consisted of 80% common stock and 20% cash. Valley's offer also included a collar provision which, notwithstanding any fluctuations in Valley's stock price prior to closing, would adjust the exchange ratio in certain circumstances to ensure that the per share consideration paid to 1st United's shareholders would be no lower than \$7.20 per share and no higher than \$10.80 per share. Party A did not change its final offer from its preliminary indication of interest. Party A's offer, which reflected the second highest (after Valley's offer) implied value per share of 1st United common stock as of that time, was an offer for 100% cash, which would be a taxable transaction to 1st United's shareholders. Party A's offer also required a 30-day exclusivity period, which term was not required by Valley's offer. The other two bidders decreased their final offer from their preliminary indications of interest.

On April 22, 2014, the Strategic Committee held a meeting to consider the status of the proposed transaction and the final offers from the four bidders. Messrs. Orlando, Schupp, and Marino further reviewed for the other members of the Strategic Committee the background of discussions with Valley, Party A, and the remaining two bidders. Representatives of KBW reviewed the financial aspects of each of the offers, observing that the offer from Valley reflected the highest implied value per share of 1st United common stock at that time. Because Party A was a subsidiary of a foreign-owned financial institution that had limited experience with acquiring financial institutions and had no experience with servicing FDIC shared-loss agreements, such as the existing shared-loss agreements between 1st United Bank and the FDIC, 1st United's Strategic Committee was concerned about Party A's ability to gain regulatory approval of the transaction in a timely manner. Valley, on the other hand, had previously entered into two FDIC shared-loss agreements in 2010, had substantial experience managing such a relationship with the FDIC, and had a proven track record of making bank acquisitions. KBW discussed matters related to the potential receipt by 1st United shareholders of Valley's common stock as consideration, given, among other things, the differing stock price targets for Valley common stock among banking analysts. Representatives of KBW and Messrs. Orlando, Schupp, and Marino were excused from the deliberations, and the remaining four independent directors of the Strategic Committee discussed the various available alternatives and decided unanimously that it was in the best interests of 1st United's shareholders to move forward with negotiations with Valley with a preference for the 80% common stock and 20% cash consideration option.

Also on April 22, 2014, after the Strategic Committee had met, 1st United's Board of Directors held a meeting to consider the status of the proposed transaction and the final offers from the four bidders. Messrs. Orlando, Schupp, and Marino and KBW reviewed for the Board of Directors the background of discussions with Valley, Party A, and the remaining two bidders. Representatives of KBW and Messrs. Orlando, Schupp, and Marino were excused from the deliberations, and the remaining nine independent directors of the 1st United Board of Directors discussed the available alternatives and decided unanimously that it was in the best interests of 1st United's shareholders to move forward with the negotiations with Valley with a preference for the 80% common stock and 20% cash consideration option. Messrs. Orlando, Schupp and Marino then returned to the meeting and concurred with the determination made by the nine independent directors. Later on April 22, 2014, the Strategic Committee provided a verbal report of the results of the 1st United Board of Directors meeting held earlier that afternoon to the Board of Directors of 1st United Bank.

On the morning of April 23, 2014, management of Valley and 1st United, along with the financial and legal advisors of 1st United, participated in a conference call to discuss the form of consideration alternative selected by 1st United's Board of Directors, and to establish a projected timeline for drafting and negotiating the definitive documents.

On the afternoon of April 23, 2014, the Board of Directors of 1st United held a special meeting to re-evaluate the consideration alternatives payable by Valley. Representatives of Gunster and KBW were present at the meeting. Due to concerns that each 1st United shareholder would be unlikely to receive the mix of stock and cash consideration each

might request from the options being potentially offered by Valley, due to the 80%/20% aggregate stock/cash limitation, the Board of Directors decided unanimously that all shareholders would receive 80% common stock and 20% cash, with the cash portion fixed at \$1.80 per share so as to provide further downside price protection for 1st United's shareholders.

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On April 24, 2014, Party A sent an unsolicited revised final offer to 1st United. The revised final offer increased the cash offered and provided an alternative where the consideration could be paid 70% in cash and 30% in common stock of Party A. Party A stated that the value of its cash/stock offer was \$9.50 per 1st United share, consisting of \$6.65 in cash and the remainder in stock of Party A. All other provisions of the final offer remained the same, including the 30-day exclusivity period.

On April 25, 2014, the Board of Directors of 1st United met to discuss the revised offer from Party A. Representatives of Gunster and KBW were present at the meeting. The Board of Directors recognized the differential between Party A's offer (per share) and Valley's then-current offer. Although Party A was valuing its offer at \$9.50 per share, the 1st United Board of Directors considered several negative factors concerning Party A's offer. The Board of Directors considered that, because Party A was a privately-held bank wholly-owned by a foreign parent, the shares of Party A would not be as liquid as shares of common stock of Valley, since Party A did not trade on a domestic stock exchange, and the shares to be received by 1st United's shareholders would be minority shares in an entity controlled by the foreign parent. Further, it would be more difficult to evaluate the value of Party A's shares in a reliable way, even with an opportunity for diligence. The Board of Directors discussed with 1st United's advisors the likelihood that it could take several weeks to more fully consider the valuation issues relating to Party A's stock which could result in Valley withdrawing its offer. The Board of Directors again noted additional concerns with Party A, including that Party A had limited experience with acquiring financial institutions and had no experience with servicing FDIC shared-loss agreements, while Valley had relevant experience in both of these areas. Furthermore, representatives from Gunster noted that Party A's offer could be a taxable transaction to 1st United shareholders, not only with respect to the cash received but also with respect to the common stock received. Also discussed was (1) Party A's statement that the combination of the value Party A attributed to its stock plus the cash component Party A was offering, was worth a combined total of \$9.50 per 1st United share, as compared to (2) Valley's then-current offer, including the cash component plus the market valuation of Valley's stock; the collar that Valley was offering to cause the merger consideration to be no lower than \$7.20 per share and no higher than \$10.80 per share; and the potential with the Valley offer for both (i) growth and (ii) the ability for 1st United shareholders to benefit by such potential growth. For those and other reasons, the Board of Directors believed that Party A's offer was inferior to Valley's offer. Nevertheless, because Party A's offer had the potential to be superior to Valley's then-current offer under certain scenarios, 1st United's Board of Directors directed KBW to undertake further discussions with Party A, provided that no exclusivity was granted.

Also during its meeting on April 25, 2014, 1st United's Board of Directors unanimously agreed to engage RP Financial to provide an additional fairness opinion in connection with the proposed transaction. In retaining RP Financial, the Board of Directors observed that KBW had, as recently as September 2013, acted as an investment banker to Valley and Mr. Schupp had worked for a subsidiary of Stifel Financial Corp., parent company of KBW, in a non-executive capacity from 2001 to 2003. The 1st United Board of Directors believed that retaining RP Financial to provide an additional independent fairness opinion was desirable in order to ensure that the Board of Directors would have the benefit of an independent opinion beyond the opinion of KBW.

Later on April 25, 2014, Valley's outside counsel, Day Pitney LLP, delivered initial drafts of the merger agreement and related documents to 1st United's counsel. Among other things, the initial draft of the merger agreement required 1st United to pay a termination fee of \$15 million to Valley if the merger agreement was terminated under certain scenarios. The merger agreement also required 1st United, in the event of certain termination scenarios, to reimburse Valley for its out-of-pocket expenses incurred in connection with the merger agreement, up to \$750,000, but there was no reciprocal reimbursement right for 1st United.

Over the course of the following week, representatives of Valley and 1st United conducted additional due diligence on each other. In addition, as a result of Valley's share price decreasing since April 22nd and in light of the competing

offer from Party A, Valley agreed, after further negotiation, to increase the exchange ratio in its offer from 0.855 to 0.89 and to change the consideration to 100% stock. However, Valley also proposed increasing the termination fee to \$17.5 million. As a result of the 100% stock consideration, Valley would not have sufficient authorized shares and would be required to obtain shareholder approval to amend its certificate of incorporation to increase the number of authorized shares. Valley made it clear that the increased offer was final.



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On April 30, 2014, 1st United's Board of Directors reconvened to discuss the relative merits of the final revised offers of Valley and Party A. Representatives of Gunster and KBW were present at the meeting. KBW informed the Board of Directors that it had contacted Party A to discuss the issues presented by Party's A stock and cash offer. These issues included lack of liquidity in the stock, relative valuation, tax treatment and reverse diligence process. Party A, however, was reluctant to provide further detail unless 1st United granted Party A a 30-day exclusivity period. Such an exclusivity agreement could have jeopardized the continuation of the Valley offer, and would also have had to be agreed to by 1st United before Party A would allow 1st United to conduct reverse diligence. Representatives of KBW reviewed with 1st United's Board of Directors these issues, the importance of reverse diligence as to Party A due to its liquidity issues and related issues, and the financial and other terms of the two offers, including the increase in Valley's exchange ratio. Representatives of KBW also discussed with 1st United's Board of Directors the potential that the change in Valley's offer to a 100% stock deal would provide more potential upside to 1st United shareholders and would reduce the period it would take for Valley to earn back the tangible book value dilution from the potential merger, which the markets would view favorably. Following questions and discussions from the directors, 1st United's Board of Directors unanimously authorized 1st United's management and 1st United's advisors to complete negotiations with Valley and terminate discussions with Party A.

Over the course of the next week, 1st United conducted further due diligence on Valley. The parties concurrently worked to finalize the drafting of the definitive merger agreement. On May 1, 2014, Day Pitney delivered revised drafts of the definitive agreements, which included, among other things, a reciprocal expense reimbursement for 1st United (which term had not been included in the initial draft but requested by Gunster) in the event of certain termination scenarios, but proposed to increase the termination fee for the benefit of Valley from \$15 million to \$17.5 million in light of the increased offer. The revised agreement contained several additional legal terms requested by Gunster which were favorable to 1st United. On May 2, 2014, the parties resolved the few remaining issues in the merger agreement, including the reduction of the proposed termination fee from \$17.5 million to \$14.5 million. That evening, the final draft of the merger agreement and its exhibits were made available to 1st United's directors for their review.

