VALLEY NATIONAL BANCORP
Form DEF 14A
March 11, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Valley National Bancorp

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(4) Proposed maximum aggregate value of the transaction:

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¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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1455 Valley Road

Wayne, New Jersey 07470

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held, Wednesday, April 13, 2011

To Our Shareholders:

We invite you to the Annual Meeting of Shareholders of Valley National Bancorp (Valley) to be held at the Teaneck Marriott at Glen Pointe, 100 Frank W Burr Boulevard, Teaneck, New Jersey, on Wednesday, April 13, 2011 at 10:00 a.m., local time to vote on the following matters:

1. Election of 15 directors.

2. An advisory vote on executive compensation.

3. An advisory vote on the frequency of holding an advisory vote on executive compensation.

4. Ratification of the appointment of KPMG LLP as Valley s independent registered public accounting firm for the fiscal year ending December 31, 2011.

Only shareholders of record at the close of business on February 18, 2011 are entitled to notice of, and to vote at the meeting. **Your vote is very important.** Whether or not you plan to attend the meeting, please execute and return the enclosed proxy card in the envelope provided or submit your proxy by telephone or the internet as instructed on the enclosed proxy card. The prompt return of your proxy will save Valley the expense of further requests for proxies.

Attendance at the meeting is limited to shareholders or their proxy holders and Valley guests. Only shareholders or their valid proxy holders may address the meeting. Please allow ample time for the admission process. See information on page 3 Annual Meeting Attendance.

Important notice regarding the availability of proxy materials for the 2011 Annual Meeting of Shareholders: This Proxy Statement for the 2011 Annual Meeting of Shareholders and our 2010 Annual Report to Shareholders are available on our website at: http://www.valleynationalbank.com/filings.html.

We appreciate your participation and interest in Valley.

Sincerely,

Alan D. Eskow	Gerald H. Lipkin
Corporate Secretary	Chairman, President and Chief Executive Officer

Wayne, New Jersey

March 11, 2011

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VALLEY NATIONAL BANCORP

1455 Valley Road

Wayne, New Jersey 07470

PROXY STATEMENT

GENERAL PROXY STATEMENT INFORMATION

We are providing this proxy statement in connection with the solicitation of proxies by the Board of Directors of Valley National Bancorp (Valley, the Company, we, our and us) for use at Valley s 2011 Annual Meeting of Shareholders (the Annual Meeting) and at any adjou the meeting. You are cordially invited to attend the meeting, which will be held at the Teaneck Marriott at Glen Pointe, 100 Frank W Burr Boulevard, Teaneck, New Jersey, on Wednesday, April 13, 2011 at 10:00 a.m., local time. This proxy statement is first being mailed to shareholders on or about March 11, 2011.

Shareholders Entitled to Vote. The record date for the meeting is February 18, 2011. Only holders of common stock of record at the close of business on that date are entitled to vote at the meeting.

On the record date there were 161,589,341 shares of common stock outstanding. Each share is entitled to one vote on each matter properly brought before the meeting.

Householding. When more than one holder of our common stock shares the same address, we may deliver only one annual report and one proxy statement to that address unless we have received contrary instructions from one or more of those shareholders. Similarly, brokers and other intermediaries holding shares of Valley common stock in street name for more than one beneficial owner with the same address may deliver only one annual report and one proxy statement to that address if they have received consent from the beneficial owners of the stock.

We will deliver promptly upon written or oral request a separate copy of the annual report and proxy statement to any shareholder, including a beneficial owner of stock held in street name, at a shared address to which a single copy of either of those documents was delivered. To receive additional copies of our annual report and proxy statement, you may call or write Dianne M. Grenz, First Senior Vice President, Valley National Bancorp, at 1455 Valley Road, Wayne, New Jersey 07470, telephone (973) 305-3380 or e-mail her at dgrenz@valleynationalbank.com.

Annual Report. This Proxy Statement and the Company s 2010 Annual Report to Shareholders are available electronically at the following weblink: http://www.valleynationalbank.com/filings.html.

You may also contact Ms. Grenz at the address or telephone number above if you are a shareholder of record of Valley and you wish to receive a separate annual report and proxy statement in the future, or if you are currently receiving multiple copies of our annual report and proxy statement and want to request delivery of a single copy in the future. If your shares are held in street name and you want to increase or decrease the number of copies of our annual report and proxy statement delivered to your household in the future, you should contact the broker or other intermediary who holds the shares on your behalf.

Proxies and Voting Procedures. Your vote is important and you are encouraged to vote your shares promptly. Each proxy submitted will be voted as directed. However, if a proxy solicited by the Board of Directors does not specify how it is to be voted, it will be voted as the Board recommends that is:

Item 1 FOR the election of the 15 nominees for director named in this proxy statement;

Item 2 FOR the approval, on an advisory basis, of the compensation of our named executive officers;

Item 3 FOR the approval, on an advisory basis, of an advisory vote every three years on executive compensation; and

Item 4 FOR the ratification of the appointment of KPMG LLP.

We are offering you three alternative ways to vote your shares:

By Mail. To vote your proxy by mail, please sign your name exactly as it appears on your proxy card, date, and mail your proxy card in the envelope provided as soon as possible.

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By Telephone. If you wish to vote by telephone, call toll-free 1-800-776-9437 and follow the voice instructions. Have your proxy card available when you call.

By Internet. If you wish to vote using the internet, you can access the web page at www.voteproxy.com and follow the on-screen instructions. Have your proxy card available when you access the web page.

Regardless of the method that you use to vote, you will be able to vote in person or revoke your proxy if you follow the instructions provided below in the sections entitled Voting in Person and Revoking Your Proxy .

If you are a participant in the Company 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.

If you are an employee or former employee of the Company, and participate in our Savings and Investment Plan (a 401(k) plan with an employee stock ownership feature KSOP), you will receive one proxy card representing the total shares you own through this plan. The proxy card will serve as a voting instruction card for the trustee of the plan where all accounts are registered in the same name. If you own shares through the KSOP and do not vote, the plan trustee will vote the plan shares for which voting instructions are received in the proportion for which instructions for such shares were received under the plan. The plan trustee will also vote the unvoted shares (for which instructions were not received) in the same proportion as shares for which instructions were received under the plan. Therefore, if you are a participant in the KSOP and vote your shares, the trustee will use your vote when determining the proportion.

Voting in Person. The method by which you vote will not limit your right to vote at the meeting if you later decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy executed in your favor from the holder of record to be able to vote at the meeting. If you submit a proxy and then wish to change your vote or vote in person at the meeting, you will need to revoke the proxy that you have submitted.

Revoking Your Proxy. You can revoke your proxy at any time before it is exercised by:

- Delivery of a properly executed, later-dated proxy; or
- A written revocation of your proxy.

A later-dated proxy or written revocation must be received before the meeting by the Corporate Secretary of the Company, Alan D. Eskow, Valley National Bancorp, at 1455 Valley Road, Wayne, New Jersey 07470, or it must be delivered to the Corporate Secretary at the meeting before proxies are voted. You may also revoke your proxy by submitting a new proxy via telephone or the internet. You will be able to change your vote as many times as you wish prior to the Annual Meeting and the last vote received chronologically will supersede any prior votes.

Quorum Required to Hold the Annual Meeting. The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote generally for the election of directors is necessary to constitute a quorum at the meeting. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary power with respect to that item and has not received instructions from the beneficial owner.

Required Vote.

- Directors will be elected by a plurality of the votes cast at the meeting. Thus, an abstention or a broker non-vote will have no effect on the outcome of the vote on election of directors at the meeting.
- The advisory vote on executive compensation requires a majority of the votes cast be FOR the proposal. Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome.

The option of one year, two years or three years that receives the highest number of votes cast by shareholders will be the frequency for the advisory vote on executive compensation that has been selected by shareholders. Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome.