On May 7, 2014, the Boards of Directors of 1st United and 1st United Bank met together to review the proposed merger with Valley. Representatives of Gunster, KBW, and RP Financial were present at the meeting. KBW reviewed the financial aspects of the proposed merger with Valley and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the 0.89 exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of 1st United common stock. Representatives of RP Financial also reviewed and discussed with the directors its financial analyses of the merger consideration and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by RP Financial as set forth in such opinion, the merger consideration in the proposed merger with Valley was fair, from a financial point of view, to the holders of 1st United common stock. In addition, representatives of Gunster reviewed with the directors the most recent draft of the proposed merger agreement, including the terms related to the price as well as the termination fee payable in the event that the merger agreement was terminated by 1st United as the result of a subsequent offer, related transaction documents, as well as the legal standards applicable to the Board of Directors' decisions and actions with respect to the proposed transaction, as they had previously done. Following the presentations by 1st United's management and advisors and discussion among the members of both 1st United's and 1st United Bank's Boards of Directors, including consideration of the factors described under Proposal 1 of the 1st United Special Meeting "The Merger Recommendation of the 1st United Board of Directors and Reasons for the Merger", the 1st United Board of Directors unanimously (1) determined that the merger agreement, the merger, the amendments to the employment agreements and supplemental executive retirement plan agreements with Messrs. Orlando, Schupp, and Marino, and the other transactions contemplated thereby were advisable and in the best interests of 1st United and its shareholders,

(2) adopted the merger agreement and approved the transactions contemplated thereby, (3) directed that the merger agreement be submitted for adoption by 1st United's shareholders, and (4) recommended that 1st United's shareholders adopt the merger agreement. The Board of Directors of 1st United Bank unanimously reached the same conclusions and adopted similar resolutions.

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On the evening of May 7, 2014, 1st United and Valley executed the merger agreement, and on May 8, 2014, issued a joint press release announcing the transaction.

**Recommendation of 1st United's Board of Directors and Reasons for the Merger**

1st United's Board of Directors believes that the merger is in the best interests of 1st United and its shareholders. Accordingly, 1st United's Board of Directors has approved the merger agreement and recommends that shareholders vote FOR the approval of the merger agreement.

In reaching its decision to approve the merger agreement, 1st United's Board of Directors consulted with 1st United's outside legal counsel and 1st United's financial advisors regarding the merger and considered a variety of factors, including the following:

1st United Board of Directors' familiarity with and review of 1st United's business, financial condition, results of operations and prospects, including, but not limited to, its business plan and its potential for growth, development, productivity and profitability, taking into consideration that the substantial increase in 1st United's budgeted 2014 net income was related to infrequent expense items incurred in 2013 that 1st United did not project in the 2014 budget, but which may be incurred in 2014 nonetheless;

the current and prospective environment in which 1st United operates, including national and local economic conditions (including net interest margin pressures), the competitive environment for financial institutions generally, the increased regulatory burden on financial institutions generally, and the trend toward consolidation in the financial services industry;

1st United's belief that 1st United needs to grow to be in a position to deliver a competitive return to its shareholders;

1st United Board of Directors' review, with the assistance of 1st United's legal and financial advisors, of strategic alternatives to the merger, including potential acquisitions of selected target companies, potential merger of equals, a potential equity raise, the discussions with Valley, Party A and the two other bidders, and the possibility of remaining independent;

the likelihood that acquisition opportunities for 1st United as a buyer are limited since potential targets within 1st United's market area are either very small, have credit quality issues, are at prices that do not make sense for 1st United, or have clearly expressed a strong desire to remain independent for the foreseeable future;

1st United Board of Directors' review, based in part on presentations by 1st United's management and advisors and on the due diligence performed in connection with the transaction, of Valley's business, financial condition, results of operations and management; the recent performance of Valley's common stock on both a historical and prospective basis; the strategic fit between the parties; the potential synergies

expected from the merger; and the business risks associated with the merger;

the expectation that the merger will provide holders of 1st United common stock with the opportunity to receive a substantial premium over the historical trading prices for their shares and that the exchange of Valley shares for 1st United shares will be tax-free for federal income tax purposes;

the expected pro forma financial impact of the transaction, taking into account anticipated cost savings and other factors, on both 1st United shareholders and Valley shareholders, including that the transaction is expected to be accretive to the earnings per share of both Valley and 1st United;

the prospects for continuation of Valley's favorable quarterly dividend rate, which is currently \$0.11 per share of common stock, when compared to 1st United's quarterly dividend rate, which is currently \$0.02 per share of common stock;

the expectation that the historical liquidity of Valley stock will offer 1st United shareholders the opportunity to participate in the growth and opportunities of Valley by retaining their Valley stock following the merger, or to exit their investment, should they prefer to do so;

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the lack of prospects for a superior offer for a strategic combination that affords 1st United shareholders the ability to continue their equity investment in a tax-efficient manner;

1st United Board of Directors' review with 1st United's legal advisors of the non-solicitation and termination provisions of the merger agreement, the flexibility of the 1st United Board of Directors to consider unsolicited proposals from other institutions after the execution of the merger agreement, and the \$14.5 million termination fee in favor of Valley in the event the merger agreement is terminated under certain specified circumstances;

the collar on the Valley consideration such that the minimum value of the consideration which 1st United shareholders would receive is \$7.20 per share and the maximum value of the consideration which 1st United shareholders would receive is \$10.80 per share;

the separate opinions, dated May 7, 2014, to 1st United's Board of Directors of KBW and RP Financial, LC, financial advisors to 1st United, as to the fairness, from a financial point of view and as of the date of such opinions, to the holders of 1st United common stock of the 0.89 exchange ratio in the merger, as more fully described under Proposal 1 of the 1st United Special Meeting "The Merger" Opinions of 1st United's Financial Advisors on page [ ];

the similarity between 1st United's and Valley's management philosophies, approaches and commitments to the communities, customers and shareholders they each serve and their respective employees;

the impact of the merger on depositors, customers and communities served by 1st United and the expectation that the combined entity will continue to provide quality service to the communities and customers currently served by 1st United;

the effects of the merger on 1st United's employees, including the prospects for continued employment and the severance and other benefits agreed to be provided by Valley; and

Valley's requirement that certain of 1st United's named executive officers and certain other key employees identified by Valley execute employment or retention agreements with Valley to provide economic incentives for such persons to remain with the resulting entity for six months to three years following the closing of the merger to allow for an orderly and successful transition.

The 1st United Board of Directors also considered potential risks relating to the merger, including the following:

the need to obtain regulatory approvals to complete the merger, including approval from the FDIC for Valley National Bank to assume the shared-loss agreements between 1st United Bank and the FDIC;

the need for Valley to obtain the approval of its shareholders of the Charter Amendment Proposal;

the potential for diversion of management and employee attention, and for employee attrition, during the period prior to the completion of the merger and the potential effect on 1st United's business and relations with customers, service providers and other stakeholders, whether or not the merger is completed;

the merger agreement provisions generally requiring 1st United to conduct its business in the ordinary course and the other restrictions on the conduct of 1st United's business prior to completion of the merger, which may delay or prevent 1st United from undertaking business opportunities that may arise pending completion of the merger;

Valley could experience a decrease in profitability or regulatory pressure that would force it to reduce its dividends from historical levels;

with stock consideration based on a fixed exchange ratio, the risk that the consideration to be paid to 1st United shareholders could be adversely affected by a decrease in the trading price of Valley common stock during the pendency of the merger;

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expected benefits and synergies sought in the merger, including cost savings and Valley's ability to successfully market its financial products to 1st United's customers, may not be realized or may not be realized within the expected time period;

the challenges of integrating the businesses, operations and employees of 1st United and Valley;

certain provisions of the merger agreement prohibit 1st United from soliciting, and limit its ability to respond to, proposals for alternative transactions;

1st United's obligation to pay to Valley a termination fee of \$14.5 million if 1st United recommends or accepts an alternative acquisition proposal may deter others from proposing an alternative transaction that may be more advantageous to 1st United's shareholders;

the possible effects on 1st United should the parties fail to complete the merger, including the possible effects on 1st United's common stock and the associated business and opportunity costs;

that 1st United's directors and executive officers have interests in the merger that are different from or in addition to those of its shareholders generally, as described in the section entitled "Proposal 1 of the 1st United Special Meeting - The Merger - Interests of Certain Persons in the Merger - Interests of 1st United Executive Officers and Directors in the Merger" on page [ ]; and

the other risks described in the section entitled "Risk Factors" beginning on page [ ] and the risks of investing in Valley common stock identified in the Risk Factors sections of Valley's periodic reports filed with the SEC and incorporated by reference herein.

The discussion of the information and factors considered by the 1st United Board of Directors is not exhaustive, but includes the material factors considered by the 1st United Board of Directors. In view of the wide variety of factors considered by the 1st United Board of Directors in connection with its evaluation of the merger and the complexity of these matters, the 1st United Board of Directors did not attempt to quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. Furthermore, in considering the factors described above, individual members of 1st United's Board of Directors may have given different weights to different factors. The 1st United Board of Directors evaluated the factors described above, including asking questions of 1st United's management and 1st United's legal and financial advisors, and reached the unanimous decision that the merger was in the best interests of 1st United and its shareholders. The Board of Directors realized there can be no assurance about future results, including results expected or considered in the factors listed above. However, the Board of Directors concluded the potential positive factors outweighed the potential risks of completing the merger. It should be noted that this explanation of the 1st United Board of Directors' reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Forward-Looking Statements" beginning on page [ ].

On the basis of these considerations, 1st United's Board of Directors unanimously approved the merger agreement.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS OF 1ST UNITED VOTE FOR THE APPROVAL OF THE MERGER AGREEMENT.

**Valley s Reasons for the Merger**

In reaching its decision to approve the merger agreement, the Valley Board of Directors consulted with its outside legal counsel and its financial advisor, and considered a variety of factors, including the following:

Valley s ongoing strategy of highly focused growth through acquisitions of other strong financial institutions;

its knowledge of Valley s business, operations, financial condition, earnings and prospects and of 1st United s business, operations, financial condition, earnings and prospects, taking into account the results of Valley s due diligence review of 1st United;



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its belief that 1st United and Valley share a compatible community banking model;

the similarity between Valley's and 1st United's approach to banking, which both focus on strong asset quality, customer service and earnings;

that 1st United would enable Valley to expand its presence into desirable and economically growing Florida urban banking markets;

that 1st United shareholders would be expected to own no more than 13.3% of the outstanding shares of common stock of the combined company immediately following the merger (based upon 200,361,014 shares of Valley common stock outstanding as of March 31, 2014 and assuming that no 1st United stock options are exercised prior to consummation of the merger);

the financial and other terms and ability of the 1st United Board of Directors to entertain third party acquisition proposals to acquire 1st United and conditions of the merger agreement, including providing for payment by 1st United to Valley of a termination fee of \$14.5 million, plus reasonable out of pocket expenses up to \$750,000, if the merger agreement is terminated under certain circumstances;

the requirement to obtain an opinion of Sandler O'Neill that the consideration to be paid in the merger to 1st United's shareholders is fair to Valley from a financial point of view, as more fully described under Proposal 1 of the Valley Special Meeting Amendment to Valley's Restated Certificate of Incorporation to Increase the Number of Authorized Shares of Valley's Common Stock by 100,000,000 Shares Opinion of Sandler O'Neill on page [ ]; and

the regulatory and other approvals required in connection with the transaction and the likelihood such approvals will be received in a timely manner and without unacceptable conditions.

**Interests of Certain Persons in the Merger**

*Interests of 1st United Executive Officers and Directors in the Merger*

In considering the recommendations of the 1st United Board of Directors, 1st United's shareholders should be aware that some of the executive officers and directors of 1st United have interests in the merger that differ from, or may be in addition to, the interests of 1st United's shareholders. These interests may present such executive officers and directors with actual or potential conflicts of interests, and these interests, to the extent material, are described below:

*Ownership of 1st United*

Some of the officers and directors of 1st United currently own 1st United common stock and some of the officers and directors of 1st United have been granted 1st United stock options. As of May 31, 2014, such officers and directors beneficially owned an aggregate of 4,959,794 shares of 1st United common stock.

*Indemnification; Directors and Officers Insurance*

Pursuant to the merger agreement, for a period of six years after the effective time of the merger, Valley has agreed to indemnify, defend, hold harmless and advance expenses to each present and former officer and director of 1st United and its subsidiaries to the fullest extent authorized or permitted by law. Valley also has agreed that all rights to indemnification and advancement of expenses from liabilities under 1st United's certificate of incorporation with respect to acts or omissions occurring prior to the effective time of the merger now existing in favor of current and former officers and directors of 1st United or any of its subsidiaries will survive the merger and continue in full force and effect in accordance with their terms and without regard to any subsequent amendment thereof.

The merger agreement further provides that Valley will cause the officers and directors of 1st United and its subsidiaries to be covered for a period of six years after the effective time of the merger under an extension of 1st

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United's existing directors' and officers' liability insurance policy, provided, however, that Valley is only required to obtain such coverage at an aggregate cost not to exceed 300% of the annual premium currently paid by 1st United for such coverage.

*Summary of Payments and Benefits to Directors*

Non-employee directors of 1st United are not expected to receive any compensation based on or related to the merger that has not already accrued or vested in them, other than the acceleration of vesting of stock options and restricted stock awards as discussed below.

*Equity Compensation Awards*

1st United's directors and executive officers participate in 1st United's equity-based compensation plans and hold outstanding stock options and restricted stock granted under such plans. Holders of unexercised 1st United stock options, which will be cancelled immediately prior to the effective time of the merger, will be entitled to consideration consisting of a cash payment from 1st United at the time of such stock option cancellation in an amount equal to the number of shares of 1st United common stock into which such stock options held are convertible multiplied by the excess of the value of the merger consideration per 1st United share (measured by Valley's Average Closing Price) over the exercise price per share provided for in such 1st United stock options. The payments to the 1st United option holders shall be treated as compensation and shall be net of any applicable federal and state withholding taxes. Each outstanding share of restricted stock of 1st United will be converted automatically into a fully vested right to receive the merger consideration.

The following table sets forth, based on outstanding awards under 1st United's equity plans and other compensatory arrangements as of May 31, 2014, the number and value of shares of 1st United restricted stock held by each such person:

**1st United Bancorp****Restricted Shares**

Name	Number of Shares			Estimated Dollar Value of Restricted Stock <sup>(1)</sup>		
	Unvested	Vested	Total	Unvested	Vested	Total
Paula Berliner	38,971	15,029	54,000	\$ 338,662	\$ 130,598	\$ 469,260
Derek C. Burke	19,000	1,000	20,000	165,110	8,690	173,800
Jeffery L. Carrier	38,971	15,029	54,000	338,662	130,598	469,260
Ronald A. David	38,971	15,029	54,000	338,662	130,598	469,260
Jimmy Evans	32,429	12,571	45,000	281,804	109,246	391,050
Arthur S. Loring	38,971	15,029	54,000	338,662	130,598	469,260
Thomas E. Lynch	32,429	12,571	45,000	281,804	109,246	391,050
John Marino	64,132	8,140	72,272	557,305	70,738	628,044
Carlos Morrison	38,686	14,314	53,000	336,179	124,391	460,570
Joseph W. Veccia	32,429	12,571	45,000	281,804	109,246	391,050
Warren S. Orlando	64,132	8,140	72,272	557,305	70,738	628,044
Rudy E. Schupp	64,132	8,140	72,272	557,305	70,738	628,044

- (1) Based on closing sale price per share of Valley Common Stock on May 7, 2014 and exchange ratio of 0.89, which is calculated as \$8.69.

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The following table sets forth, based on outstanding awards under 1st United's equity plans and other compensatory arrangements as of May 31, 2014, the number and value of all outstanding and unexercised 1st United stock options held by each of 1st United's directors and executive officers

**1st United Bancorp****Stock Options**

Name	Number of Shares Underlying Stock Options			Estimated Dollar Value of Stock Options <sup>(1)</sup>		
	Unvested	Vested	Total	Unvested	Vested	Total
Paula Berliner	10,800	4,200	15,000	\$ 22,284	\$ 3,276	\$ 25,560
Derek C. Burke	10,800	1,200	12,000	22,284	3,276	25,560
Jeffery L. Carrier	10,800	4,200	15,000	22,284	3,276	25,560
Ronald A. David	10,800	4,200	15,000	22,284	3,276	25,560
Jimmy Evans	10,800	1,200	12,000	22,284	3,276	25,560
Wade A. Jacobson	73,287	21,713	95,000	154,685	42,350	197,035
Arthur S. Loring	10,800	4,200	15,000	22,284	3,276	25,560
Thomas E. Lynch	10,800	4,200	15,000	22,284	3,276	25,560
John Marino	434,389	540,917	975,306	1,249,181	1,037,601	2,286,782
Carlos Morrison	10,800	4,200	15,000	22,284	3,276	25,560
Lawrence Ostermayer	43,716	14,784	58,500	71,549	31,866	103,415
Joseph W. Veccia	10,800	4,200	15,000	22,284	3,276	25,560
Warren S. Orlando	434,389	540,917	975,306	1,249,181	1,037,601	2,286,782
Rudy E. Schupp	434,389	540,917	975,306	1,249,181	1,037,601	2,286,782

- (1) Based on closing sale price per share of Valley Common Stock on May 7, 2014 and exchange ratio of 0.89, which is calculated as \$8.69. The estimated dollar value is calculated by multiplying (A) the number of stock options with exercise prices below \$8.69 and (B) the difference between \$8.69 and the exercise prices of such stock options.

*Amended Employment Agreements; Amended Supplemental Executive Retirement Plan Agreements and New Employment Agreements for Rudy Schupp, Warren Orlando and John Marino*

The existing Third Amended and Restated Employment Agreements, dated January 24, 2012, as amended on July 23, 2013 and November 12, 2013 (the "Employment Agreements"), for each of Warren Orlando, Rudy Schupp and John Marino provide that upon a Change of Control of 1st United (as defined in the Employment Agreements) each executive would receive (i) a lump sum payment within 30 days equal to three times the average of the two highest amounts of annual cash compensation received by any named executive officer of 1st United during the past five completed fiscal years, (ii) a lump sum payment within 30 days equal to the difference between (A) the present value of current and future benefits to the executive under the 1st United pension plans assuming the executive remained employed for an additional three years after the effective time of the merger, and (B) the present value of the accrued benefits to which the executive is actually entitled as of the effective time of the merger under the 1st United pension plans, (iii) a lump sum payment within 30 days equal to the present value of the additional contributions 1st United would have made to the executive's 401(k) plan if he had remained employed by 1st United for three years after the effective time of the merger, and (iv) health care benefits and the maintenance of life insurance benefits for a period of fifteen years following termination of employment. In addition, the Employment Agreements each provide that upon a

Change of Control of 1st United each executive would receive a tax gross-up payment equal to the amount of excise tax payments incurred (including any income or payroll tax incurred on such excise taxes) by each executive under Section 4999 of the Code with respect to excess parachute payments as defined under Section 280G of the Code in connection with the payments made to the executives following a Change of Control. Lastly, the Employment Agreements require 1st United to pay each executive's federal income tax liability incurred by the executive upon the vesting of the executive's restricted stock for any reason, including in connection with a Change in Control of 1st United.

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On May 7, 2014, 1st United and 1st United Bank entered into amendments to the Employment Agreements (the Revised Employment Agreements ) and amendments to the Supplemental Executive Retirement Plan Agreements (the Revised SERP Agreements ) with each of Warren Orlando, Rudy Schupp and John Marino. In addition, at the request of Valley, as a condition to Valley executing the merger agreement, Valley and Valley National Bank entered into new employment agreements with each of Messrs. Orlando, Schupp and Marino (the Valley Employment Agreements ). The purpose of the Revised Employment Agreements and Revised SERP Agreements was to (i) reduce the cost of the benefits payable under the Employment Agreements and the Supplemental Executive Retirement Plan Agreements (the SERP Agreements ) by eliminating the tax gross-up payments to the officers attributable to Sections 280G and 4999 of the Code and reducing the amounts payable to the officers under the SERP Agreements upon the completion of the merger; and (ii) to quantify the benefits to be paid to the officers under the Employment Agreements and the SERP Agreements in the settlement of Valley's obligations following the merger, which will be terminated simultaneously with the consummation of the merger. The purpose of the Valley Employment Agreements is to facilitate retaining the officers' services following the merger and to serve as an inducement to Valley to enter into the merger agreement by (i) providing additional compensation for continuing to provide services following the closing of the merger through at least a transition period, and (ii) obtaining agreements from each of the officers not to compete with Valley or solicit customers of Valley or 1st United in specified geographic locations for a period of three years following the termination of employment of each officer. Valley viewed these restrictive covenants as a critical component of the overall transaction with 1st United. Valley desired to retain the executives for a period of time following the closing but needed assurances from the executives that Valley would be able to retain 1st United employees and customers without interference from the executives after their employment with Valley had terminated.