The ratification of the appointment of KPMG LLP will be approved if a majority of the votes cast are FOR the proposal. Abstentions and broker non-votes will have no impact on the ratification of KPMG LLP.

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Annual Meeting Attendance. Only shareholders or their proxy holders and Valley guests may attend the annual meeting. For registered shareholders, an admission ticket is attached to your proxy card. Please detach and bring the admission ticket with you to the meeting. If your shares are held in street name, you must bring to the meeting evidence of your stock ownership indicating that you beneficially owned the shares on the record date for voting and a valid form of photo identification to be allowed access.

Method and Cost of Proxy Solicitation. This proxy solicitation is being made by our Board of Directors and we will pay the cost of soliciting proxies. Proxies may be solicited by officers, directors and employees of the Company in person, by mail, telephone, facsimile or other electronic means. We will not specially compensate those persons for their solicitation activities. In accordance with the regulations of the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE), we will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expense incurred in sending proxies and proxy materials to their customers who are beneficial owners of Valley common stock. We are paying Phoenix Advisory Partners a fee of $8,500 plus out of pocket expenses to assist with solicitation of proxies.

ITEM 1

ELECTION OF DIRECTORS

DIRECTOR INFORMATION

We are asking you to vote for the election of directors. Under our by-laws, the Board of Directors (the Board) fixes the exact number of directors, with a minimum of 5 and a maximum of 25. The Board has fixed the number of directors at 15.

The persons named on the proxy card intend to vote the proxies FOR the election of the 15 persons named below (unless the shareholder otherwise directs). If, for any reason, any nominee becomes unavailable for election and the Board selects a substitute nominee, the proxies will be voted for the substitute nominee selected by the Board. The Board has no reason to believe that any of the named nominees is not available or will not serve if elected. The Board retains the right to reduce the number of directors to be elected if any nominee is not available to be elected.

Each candidate for director has been nominated to serve a one-year term until our 2012 annual meeting and thereafter until the person s successor has been duly elected and qualified. In considering a nominee as a Valley director, the Board seeks to ensure that the Board is composed of members whose particular experience, qualifications, attributes and skills, as a whole can satisfy its supervision responsibilities effectively. To accomplish this, specific guidelines are set by the Nominating and Corporate Governance Committee, further discussed below under the Corporate Governance section.

Set forth below are the names and ages of the Board s nominees for election; the nominees position with the Company (if any); the principal occupation or employment of each nominee for the past five years; the period during which each nominee has served as our director; any other directorships during the past five years (if any) held by the nominee with companies registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or registered as an investment company under the Investment Company Act of 1940; and other biographical information for each individual director. In addition, described below is each director nominee s particular experience, qualification, attributes or skills that has led the Board to conclude that the person should serve as a director of Valley.

Gerald H. Lipkin, 70, Chairman of the Board, President and Chief Executive Officer of Valley National Bancorp and Valley National Bank.
Director since 1986.

Mr. Lipkin began his career at Valley in 1975 as a Senior Vice President and lending officer, and has spent his entire business career directly in the banking industry. He became CEO and Chairman of Valley in 1989. Prior to joining Valley, he spent 13 years in various positions with the Comptroller of the Currency as a bank examiner and then Deputy Regional Administrator for the New York region. Mr. Lipkin is a graduate of Rutgers University where he earned a Bachelor s Degree in Economics. He received a Master s Degree in Business Administration in Banking and Finance from New York University. He is also a graduate from the Stonier School of Banking. Mr. Lipkin s education, his lending and commercial banking background for over 47 years in conjunction with his leadership ability make him a valuable member of our Board of Directors.

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Andrew B. Abramson, 57, President and Chief Executive Officer, Value Companies, Inc. (a real estate development and property management firm).
Director since 1994.

Mr. Abramson is a licensed real estate broker in the States of New Jersey and New York. He graduated from Cornell University with a Bachelor s Degree, and a Master s Degree, both in Civil Engineering. With 31 years as a business owner, an investor and developer in real estate, he brings management, financial, and real estate market experience and expertise to Valley s Board of Directors.