The Revised Employment Agreements and the Revised SERP Agreements amend the executives' Employment Agreements and SERP Agreements to:

Eliminate the payment by 1st United and 1st United Bank of cash amounts intended to cover excise taxes incurred under Section 4999 of the Code with respect to excess parachute payments as defined under Section 280G of the Code; and

Reduce the interest rate applicable to calculate the present value of current and future benefits payable to the executives under 1st United's and 1st United Bank's pension plans to the greater of (i) the applicable rate prescribed by the PBGC, and (ii) 4%.

The Revised Employment Agreements also provide that 1st United and 1st United Bank shall, at the direction of Valley, terminate each executive's Revised Employment Agreement and Revised SERP Agreement at or before the effective time of the merger in accordance with the terms of the Revised Employment Agreements, Revised SERP Agreements and Section 409A of the Code in exchange for the lump sum cash payment of \$6,078,193 in settlement of its obligations following the merger under both the Employment Agreements and the SERP Agreements. Such payment represents a substantial reduction in the cash and benefits that would have been paid to each executive under his respective Employment Agreement and SERP Agreement upon the consummation of the merger.

The Valley Employment Agreements take effect at the effective time of the merger and contain the following material terms:

Employment terms of 3 years, 1 year and 6 months for Messrs. Schupp, Orlando and Marino, respectively;

Base salaries at an annual rate of \$340,000, \$170,000 and \$340,000 for Messrs. Schupp, Orlando and Marino, respectively;

Eligibility for an annual bonus and annual equity awards for Mr. Schupp;

Fringe benefits and perquisites generally available to similarly situated Valley executives including a monthly automobile allowance of \$1,200 (or for Mr. Schupp, the full-time use of a company car at his



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election, subject to a \$1,200 per month limitation) and reimbursement for two club memberships up to \$22,000 in the aggregate per year;

If the executives are terminated without Cause or for Good Reason (as each term is defined in the Valley Employment Agreements), they will be entitled to receive their normal base salary payments that would have been earned had they remained employed until the greater of: (A) six months (or 12 months for Mr. Schupp) from the termination date; or (B) the end of the employment term;

If the executives are terminated without Cause or for Good Reason following a change in control of Valley, the executives shall receive a lump sum payment equal to the greater of:

(A) 24 months of normal base salary payments and (B) normal base salary payments until the end of the term, in the case of Mr. Schupp;

(A) 12 months of normal base salary payments and (B) normal base salary payments until the end of the term, in the case of Mr. Orlando; and

(A) 6 months of normal base salary payments and (B) normal base salary payments until the end of the term, in the case of Mr. Marino;

Reimbursement for health insurance coverage for each executive and his spouse for a period of 15 years following termination of employment, up to \$1,864 per month, provided, however, that on January 1 of each year during the coverage period, such maximum amount will increase by 5%;

Payment of \$23,277 upon termination of employment in lieu of providing post-retirement life insurance coverage for 15 years; and

In exchange for a lump sum payment of \$1,333,333 at the effective time of the merger, each executive agrees not to, for a period of three years following termination of employment, (i) engage in any business activity in which the Valley National Bank engages in within 50 miles of any Valley branch location, and (ii) solicit Valley National Bank customers or employees.

The lump sum and other payments that each executive officer will receive at the effective time of the merger under their respective Revised Employment Agreements, Revised SERP Agreements and Valley Employment Agreements and pursuant to the merger agreement are described in more detail under Proposal 2 of 1st United Special Meeting Advisory Vote on Executive Compensation Payments on page [ ]:

*Employment Agreement of Wade Jacobson*

Valley has agreed to honor the Employment Agreement of Wade Jacobson, the Executive Vice President of 1st United. Pursuant to the terms of the Employment Agreement, within 30 days following the effective date of the

merger, Valley will pay Mr. Jacobson a lump sum equal to his current annual base salary of \$217,000. At the end of the calendar year following the effective date, Valley will also pay Mr. Jacobson an amount equal to the average bonus for the two immediately preceding years. If the merger closes in 2014, the amount of this payment will be \$59,690. If Valley terminates Mr. Jacobson for any reason following the effective time of the merger, Valley will reimburse Mr. Jacobson for his monthly health insurance continuation premiums under the Consolidated Omnibus Budget Reconciliation Act ( COBRA ), up to \$1,000 per month, for a period of twelve months following such termination.

*Other Employee Benefits*

Before or following consummation of the merger, Valley will decide whether to continue each employee welfare benefit plan, within the meaning of ERISA, for the benefit of employees of 1st United and 1st United Bank or have such employees become covered under a Valley welfare plan. Subject to the foregoing, following consummation of the merger, Valley will make available to all officers and employees of 1st United who become employees of Valley National Bank coverage under the benefit plans generally available to Valley National

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Bank's officers and employees. No prior existing condition limitation not currently imposed by 1st United or 1st United Bank medical or dental plans will be imposed on employees of 1st United or 1st United Bank under Valley's or Valley National Bank's medical or dental plans. Employees of 1st United or 1st United Bank will receive credit for any deductibles paid under 1st United or 1st United Bank medical or dental plans. 1st United employees will be given credit for eligibility and vesting purposes (but not for benefit accrual purposes) under Valley National Bank's medical, life, vacation, sick leave, disability and other welfare plans for prior service with 1st United. 1st United employees will be granted credit for prior service with 1st United solely for purposes of eligibility and vesting under Valley National Bank's 401(k) plan.

Officers and employees of 1st United and 1st United Bank who are not party to employment agreements and are terminated involuntarily other than for cause by Valley or Valley National Bank upon or within one year following the consummation of the merger, will be eligible for severance payments. The amount of severance payments will vary based on the employment level and the number of years worked at 1st United for each affected employee. 1st United employees are eligible for enhanced benefits to the extent that they sign a standard separation agreement and waiver. In addition, these terminated employees will be reimbursed for payments made for continuing group health care coverage under COBRA for a number of months specified in 1st United's severance benefits package. None of Messrs. Orlando, Schupp, Marino or Jacobson are eligible for these benefits as they each have separate employment arrangements with 1st United.

*1st United Board Considerations*

The 1st United Board of Directors was aware of all of the above different and/or additional interests and considered them, among other matters, in their respective evaluations and negotiations of the merger agreement.

*Ownership Interests of Directors and Executive Officers*

The following table sets forth, for each of the 1st United directors and executive officers, the total number of shares of 1st United common stock in which such director or executive officer owns, directly or indirectly, a beneficial interest, as of May 31, 2014. The information concerning the beneficial ownership of 1st United directors and officers is based solely on information provided by those individuals. Unless otherwise stated, the beneficial owner has sole voting and investment power over the listed 1st United common stock, or shares such power with his or her spouse.

Name of Beneficial Owner	Common Stock Beneficially Owned <sup>(1)</sup>	
	Number of Shares of Common Stock <sup>(16)</sup>	Percentage of Class
Paula Berliner <sup>(2)</sup>	161,637	*
Derek C. Burke <sup>(3)</sup>	51,860	*
Jeffery L. Carrier <sup>(4)</sup>	192,252	*
Ronald A. David <sup>(5)</sup>	130,084	*
James Evans <sup>(6)</sup>	926,337	2.7%
Wade A. Jacobson <sup>(7)</sup>	38,355	*
Arthur S. Loring <sup>(8)</sup>	153,650	*
Thomas E. Lynch <sup>(9)</sup>	372,642	1.1%
John Marino <sup>(10)</sup>	693,419	2.0%

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Carlos Morrison <sup>(11)</sup>	395,856	1.1%
Warren S. Orlando <sup>(12)</sup>	738,944	2.1%
Lawrence Ostermayer <sup>(13)</sup>	32,145	*
Rudy E. Schupp <sup>(14)</sup>	737,704	2.1%
Joseph W. Veccia, Jr. <sup>(15)</sup>	334,909	1.0%
All executive officers and directors as a group (14 persons)	4,959,794	13.6%

\* Less than 1% of the outstanding Common Stock

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- (1) For purposes of this table, a person is considered to beneficially own shares of Common Stock if he or she directly or indirectly has or shares voting power, which includes the power to vote or to direct the voting of the shares, or investment power, which includes the power to dispose or direct the disposition of the shares, or if he/she has the right to acquire the shares under options which are exercisable currently or within 60 days of May 31, 2014. Each person named in the above table has sole voting power and sole investment power with respect to the indicated shares unless otherwise noted. A person is considered to have shared voting and investment power over shares indicated as being owned by the spouse or the IRA of the spouse of that person.
- (2) Includes 78,937 shares held by a trust for which Ms. Berliner shares voting and investment power with her spouse and 4,700 shares Ms. Berliner has the right to acquire under vested stock options that Ms. Berliner has not exercised.
- (3) Includes 1,200 shares Mr. Burke has the right to acquire under vested stock options that Mr. Burke has not exercised.
- (4) Includes 4,700 shares Mr. Carrier has the right to acquire under vested stock options that Mr. Carrier has not exercised.
- (5) Includes 4,700 shares Mr. David has the right to acquire under vested stock options that Mr. David has not exercised.
- (6) Includes 320,638 shares held by a company Mr. Evans controls; 486,014 shares held individually; 21,562 shares held individually by his wife; 76,923 shares held by a company his wife controls; and 1,200 shares Mr. Evans has the right to acquire under vested stock options that Mr. Evans has not exercised.
- (7) Includes 30,855 shares Mr. Jacobson has the right to acquire under vested stock options that Mr. Jacobson has not exercised.
- (8) Includes 4,700 shares Mr. Loring has the right to acquire under vested stock options that Mr. Loring has not exercised.
- (9) Includes 314,602 owned jointly by Mr. Lynch and his spouse; 2,570 shares owned jointly by his spouse and children; 30,770 shares owned by a trust for his children for which he is trustee; and 4,700 shares Mr. Lynch has the right to acquire under vested stock options that Mr. Lynch has not exercised.
- (10) Includes 28,339 owned jointly by Mr. Marino and his spouse; and 577,885 shares Mr. Marino has the right to acquire under vested stock options that Mr. Marino has not exercised.
- (11) Includes 4,700 shares Mr. Morrison has the right to acquire under vested stock options that Mr. Morrison has not exercised.
- (12) Includes 940 shares owned by Mr. Orlando as custodian for his grandchildren and 577,885 shares Mr. Orlando has the right to acquire under vested stock options that Mr. Orlando has not exercised.
- (13) Includes 18,069 shares Mr. Ostermayer has the right to acquire under vested stock options that Mr. Ostermayer has not exercised.
- (14) Includes 12,000 shares owned by Mr. Schupp jointly with his children; and 577,885 shares Mr. Schupp has the right to acquire under vested stock options that Mr. Schupp has not exercised.
- (15) Includes 234,624 shares held in family limited partnerships; 320 shares held by an investment club; 310 shares held by his spouse; and 4,700 shares Mr. Veccia has the right to acquire under vested stock options that Mr. Veccia has not exercised.
- (16) Includes unvested restricted shares that may be voted by the following people: Ms. Berliner (38,971); Mr. Burke (19,000); Mr. Carrier (38,971); Mr. David (38,971); Mr. Evans (32,429); Mr. Loring (38,971); Mr. Lynch (32,429); Mr. Marino (64,132); Mr. Morrison (38,686); Mr. Orlando (64,132); Mr. Schupp (64,132); and Mr. Veccia (32,429).