Pamela R. Bronander, 54, Vice President, KMC Mechanical, Inc.; President, Kaye Mechanical Contractors LLC (mechanical contractor).
Director since 1993.

Ms. Bronander has full managerial responsibility for the financial and legal aspects of two mechanical contracting companies, KMC Mechanical, Inc. and Kaye Mechanical Contractors LLC, Ms. Bronander was formerly an officer of Scandia Packaging Machinery Company. She graduated with a Bachelor s Degree in Economics from Lafayette College. Ms. Bronander brings years of general business, managerial, and financial expertise to Valley s Board of Directors.

Eric P. Edelstein, 61, Retired.

Director since 2003.
Other directorships: Aeroflex Incorporated. Computer Horizon Corp.

Mr. Edelstein is a former Director of Aeroflex, Incorporated and Computer Horizon Corp.; former Executive Vice President and Chief Financial Officer of Griffon Corporation, and a former Managing Partner at Arthur Andersen LLP. Mr. Edelstein was employed by Arthur Andersen LLP for 30 years and held various roles in the accounting and audit division, as well as the management consulting division. He received his Bachelor s Degree in Business Administration and his Master s Degree in Professional Accounting from Rutgers University. With 25 years of experience as a practicing CPA, Mr. Edelstein brings in depth knowledge of generally accepted accounting and auditing standards to our Board. He has worked with audit committees and boards of directors in the past and provides Valley s Board of Directors with extensive experience in auditing and preparation of financial statements.

Mary J. Steele Guilfoile, 56, Chairman of MG Advisors, Inc. (financial services merger and acquisition advisory and consulting firm).
Director since 2003.
Other directorships: Interpublic Group of Companies, Inc., Viasys Healthcare, Inc. (now known as CareFusion Corporation).

Ms. Guilfoile is the former Executive Vice President and Corporate Treasurer of J.P. Morgan Chase & Co. and a former Partner, Chief Financial Officer and Chief Operating Officer of The Beacon Group, LLC (a private equity, strategic advisory and wealth management partnership). Ms. Guilfoile is also a Partner of The Beacon Group L.P., a CPA, and was Chairman of the Audit committee of Viasys Healthcare, Inc. She received her Bachelor s Degree in Accounting from Boston College Carroll School of Management and her Master s Degree in Business Administration with concentrations in strategic marketing and finance from Columbia University Graduate School of Business. With her wide range of professional experience and knowledge, Ms. Guilfoile brings a variety of business experience in corporate governance, risk management, accounting, auditing, investment and management expertise to Valley s Board of Directors.

Graham O. Jones*, 66, Partner and Attorney, at law firm of Jones & Jones.
Director since 1997.

Mr. Jones has been practicing law since 1969, with an emphasis on banking law since 1980. He has been a Partner of Jones & Jones since 1982 and served as the former President and Director of Hoke, Inc., (manufacturer and distributor of fluid control products). He was a Director and General Counsel for 12 years at Midland Bancorporation, Inc., and Midland Bank & Trust Company. Mr. Jones was a partner at Norwood Associates II for 10 years and was a President and Director for Adwildon Corporation (bank holding company). Mr. Jones received his Bachelor s Degree from Brown University and his Juris Doctor Degree from the University of North Carolina School of Law. With his business and banking affiliations, including partnerships and directorships, as well as professional and civic affiliations, he brings a long history of banking law expertise and a variety of business experience and professional achievements to Valley s Board of Directors.

Walter H. Jones, III*, 68, Retired.
Director since 1997.

Mr. Jones served as the Executive Chairman of the Board of Directors of Hoke, Inc. from 1983 to 1998. For 12 years he was the Chairman of the Board for Midland Bancorporation, Inc. and Midland Bank & Trust Company where he also served as acting Chief Executive Officer for an interim period. Prior to this, he was a practicing attorney in New Jersey for 15 years. He received a Bachelor s Degree from Williams College, a Bachelor of Law Degree from Columbia Law School and a Master of Law Degree from New York University. He brings management experience, legal and business knowledge to Valley s Board of Directors.

Gerald Korde, 67, President, Birch Lumber Company, Inc. (wholesale and retail lumber distribution company).
Director since 1989.

Mr. Korde is the owner of Birch Lumber Company, Inc. and has various business interests including real estate investment projects with Chelsea Senior Living and Inglemoor Care Center of Livingston. He earned a Bachelor s Degree in Finance from the University of Cincinnati. Mr. Korde s background as a former owner and manager of motels provides a long history of entrepreneurship and managerial knowledge that provides value to Valley s Board of Directors.

Michael L. LaRusso, 65, Financial Consultant.
Director since 2004.

Mr. LaRusso is a former Executive Vice President and a Director of Corporate Monitoring Group at Union Bank of California. He held various positions as a federal bank regulator with the Comptroller of the Currency for 23 years and assumed a senior bank executive role for 15 years in large regional and/or multinational banking companies (including Wachovia, Citicorp and Union Bank of California). He holds a Bachelor s Degree in Finance from Seton Hall University and he is also a graduate from the Stonier School of Banking. Mr. LaRusso s extensive management and leadership experience with these financial institutions positions him well to serve on Valley s Board of Directors.

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Marc J. Lenner, 45, Chief Executive Officer and Chief Financial Officer of Lester M. Entin Associates (a real estate development and management company).
Director since 2007.

Mr. Lenner became the Chief Executive Officer and Chief Financial Officer at Lester M. Entin Associates in January 2000 after serving in various other executive positions within the Company. He has experience in multiple areas of commercial real estate markets throughout the country (with a focus in the New York tri-state area), including management, acquisitions, financing, development and leasing. Mr. Lenner is the Co-Director of a charitable foundation where he manages a multi-million dollar equity and bond portfolio. Prior to Lester M. Entin Associates, he was employed by Hoberman Miller Goldstein and Lesser, P.C., an accounting firm. He attended Muhlenberg College where he earned a Bachelor s Degree in both Business Administration and Accounting. With Mr. Lenner s vast financial and professional background, he provides management, finance and real estate experience to Valley s Board of Directors.

Robinson Markel, 76, Counsel to the law firm of Katten Muchin Rosenman LLP.
Director since 2001.

Mr. Markel is Of Counsel to Katten Muchin Rosenman LLP, a national law firm, where he specializes in executive compensation and corporate governance matters. He is a former Director of Merchants New York Bancorp, Inc. and The Merchants Bank of New York, which were acquired by Valley in 2001. As an attorney familiar with regulatory matters in these fields, his service on our Board is greatly valued. Mr. Markel holds a Bachelor s Degree from New York University s Stern School of Business and a Juris Doctor Degree from New York University School of Law. He brings years of relevant experience and knowledge in corporate governance, executive compensation and securities laws to the Valley Board of Directors.

Richard S. Miller, 76, President of the law firm of Williams, Caliri, Miller & Otley, a Professional Corporation.
Director since 1999.

Mr. Miller has practiced law at Williams, Caliri, Miller & Otley, specializing in banking law and bank regulatory work for over 50 years. Prior to joining Valley s Board, he served as a Director of Ramapo Financial Corporation and The Ramapo Bank for 30 years. Mr. Miller contributed his legal expertise in organizing and chartering seven community banks. He received his law degree from Rutgers University. Mr. Miller provides Valley s Board with banking law and bank regulatory work experience, and a banking directorship background. His involvement and understanding of the trust business is also a valuable asset to Valley s Board of Directors.

Barnett Rukin, 70, Chief Executive Officer, SLX Capital Management (asset manager).
Director since 1991.

Mr. Rukin was the Chief Executive Officer of Short Line (a regional bus line) for 15 years and Regional Chief Executive Officer at Coach USA for two years. Since 2000 he has been Chief Executive Officer of SLX Capital Management LLC. Mr. Rukin has in-depth knowledge of real estate, federal, state and local business regulations, and human resources, investments, and insurance (including auto, property and casualty insurance). He holds a Bachelor s Degree in Economics from Cornell University. Mr. Rukin brings 49 years of knowledge and management experience in all aspects of a service organization to Valley s Board of Directors.