***Golden Parachute Compensation Payable to Valley Named Executive Officers***

None of Valley's executive officers will receive any type of golden parachute compensation that is based on or otherwise relates to the merger.



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### *Interests of Valley Officers and Directors*

Ms. Mary Guilfoile, a director of Valley, is also a director and officer of MG Advisors, Inc. MG Advisors provided financial advisory services to Valley in connection with the merger although Ms. Guilfoile did not participate in such services. MG Advisors is paid a monthly fee by Valley of \$7,500 per month and will be paid an additional fee by Valley in connection with the merger. At this time, the amount of the additional fee has not been determined.

### **Opinions of 1st United's Financial Advisors**

#### *Opinion of Keefe, Bruyette & Woods, Inc.*

1st United engaged KBW to render financial advisory and investment banking services to 1st United, including an opinion to the 1st United Board of Directors as to the fairness, from a financial point of view to the holders of 1st United common stock, of the exchange ratio of 0.89 of a share of Valley common stock to one share of 1st United common stock, in the proposed merger of 1st United with and into Valley. 1st United selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the 1st United Board of Directors held on May 7, 2014, at which the 1st United Board of Directors evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the 0.89 exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of 1st United common stock. The 1st United Board of Directors approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as *Appendix B* to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

**KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the 1st United Board of Directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the 0.89 exchange ratio in the merger to the holders of 1st United common stock. It did not address the underlying business decision of 1st United to engage in the merger or enter into the merger agreement or constitute a recommendation to the 1st United Board of Directors in connection with the merger, and it does not constitute a recommendation to any 1st United shareholder or any shareholder of any other entity as to how to vote in connection with the merger or any other matter, nor does it constitute a recommendation on whether or not any holder of 1st United common stock should enter into a voting, shareholders' or affiliates' agreement with respect to the merger.**

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of 1st United and Valley and the merger, including, among other things:

a draft, dated May 6, 2014, of the merger agreement (the most recent draft then made available to KBW);

certain regulatory filings of 1st United and Valley, including the quarterly call reports with respect to each quarter during the three year period ended December 31, 2013;



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the audited financial statements and Annual Reports on Form 10-K for the three years ended December 31, 2013 of 1st United and Valley;

the unaudited quarterly financial statements and quarterly reports on Form 10-Q for the fiscal quarter ended March 31, 2014 of 1st United and Valley;

certain other interim reports and other communications of 1st United and Valley to their respective shareholders; and

other financial information concerning the businesses and operations of 1st United and Valley furnished to KBW by 1st United and Valley for purposes of KBW's analysis.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

the historical and current financial position and results of operations of 1st United and Valley;

the assets and liabilities of 1st United and Valley;

the nature and terms of certain other mergers and business combinations in the banking industry;

a comparison of certain financial and stock market information of 1st United and Valley with similar information for certain other publicly traded companies;

the budget of 1st United for 2014 which contained financial and operating forecasts and projections of 1st United for 2014 that were prepared, and provided to and discussed with KBW, by 1st United management and that were relied upon by KBW with the consent of the 1st United Board of Directors;

publicly available consensus street estimates of 1st United for 2015 and of Valley for 2014 and 2015, as well as assumed long term growth rates for subsequent periods for 1st United and Valley that were prepared, and provided to KBW, by 1st United management, all of which information was discussed with KBW by 1st United management and used and relied on by KBW at the direction of such management with the consent of the 1st United Board of Directors; and

estimates regarding certain pro forma financial effects of the merger on Valley (including, without limitation, purchase accounting assumptions, cost savings and related expenses expected to result from the merger) that were prepared and provided to KBW and discussed with KBW by Valley management, and that were used and relied upon by KBW with the consent of the 1st United Board of Directors.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also held discussions with senior management of 1st United and Valley regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters that KBW deemed relevant to its inquiry. KBW also considered the results of the efforts undertaken by 1st United, with KBW's assistance, to solicit indications of interest from third parties regarding a potential transaction with 1st United.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of 1st United as to the reasonableness and achievability of the financial and operating forecasts and projections of 1st United and assumed long term growth rates (and the assumptions and bases therefor) that were prepared by 1st United management and provided to and discussed with KBW by such management and as to the reasonableness and achievability of the publicly available consensus street estimates of 1st United and Valley that KBW was

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directed by such management to use. KBW assumed, at the direction of 1st United, that such forecasts and projections reflected, or in the case of the publicly available consensus street estimates of 1st United and Valley were consistent with, the best currently available estimates and judgments of 1st United management and that such forecasts, projections and estimates would be realized in the amounts and time periods estimated. KBW further relied upon management of Valley as to the reasonableness and achievability of the estimates regarding certain pro forma effects of the merger on Valley (and the assumptions and bases therefor, including without limitation purchase accounting assumptions, cost savings and related expenses expected to result from the merger) that were prepared by Valley management and provided to and discussed with KBW by such management, and KBW assumed, with the consent of 1st United, that all such estimates were reasonably prepared on a basis reflecting the best currently available estimates and judgments of Valley management and that such estimates would be realized in the amounts and in the time periods estimated.

It is understood that the forecasts, projections and estimates that were provided to KBW by 1st United management (in the case of the budget of 1st United for 2014 and assumed long term growth rates for 1st United and Valley) and by Valley management (in the case of estimates regarding pro forma financial effects of the merger on Valley) were not prepared with the expectation of public disclosure, that such forecasts, projections and estimates, together with the publicly available consensus street estimates of 1st United and Valley that KBW was directed to use, are based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such forecasts, projections and estimates. KBW assumed, based on discussions with the respective management teams of 1st United and Valley, that such forecasts, projections and estimates provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either 1st United or Valley since the date of the last financial statements made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with 1st United's consent, that the aggregate allowances for loan and lease losses for 1st United and Valley were adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of 1st United or Valley, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of 1st United or Valley under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed that, in all respects material to its analyses:

the merger and any related transactions (which, for this section of the document, includes the contemporaneous merger of 1st United Bank, a wholly-owned subsidiary of 1st United, with and into Valley National Bank, a wholly-owned subsidiary of Valley) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the latest draft of the merger agreement that had been reviewed by KBW) with no adjustments to the 0.89 exchange ratio or additional forms of consideration;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;

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each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

there are no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger and that all conditions to the completion of the merger would be satisfied without any waivers or modifications to the merger agreement; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of 1st United, Valley, the combined entity or the contemplated benefits of the merger, including the cost savings and related expenses expected to result from the merger.

KBW assumed that the merger would be consummated in a manner that complied with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW further assumed that 1st United relied upon the advice of its counsel, independent accountants and other advisors (other than KBW) as to all legal, financial reporting, tax, accounting and regulatory matters with respect to 1st United, Valley, the merger and related transactions and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness from a financial point of view and as of the date of such opinion, of the 0.89 exchange ratio in the merger to the holders of 1st United common stock. Although the merger agreement contains a collar mechanism providing for a floating exchange ratio in the event the price of Valley common stock is greater than a specified threshold, and a floating exchange ratio and/or cash consideration component in the event the price of Valley common stock is less than a specified threshold, in each case in lieu of the 0.89 exchange ratio, KBW expressed no view or opinion with respect to such terms of the merger agreement. KBW expressed no view or opinion as to any terms or other aspects of the merger or any related transaction, including without limitation, the form or structure of the merger or any related transaction, any consequences of the merger to 1st United, its shareholders, creditors or otherwise, or any terms, aspects or implications of any employment, voting, support, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

the underlying business decision of 1st United to engage in the merger or enter into the merger agreement;

the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by 1st United or the 1st United Board of Directors;

the fairness of the amount or nature of any compensation to any of 1st United's officers, directors or employees, or any class of such persons, relative to any compensation to the holders of 1st United common

stock;

the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of 1st United other than 1st United common stock (solely with respect to the 0.89 exchange ratio), or of any class of securities of Valley or any other party to any transaction contemplated by the merger agreement;

whether Valley has sufficient cash, available lines of credit or other sources of funds to enable it to pay cash consideration, if any, in the merger to the holders of 1st United common stock at the closing of the merger, as provided in the merger agreement;

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the actual value of Valley common stock to be issued in the merger;

the prices, trading range or volume at which the common stock of 1st United or Valley would trade following the public announcement of the merger or the prices, trading range or volume at which the common stock of Valley will trade following the consummation of the merger;

any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

any legal, regulatory, accounting, tax or similar matters relating to 1st United, Valley, their respective shareholders, or relating to or arising out of or as a consequence of the merger or any related transaction, including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, 1st United and Valley. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the 1st United Board of Directors in making its determination to approve the merger agreement and the merger.

Consequently, the analyses described below should not be viewed as determinative of the decision of the 1st United Board of Directors with respect to the fairness of the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between 1st United and Valley and the decision to enter into the merger agreement was solely that of the 1st United Board of Directors.

The following is a summary of the material financial analyses performed by KBW in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the 1st United Board of Directors, but summarizes the material analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses. For purposes of its analyses, the implied value of 0.89 of a share of Valley stock to be exchanged for each share of 1st United common stock that was utilized by KBW was \$8.66, based on the closing price of Valley common stock on May 6, 2014.