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Suresh L. Sani, 46, President, First Pioneer Properties, Inc. (a privately-owned commercial real estate management company).
Director since 2007.

Mr. Sani is a former associate at the law firm of Shea & Gould. As president of First Pioneer Properties, Inc., he is responsible for the acquisition, financing, developing, leasing and managing of real estate assets. He has over 20 years of experience in managing and owning commercial real estate in Valley s lending area. Mr. Sani received his Bachelor s Degree from Harvard College and a Juris Doctor Degree from the New York University School of Law. He brings a legal background, small business network management and real estate expertise to Valley s Board of Directors.

Robert C. Soldoveri, 57, Owner/Manager, Solan Management, LLC (an investment property management firm).
Director since 2008.
Other directorships: Greater Community Bancorp.

Mr. Soldoveri is the Owner and Manager of Solan Management, LLC; a General Partner of Union Boulevard Realty, LLC; and a General Partner of Portledge Realty. Prior to his affiliation with Solan Management, he ran and operated Northeast Equipment Transport, Inc., a heavy equipment operating company and S&S Material Handling, which provided services to land developers and building contractors. Before joining Valley s Board, Mr. Soldoveri served as a Director of Greater Community Bancorp and Greater Community Bank since 2001. He attended the University of Scranton, where he studied accounting and psychology. Mr. Soldoveri brings to Valley s Board of Directors demonstrated leadership and experience with a wide array of real estate, corporate financing and operational matters.

* Mr. Graham Jones and Mr. Walter Jones are brothers.

RECOMMENDATION AND VOTE REQUIRED ON ITEM 1

THE VALLEY BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE NOMINATED SLATE OF DIRECTORS. DIRECTORS ARE ELECTED BY A PLURALITY OF THE VOTES CAST.

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ITEM 2

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in July 2010 (the Dodd-Frank Act), Valley s shareholders are entitled to vote at the Annual Meeting to approve the compensation of our named executive officers, as disclosed in this proxy statement. Pursuant to the Dodd-Frank Act, the shareholder vote on executive compensation is an advisory vote only, and it is not binding on Valley or the Board of Directors.

The Company s goal for its executive compensation program is to reward executives who provide leadership for and contribute to our financial success. The Company seeks to accomplish this goal in a way that is aligned with the long-term interests of the Company s shareholders. The Company believes that its executive compensation program satisfies this goal.

The Compensation Discussion and Analysis beginning on page 23 of this Proxy Statement, describes the Company s executive compensation program and the decisions made by the Compensation and Human Resources Committee in 2009 and early 2010 in detail.

The Company requests shareholder approval of the compensation of the Company s named executive officers as disclosed pursuant to the SEC s compensation disclosure rules (which disclosure includes the Compensation Committee Report, the Compensation Discussion and Analysis, and the compensation tables).

As an advisory vote, this proposal is not binding upon the Board of Directors or the Company. However, the Compensation and Human Resources Committee, which is responsible for designing and administering the Company s executive compensation program, values the opinions expressed by shareholders in their vote on this proposal, and will consider the outcome of the vote when making future compensation decisions for named executive officers.

RECOMMENDATION AND VOTE REQUIRED FOR ITEM 2

THE VALLEY BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE NON-BINDING APPROVAL OF THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS DETERMINED BY THE COMPENSATION AND HUMAN RESOURCES COMMITTEE. THE VOTE OF A MAJORITY OF THE VOTES CAST FOR THE PROPOSAL WILL CONSTITUTE APPROVAL OF THIS ADVISORY PROPOSAL.

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ITEM 3

ADVISORY VOTE ON THE FREQUENCY OF VOTING ON EXECUTIVE COMPENSATION

The Dodd-Frank Act also enables our shareholders by means of an advisory vote to indicate how frequently Valley should seek an advisory vote on the compensation of our named executive officers. By voting on this proposal, shareholders may indicate whether they would prefer a vote on named executive officer compensation once every one, two, or three years.