*Selected Companies Analysis.* Using publicly available information, KBW compared the financial performance, financial condition and market performance of 1st United to 32 selected banks and bank holding companies traded on NASDAQ or the New York Stock Exchange and headquartered in the Southeast region of the United States with total assets between \$1 billion and \$5 billion.



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The selected companies included in 1st United's peer group were:

TowneBank	Park Sterling Corporation
Simmons First National Corporation	Hampton Roads Bankshares, Inc.
Ameris Bancorp	Yadkin Financial Corporation
City Holding Company	Summit Financial Group, Inc.
First Bancorp	C&F Financial Corporation
BNC Bancorp	American National Bankshares Inc.
Cardinal Financial Corporation	WashingtonFirst Bankshares, Inc.
CenterState Banks, Inc.	Middleburg Financial Corporation
Capital City Bank Group, Inc.	Colony Bankcorp, Inc.
State Bank Financial Corporation	National Bankshares, Inc.
First Community Bancshares, Inc.	Community Bankers Trust Corporation
Fidelity Southern Corporation	Premier Financial Bancorp, Inc.
Square 1 Financial, Inc.	Palmetto Bancshares, Inc.
Seacoast Banking Corporation of Florida	Eastern Virginia Bankshares, Inc.
NewBridge Bancorp	Peoples Bancorp of North Carolina, Inc.
CommunityOne Bancorp	Monarch Financial Holdings, Inc.

To perform this analysis, KBW used financial information as of the most recent reported period available (which, in the case of 1st United, was the fiscal quarter ended March 31, 2014) and market price information as of May 6, 2014. Earnings estimates for 2014 and 2015 were taken from a nationally recognized earnings estimate consolidator for 1st United and the selected companies, except in the case of 2014 estimated earnings for 1st United which were prepared by 1st United management. Certain financial data prepared by KBW, as referenced in the tables presented below, may not correspond to the data presented in 1st United's historical financial statements, the data prepared by RP Financial presented under the section Proposal 1 of the 1st United Special Meeting The Merger Opinions of United's Financial Advisors Opinion of RP Financial, LC or the data prepared by Sandler O'Neill presented under the section Proposal 1 of the Valley Special Meeting Amendment to Valley's Restated Certificate of Incorporation to Increase the Number of Authorized Shares of Valley's Common Stock by 100,000,000 Shares Opinion of Sandler O'Neill, as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance for the last-twelve-months (LTM) of 1st United and the selected companies in its peer group:

	<b>1st United</b>	<b>25th Percentile</b>	<b>Peer Group Average</b>	<b>Peer Group Median</b>	<b>75th Percentile</b>
LTM Core Return on Average Assets <sup>(1)</sup>	0.54%	0.60%	0.93%	0.83%	1.09%
LTM Core Return on Average Equity <sup>(1)</sup>	3.89%	5.79%	9.03%	7.76%	11.44%
LTM Net Interest Margin	5.25%	3.55%	4.16%	3.95%	4.33%
LTM Fee Income / Revenue Ratio <sup>(2)</sup>	(14.9%)	17.8%	22.2%	22.1%	27.8%
LTM Efficiency Ratio	71.5%	76.8%	69.6%	71.1%	61.8%

(1) Core income excludes extraordinary items, gain/loss on sale of securities and nonrecurring revenues/expenses.

(2) Excludes gain/loss on sale of securities.

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KBW's analysis also showed the following ratios concerning the financial condition of 1st United and the selected companies in its peer group:

	<b>1st United</b>	<b>25th Percentile</b>	<b>Peer Group Average</b>	<b>Peer Group Median</b>	<b>75th Percentile</b>
Tangible Common Equity / Tangible Assets	10.03%	7.33%	8.86%	8.54%	9.73%
Total Risk-Based Capital / Risk-Weighted Assets	15.58%	14.41%	16.23%	16.01%	17.48%
Loans / Deposits	81.1%	73.2%	79.0%	80.1%	87.7%
Loan Loss Reserve / Gross Loans	0.87%	1.16%	1.60%	1.50%	1.84%
Nonperforming Assets / Loans + OREO	3.17%	4.45%	3.41%	3.06%	1.90%
LTM Net Charge-Offs / Average Loans	0.33%	0.60%	0.44%	0.31%	0.19%

In addition, KBW's analysis showed the following, to the extent publicly available but excluding the impact of certain selected company LTM earnings per share (EPS) multiples considered to be not meaningful, concerning the market performance of the selected companies in 1st United's peer group:

	<b>1st United</b>	<b>25th Percentile</b>	<b>Peer Group Average</b>	<b>Peer Group Median</b>	<b>75th Percentile</b>
One Year Stock Price Change	7.6%	2.2%	16.6%	10.5%	28.2%
One Year Total Return	10.0%	4.9%	18.1%	12.2%	29.3%
YTD Stock Price Change	(5.0%)	(10.7%)	(4.8%)	(3.6%)	3.4%
Stock Price / Book Value per Share	1.06x	0.95x	1.24x	1.15x	1.47x
Stock Price / Tangible Book Value per Share	1.49x	1.14x	1.40x	1.32x	1.58x
Stock Price / LTM EPS	30.1x	11.7x	15.2x	13.8x	18.3x
Stock Price / 2014 EPS <sup>(1)</sup>	20.0x	12.8x	17.2x	16.4x	20.2x
Stock Price / 2015 EPS <sup>(1)</sup>	15.1x	11.3x	13.2x	12.5x	13.6x
Dividend Yield <sup>(2)</sup>	1.1%	0.0%	1.2%	0.8%	2.1%
Dividend Payout <sup>(3)</sup>	33.3%	20.9%	30.5%	29.2%	39.0%

(1) Based on 1st United management EPS estimate for 1st United in 2014, First Call consensus EPS estimate for 1st United in 2015 and First Call consensus EPS estimates for the selected companies.

(2) Dividend yield calculated using last quarter dividend annualized excluding special dividends.

(3) Dividend payout calculated using last quarter dividend annualized excluding special dividends as a percentage of LTM EPS.

Using publicly available information, KBW compared the financial performance, financial condition and market performance of Valley to 16 selected banks and bank holding companies traded on NASDAQ or the New York Stock Exchange and headquartered in the Mid-Atlantic region of the United States with total assets between \$5 billion and \$50 billion.

The selected companies included in Valley's peer group were:

New York Community Bancorp, Inc.  
First Niagara Financial Group, Inc.  
Signature Bank  
Susquehanna Bancshares, Inc.  
Fulton Financial Corporation  
Astoria Financial Corporation  
F.N.B. Corporation  
National Penn Bancshares, Inc.

Northwest Bancshares, Inc.  
NBT Bancorp Inc.  
Provident Financial Services, Inc.  
Community Bank System, Inc.  
Sterling Bancorp  
First Commonwealth Financial Corporation  
Tompkins Financial Corporation  
Customers Bancorp, Inc.

To perform this analysis, KBW used financial information as of the most recent reported period available (which, in the case of Valley, was the fiscal quarter ended March 31, 2014) and market price information as of May 6, 2014. Earnings estimates for 2014 and 2015 were taken from a nationally recognized earnings estimate

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consolidator for Valley and the selected companies. Certain financial data prepared by KBW, as referenced in the tables presented below, may not correspond to the data presented in Valley's historical financial statements, the data prepared by RP Financial presented under the section Proposal 1 of the 1st United Special Meeting The Merger Opinions of 1st United's Financial Advisors Opinion of RP Financial, LC or the data prepared by Sandler O'Neill presented under the section Proposal 1 of the Valley Special Meeting Amendment to Valley's Restated Certificate of Incorporation to Increase the Number of Authorized Shares of Valley's Common Stock by 100,000,000 Shares Opinion of Sandler O'Neill, as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance for the last-twelve-months of Valley and the selected companies in its peer group:

	Valley	25th Percentile	Peer Group Average	Peer Group Median	75th Percentile
LTM Core Return on Average Assets <sup>(1)</sup>	0.74%	0.78%	0.91%	0.95%	1.02%
LTM Core Return on Average Equity <sup>(1)</sup>	7.82%	6.12%	7.88%	8.03%	8.76%
LTM Net Interest Margin	3.20%	3.33%	3.38%	3.47%	3.63%
LTM Fee Income / Revenue Ratio <sup>(2)</sup>	17.2%	16.6%	21.4%	23.8%	25.8%
LTM Efficiency Ratio	68.4%	63.9%	59.1%	61.7%	57.6%

(1) Core income excludes extraordinary items, gain/loss on sale of securities and nonrecurring revenues/expenses.

(2) Excludes gain/loss on sale of securities.

KBW's analysis also showed the following ratios concerning the financial condition of Valley and the selected companies in its peer group:

	Valley	25th Percentile	Peer Group Average	Peer Group Median	75th Percentile
Tangible Common Equity / Tangible Assets <sup>(1)</sup>	6.91%	7.38%	8.29%	7.95%	9.19%
Total Risk-Based Capital / Risk-Weighted Assets	11.85%	12.95%	14.38%	13.63%	15.22%
Loans / Deposits	103.8%	81.3%	93.8%	91.6%	101.3%
Loan Loss Reserve / Gross Loans	0.91%	0.95%	1.10%	1.11%	1.27%
Nonperforming Assets / Loans + OREO	1.96%	1.70%	1.49%	1.22%	0.88%
LTM Net Charge-Offs / Average Loans	0.30%	0.36%	0.27%	0.27%	0.17%

(1) Tangible common equity and tangible assets for Valley include loan servicing rights as intangible assets, as reported by Valley for the quarter ended March 31, 2014.

In addition, KBW's analysis showed the following, to the extent publicly available but excluding the impact of certain selected company LTM EPS multiples and 2014 estimated EPS multiples considered to be not meaningful, concerning the market performance of Valley and the selected companies in Valley's peer group:

	<b>Valley</b>	<b>25th Percentile</b>	<b>Peer Group Average</b>	<b>Peer Group Median</b>	<b>75th Percentile</b>
One Year Stock Price Change	5.5%	4.7%	13.5%	10.0%	22.4%
One Year Total Return	11.4%	7.9%	17.2%	16.5%	25.0%
YTD Stock Price Change	(3.9%)	(15.1%)	(10.0%)	(11.2%)	(6.7%)
Stock Price / Book Value per Share	1.25x	0.99x	1.21x	1.11x	1.26x
Stock Price / Tangible Book Value per Share <sup>(1)</sup>	1.78x	1.40x	1.74x	1.57x	1.90x
Stock Price / LTM EPS	14.3x	13.5x	15.4x	14.7x	17.5x
Stock Price / 2014 EPS <sup>(2)</sup>	17.4x	13.3x	14.8x	14.0x	15.6x
Stock Price / 2015 EPS <sup>(2)</sup>	15.7x	12.3x	13.7x	12.6x	14.3x
Dividend Yield <sup>(3)</sup>	4.5%	2.3%	2.9%	3.5%	3.9%
Dividend Payout <sup>(4)</sup>	64.7%	43.8%	53.1%	51.2%	61.5%

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- (1) Tangible book value per share for Valley includes loan servicing rights as intangible assets, as reported by Valley for the quarter ended March 31, 2014.
- (2) Based on First Call consensus EPS estimates.
- (3) Dividend yield calculated using last quarter dividend annualized excluding special dividends.
- (4) Dividend payout calculated using last quarter dividend annualized excluding special dividends as a percentage of LTM EPS.

No company used as a comparison in the above selected companies analyses is identical to 1st United or Valley. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

*Select Transactions Analysis.* KBW reviewed publicly available information related to 30 selected bank and thrift transactions announced since January 1, 2013 with transaction values of between \$100 million and \$500 million excluding terminated transactions and mergers of equals. The selected transactions included in the group were:

Acquiror:

Bryn Mawr Bank Corporation  
 Southside Bancshares, Inc.  
 Chemical Financial Corporation  
 Eastern Bank Corporation  
 Bank of the Ozarks, Inc.  
 CenterState Banks, Inc.  
 BancorpSouth, Inc.  
 TriCo Bancshares  
 IBERIABANK Corporation  
 BancorpSouth, Inc.  
 Old National Bancorp  
 Provident Financial Services, Inc.  
 ViewPoint Financial Group, Inc.  
 Independent Bank Group, Inc.  
 Cascade Bancorp  
 Heritage Financial Corporation  
 East West Bancorp, Inc.  
 Old National Bancorp  
 Prosperity Bancshares, Inc.  
 Cullen/Frost Bankers, Inc.  
 Wilshire Bancorp, Inc.  
 Prosperity Bancshares, Inc.  
 First Federal Bancshares of Arkansas, Inc.  
 Home BancShares, Inc.  
 Union First Market Bankshares Corporation  
 First Merchants Corporation  
 SCBT Financial Corporation  
 F.N.B. Corporation  
 Renasant Corporation  
 United Bankshares, Inc.

Acquired Company:

Continental Bank Holdings, Inc.  
 OmniAmerican Bancorp, Inc.  
 Northwestern Bancorp  
 Centrix Bank & Trust  
 Summit Bancorp, Inc.  
 First Southern Bancorp, Inc.  
 Central Community Corporation  
 North Valley Bancorp  
 Teche Holding Company  
 Ouachita Bancshares Corp.  
 United Bancorp, Inc.  
 Team Capital Bank  
 LegacyTexas Group, Inc.  
 BOH Holdings, Inc.  
 Home Federal Bancorp, Inc.  
 Washington Banking Company  
 MetroCorp Bancshares, Inc.  
 Tower Financial Corporation  
 F & M Bancorporation Inc.  
 WNB Bancshares, Inc.  
 Saehan Bancorp  
 FVNB Corp.  
 First National Security Company  
 Liberty Bancshares, Inc  
 StellarOne Corporation  
 CFS Bancorp, Inc.  
 First Financial Holdings, Inc.  
 PVF Capital Corp.  
 First M&F Corporation  
 Virginia Commerce Bancorp, Inc.

For each selected transaction, KBW derived, to the extent publicly available, the ratio of the transaction consideration value per common share paid for the acquired company to the following, in each case based on the then latest publicly available financial statements of the acquired company and other publicly available information available prior to the announcement of the acquisition:

LTM EPS of the acquired company;



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current year estimated EPS ( FWD EPS ) of the acquired company;

tangible book value per share of the acquired company; and

tangible equity premium to core deposits (total deposits less time deposits greater than \$100,000).

KBW also reviewed the price per common share paid for the acquired company for each selected transaction as a premium to the closing price of the acquired company one day prior to the announcement of the acquisition (expressed as a percentage and referred to as the one-day market premium). The above transaction multiples and one-day market premiums for the selected transactions were compared with the corresponding transaction multiples and one-day market premium for the proposed merger based on the implied value of the merger consideration of \$8.66 per share of 1st United common stock and using historical financial information for 1st United as of March 31, 2014, 1st United's 2014 estimated EPS per 1st United management and the closing price of 1st United common stock on May 6, 2014. KBW also derived the implied transaction multiple of 18.0x for the proposed merger using the First Call consensus 2015 estimated EPS for 1st United.

The results of the analysis, excluding the impact of certain selected transaction LTM EPS and FWD EPS multiples considered to be not meaningful, are set forth in the following table:

<b>Transaction Price to:</b>	<b>1st United</b>	<b>Selected Transactions 25th Percentile</b>	<b>Selected Transactions Average</b>	<b>Selected Transactions Median</b>	<b>Selected Transactions 75th Percentile</b>
LTM EPS	36.1x	15.8x	21.2x	17.6x	22.3x
FWD EPS <sup>(1)</sup>	24.0x	16.8x	22.0x	19.6x	25.1x
Tangible Book Value per Share	1.78x	1.48x	1.79x	1.74x	2.04x
Core Deposit Premium	11.3%	6.9%	9.8%	11.3%	12.7%
One-Day Market Premium	19.8%	15.4%	35.1%	33.5%	48.5%

(1) Based on 1st United management EPS estimate for 1st United in 2014 and consensus earnings estimates per FactSet Research Systems, Inc., as compiled by SNL Financial and reported at announcement, for the selected transactions.

No company or transaction used as a comparison in the above selected transaction analyses is identical to 1st United or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

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*Relative Contribution Analysis.* KBW analyzed the relative stand alone contribution of Valley and 1st United to various pro forma balance sheet and income statement items and the pro forma market capitalization of the combined entity. This analysis excluded purchase accounting adjustments. To perform this analysis, KBW used (i) balance sheet data for Valley and 1st United as of March 31, 2014, (ii) First Call consensus 2014 and 2015 EPS estimates for Valley and 1st United management's 2014 EPS estimate and the First Call consensus 2015 EPS estimate for 1st United and (iii) market price data as of May 6, 2014. The results of KBW's analysis are set forth, and compared to the implied pro forma ownership percentages of Valley and 1st United shareholders in the combined company based on the 0.89 exchange ratio, in the following table:

	<b>Valley as a % of Total</b>	<b>1st United as a % of Total</b>
<b>Ownership</b>		
100% stock (0.89 exchange ratio)	87%	13%
<b>Balance Sheet</b>		
Assets	90%	10%
Gross Loans Held for Investment	91%	9%
Deposits	89%	11%
Tangible Common Equity <sup>(1)</sup>	87%	13%
<b>Net Income to Common</b>		
LTM GAAP Net Income	94%	6%
2014 Estimated GAAP Net Income	90%	10%
2015 Estimated GAAP Net Income	88%	12%
<b>Market Capitalization</b>		
Current Market Capitalization	89%	11%

(1) Valley tangible common equity as reported for the quarter ended March 31, 2014 and includes loan servicing rights as intangible assets.

*Discounted Cash Flow Analysis.* KBW performed a discounted cash flow analysis to estimate a range for the implied equity value of 1st United. In this analysis, KBW used financial forecasts and projections relating to the earnings and assets of 1st United prepared, and provided to KBW, by 1st United management or, in the case of 2015 estimated earnings, obtained from First Call consensus at the direction of 1st United management, and assumed discount rates ranging from 12.0% to 15.0%. The ranges of values were derived by adding (i) the present value of the estimated free cash flows that 1st United could generate over the period from 2015 to 2019 as a stand-alone company, and (ii) the present value of 1st United's implied terminal value at the end of such period. KBW assumed that 1st United would maintain a tangible common equity ratio of 8.00% and would retain sufficient earnings to maintain that level based on these assumptions. Any free cash flows in excess of what would need to be retained represented dividendable cash flows for 1st United. In calculating the terminal value of 1st United, KBW applied a range of 13.0x to 16.0x estimated 2020 earnings. This discounted cash flow analysis resulted in a range of implied values per share of 1st United common stock of approximately \$6.08 per share to \$7.92 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values,

dividend payout rates, and discount rates. The analysis did not purport to be indicative of the actual values or expected values of 1st United.

*Pro Forma Financial Impact Analysis.* KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Valley and 1st United. Using closing balance sheet estimates as of December 31, 2014 for Valley and 1st United based on long-term balance sheet growth rate assumptions provided by the respective managements of Valley and 1st United, 2014 and 2015 earnings estimates for Valley per First Call consensus, 2014 earnings estimates for 1st United prepared by 1st

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United management, 2015 earnings estimates for 1st United per First Call consensus and pro forma assumptions (including purchase accounting assumptions, cost savings and related expenses) provided by Valley management, KBW analyzed the potential financial impact of the merger on certain projected financial results of Valley. This analysis indicated the merger could be accretive to Valley's 2015 estimated EPS and dilutive to Valley's estimated tangible book value per share as of December 31, 2014. Furthermore, the analysis indicated that, pro forma for the proposed merger, each of Valley's tangible common equity to tangible assets ratio, leverage ratio and Tier 1 Risk-Based Capital Ratio as of December 31, 2014 could be higher and that Valley's Total Risk Based Capital Ratio as of December 31, 2014 could be lower. For all of the above, the actual results achieved by Valley following the merger may vary from the projected results, and the variations may be material.

*Miscellaneous.* KBW acted as financial advisor to 1st United in connection with the proposed merger and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. Further to ongoing sales and trading relationships between KBW and each of 1st United and Valley, from time to time KBW has, in the ordinary course of its business as a broker-dealer, purchased securities from, or sold securities to, 1st United and Valley. As a market maker in securities, KBW may from time to time have a long or short position in, and buy or sell, debt or equity securities of 1st United and Valley for its own account and for the accounts of its customers. Any KBW proprietary or employee positions in 1st United and Valley, as of the date of KBW's opinion, were disclosed to 1st United.

Pursuant to the KBW engagement agreement, 1st United agreed to pay KBW a cash fee, currently expected to be approximately \$2.0 million, based on the aggregate merger consideration, of which \$500,000 was paid to KBW upon the rendering of its opinion and \$1.5 million is payable upon completion of the merger. 1st United also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. Other than in connection with this present engagement, during the two years preceding the date of its opinion, KBW has not provided investment banking and financial advisory services to 1st United. In April 2012, KBW provided financial advisory services to 1st United in connection with its acquisition of Anderen Financial, Inc. In the past two years, KBW has provided investment banking and financial advisory services to Valley and received compensation for such services. Specifically, KBW served as a joint book-running manager in connection with the registered offering by Valley of subordinated debentures in September 2013 and received compensation of approximately \$241,000 for such services. KBW may in the future provide investment banking and financial advisory services to 1st United or Valley and receive compensation for such services.

*Opinion of RP Financial, LC*

1st United retained RP Financial on April 25, 2014 to render an opinion regarding the fairness from a financial point of view with respect to the merger consideration to be received by 1st United shareholders in the Transaction (the RPF Fairness Opinion). In engaging RP Financial for its fairness opinion, the 1st United Board of Directors did not give any special instructions to RP Financial, nor did it impose any limitations upon the scope of the investigation that RP Financial wished to conduct to enable it to give its opinion. RP Financial has delivered to 1st United its written opinion, dated May 7, 2014, to the effect that, based upon and subject to the matters set forth therein and other matters it considered relevant, as of that date, the merger consideration to be received in connection with the merger with Valley was fair to the 1st United shareholders from a financial point of view. The RPF Fairness Opinion was directed to the Board of Directors of 1st United in its consideration of the merger agreement, and did not constitute a recommendation to any shareholder of 1st United as to any action that such shareholder should take in connection

with the merger agreement or otherwise. The RPF Fairness Opinion is directed only to the fairness of the merger consideration to the current holders of 1st United

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from a financial point of view as of the date of the opinion. A copy of the RPF Fairness Opinion is set forth as *Appendix C* to this joint proxy statement-prospectus, and 1st United shareholders should read it in its entirety. RP Financial has consented to the inclusion and description of its written opinion in this joint proxy statement-prospectus.

Pursuant to a letter agreement dated and executed April 25, 2014 by and between RP Financial and 1st United (the RP Engagement Letter ), RP Financial estimates that it will receive from 1st United total professional fees of approximately \$150,000 plus reimbursement of certain out-of-pocket expenses, for its fairness opinion services in connection with the merger.

In addition, 1st United has agreed to indemnify and hold harmless RP Financial, any affiliates of RP Financial, and the respective directors, officers, agents and employees of RP Financial or their successors and assigns who act for or on behalf of RP Financial in connection with the services called for under the RP Engagement Letter, from and against any and all losses, claims, damages and liabilities (including, but not limited to, all losses and expenses in connection with claims under the federal securities laws), actually incurred by RP Financial and attributable to: (i) any untrue statement of a material fact contained in the financial statements or other information furnished or otherwise provided by an authorized officer of 1st United to RP Financial; (ii) the omission of a material fact from the financial statements or other information furnished or otherwise made available by an authorized officer of 1st United to RP Financial, or (iii) any action or omission to act by 1st United, or 1st United's respective officers, directors, employees or agents, which action or omission is willful. Notwithstanding the foregoing, 1st United will be under no obligation to indemnify RP Financial hereunder if a court determines that RP Financial was negligent or acted in bad faith or willfully with respect to any actions or omissions of RP Financial related to a matter for which indemnification is sought.

In addition, if RP Financial is entitled to indemnification from 1st United and in connection therewith incurs legal expenses in defending any legal action challenging the opinion of RP Financial where RP Financial is not negligent or otherwise at fault or is found by a court of law to be not negligent or otherwise at fault, 1st United will indemnify RP Financial for all reasonable expenses.

In rendering its opinion, RP Financial reviewed the following:

the merger agreement, as reviewed by the 1st United Board of Directors on May 7, 2014, and certain exhibits;

the following financial information for 1st United (a) audited consolidated financial statements included in the annual reports for the fiscal years ended December 31, 2010 through December 31, 2013; (b) unaudited consolidated financial data, including shareholder reports and financial statements through March 31, 2014; (c) quarterly financial reports submitted to the FDIC by the Bank through March 31, 2014; (d) internal financial and other reports from the beginning of fiscal 2012 through March 31, 2014 with regard to balance sheet and off-balance sheet composition, profitability and balance sheet trends, certain risk factors and 1st United's operations; (e) historical publicly-available financial information as published by SNL Financial, Inc.; and (f) internally prepared budget information;

the financial terms of other recently completed and pending acquisitions of banks in the United States with comparable financial characteristics as 1st United;

the financial terms of certain other completed and pending acquisitions of banks in the United States with assets that are subject to FDIC shared-loss agreements;

the financial terms of certain other recently completed and pending acquisitions of banks headquartered in Florida;

the financial characteristics of banks in the United States with a non-interest bearing deposit level comparable to 1st United;

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banks in the Southeastern United States with certain comparable financial characteristics as 1st United;

the estimated pro forma financial benefits of the merger to 1st United shareholders;

in person interviews with senior executive officers of 1st United; and

analysis regarding Valley and 1st United and the proposed transaction between Valley and 1st United provided to RP Financial by 1st United.

In addition, RP Financial reviewed or considered the following materials or information for Valley and, as further described below, certain peers of Valley:

the annual audited financial statements for the fiscal years ended 2010 to 2013, as presented in Valley's Form 10-K filings;

the quarterly financial report submitted to the OCC by Valley National Bank through March 31, 2014;

the quarterly earnings release for Valley for the quarter ended March 31, 2014;

historical publicly-available financial and pricing information regarding Valley as published by SNL Financial, Inc.;

the recent stock price history for Valley compared to certain peers; and

Valley financial information and pricing characteristics versus a peer group of publicly-traded institutions with comparable market capitalization.

In rendering its opinion, RP Financial relied, without independent verification, on the accuracy and completeness of the information concerning 1st United and Valley furnished by the respective institutions to RP Financial for review for purposes of its opinion, as well as publicly-available information regarding other financial institutions and competitive, economic and demographic data. RP Financial has further relied on the assurances of management of 1st United and Valley as included in the merger agreement. RP Financial has not been asked to and has not undertaken an independent verification of any of such information and RP Financial does not assume any such responsibility or liability for the accuracy or completeness thereof. 1st United did not restrict RP Financial as to the material it was permitted to review. RP Financial did not perform or obtain any independent appraisals or evaluations of the assets and liabilities, the collateral securing the assets or the liabilities (contingent or otherwise) of 1st United or Valley or the collectability of any such assets, nor has RP Financial been furnished with any such evaluations or appraisals. RP Financial did not make an independent evaluation of the adequacy of the allowance for loan losses of 1st United or Valley nor has RP Financial reviewed any individual credit files relating to 1st United or Valley.



RP Financial, with 1st United's consent, has relied upon the advice 1st United has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger agreement and other transactions contemplated by the merger agreement. In rendering its opinion, RP Financial assumed that, in the course of obtaining the necessary regulatory and governmental approvals for the proposed merger, no restriction will be imposed on Valley that would have a material adverse effect on the ability of the merger to be consummated as set forth in the merger agreement. RP Financial also assumed that there has been no material change in 1st United or Valley's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statement made available to RP Financial. RP Financial assumed, in all respects material to its analyses, that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to such agreements will perform all of the covenants required to be performed by such party under such agreements and that the conditions precedent in the merger agreement are not waived.

RP Financial's opinion was based solely upon the information available to it and the economic, market and other circumstances as they existed as of May 7, 2014. Events occurring after May 7, 2014 could materially affect the assumptions used in preparing the opinion. In connection with rendering its opinion dated May 7, 2014, RP Financial performed a variety of financial analyses that are summarized below. Although the evaluation of the fairness, from a financial point of view, of the merger consideration to 1st United shareholders was to some

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extent subjective based on the experience and judgment of RP Financial and not merely the result of mathematical analyses of financial data, RP Financial relied, in part, on the financial analyses summarized below in its determinations. The preparation of a fairness opinion is a complex process and RP Financial believes its analyses must be considered as a whole. Selecting portions of such analyses and factors considered by RP Financial without considering all such analyses and other factors could create an incomplete view of the process underlying RP Financial's opinion. In its analyses, RP Financial took into account its assessment of general business, market, monetary, financial and economic conditions, industry performance and other matters, many of which are beyond the control of 1st United and Valley, as well as RP Financial's experience in securities valuation, its knowledge of financial institutions, its knowledge of the current operating and mergers & acquisitions environments for financial institutions, and its experience in similar transactions. With respect to the comparable transactions analysis described below, no public company utilized as a comparison is identical to 1st United and such analyses necessarily involve complex considerations and judgments concerning the differences in financial and operating characteristics of the companies and other factors that could affect the acquisition values of the companies concerned. The analyses were prepared solely for purposes of RP Financial providing its opinion as to the fairness of the merger consideration to 1st United shareholders, and they do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Any estimates contained in RP Financial's analyses are not necessarily indicative of future results of values, which may be significantly more or less favorable than such estimates.

*Comparable Transactions Analysis.* RP Financial compared the merger on the basis of the multiples or ratios of reported earnings, tangible book value and tangible book premium to core deposits to a selected comparable group of completed and pending bank mergers and acquisitions. The comparable targets group consisted of all acquisitions of commercial banks or commercial bank holding companies in the U.S. that were announced between January 1, 2012 and May 2, 2014, where the institution being acquired was profitable and reported assets of between \$1.0 billion and \$3.0 billion. There were a total of 23 transactions included in the comparable targets group as follows:

WNB Bancshares Inc.	TX	Firstbank Corp.	MI
LegacyTexas Group Inc.	TX	Liberty Bancshares Inc	AR
West Coast Bancorp	OR	Sterling Bancorp	NY
Summit Bancorp Inc.	AR	MetroCorp Bancshares Inc.	TX
Coppermark Bancshares	OK	F & M Bancorp. Inc.	OK
Central Community Corp.	TX	First California Financial Grp	CA
Virginia Commerce Bancorp Inc	VA	Encore Bancshares Inc.	TX
Washington Banking Co.	WA	First M&F Corp.	MS
FVNB Corp.	TX	VantageSouth Bancshares	NC
ConnectOne Bancorp Inc.	NJ	VIST Financial Corp.	PA
Alliance Financial Corp.			