After careful consideration of this Proposal, Valley s Board has determined that an advisory vote on executive compensation that occurs every three years is the most appropriate alternative for Valley, and therefore our Board recommends that you vote for a three-year interval for the advisory vote on executive compensation.

Holding the advisory vote on executive compensation every three years would allow Valley adequate time to engage with shareholders and compile meaningful input to understand and thoughtfully respond to the vote results and implement any appropriate changes to our executive compensation program. A triennial vote would also align more closely with the long-term business strategy upon which our executive compensation program is based and would give our shareholders the opportunity to more fully assess the effectiveness of both our short- and long-term compensation strategies and related business outcomes over a longer period. Annual or biennial Say-on-Pay Votes, on the other hand, may not provide a meaningful time period against which our compensation program should be evaluated.

You may cast your vote on your preferred voting frequency by choosing the option of one year, two years, three years or abstain from voting.

The option of one year, two years or three years that receives the highest number of votes cast by shareholders will be the frequency for the advisory vote on executive compensation that has been selected by shareholders. However, because this vote is advisory and not binding on the Valley s Board or Valley in any way, the Board may decide that it is in the best interests of our shareholders and Valley to hold an advisory vote on executive compensation more or less frequently than the option approved by our shareholders.

RECOMMENDATION AND VOTE REQUIRED FOR ITEM 3

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE OPTION OF EVERY THREE YEARS AS THE FREQUENCY WITH WHICH SHAREHOLDERS ARE PROVIDED AN ADVISORY VOTE ON EXECUTIVE COMPENSATION. THE OPTION OF ONE YEAR, TWO YEARS OR THREE YEARS THAT RECEIVES THE HIGHEST NUMBER OF VOTES CAST BY SHAREHOLDERS WILL BE THE FREQUENCY FOR THE ADVISORY VOTE ON EXECUTIVE COMPENSATION THAT HAS BEEN SELECTED BY SHAREHOLDERS.

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ITEM 4

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit and Risk Committee has appointed KPMG LLP to audit Valley s financial statements for 2011. We are asking you to ratify that appointment.

KPMG audited our books and records for the years ended December 31, 2008, 2009 and 2010. The fees billed for services rendered to us by our independent registered public accounting firm for the years ended December 31, 2010 and 2009 were as follows:

	2010	2009
Audit fees	$ 872,000	$ 843,000
Audit-related fees	56,000	229,000
Tax fees	24,570	4,760
All other fees	0	0
Total	$ 952,570	$ 1,076,760

Audit-related fees, in the table above, include fees paid for benefit plan audits performed in 2010 and 2009. The 2009 period also reflects audit-related fees for services related to two common equity offerings by Valley and other attestation services not directly related to the audit of our consolidated financial statements.

The Audit and Risk Committee adopted a formal policy concerning the pre-approval of audit and non-audit services to be provided by its independent accountants to Valley. The policy requires that all services to be performed by KPMG, Valley s independent accountants, including audit services, audit-related services and permitted non-audit services, be pre-approved by the Audit and Risk Committee. Specific services being provided by the independent accountants are regularly reviewed in accordance with the pre-approval policy. At each subsequent Audit and Risk Committee meeting, the Committee receives updates on the services actually provided by the independent accountants, and management may also present additional services for approval. All services rendered by KPMG are permissible under applicable laws and regulations, and the Audit and Risk Committee pre-approved all audit, audit-related and non-audit services performed by KPMG during fiscal 2010. Representatives of KPMG will be available at the annual meeting and will have the opportunity to make a statement and answer appropriate questions from shareholders regarding 2010 financial results.

RECOMMENDATION AND VOTE REQUIRED ON ITEM 4

THE VALLEY BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF KPMG AS VALLEY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011. RATIFICATION OF THE APPOINTMENT OF KPMG REQUIRES A MAJORITY OF THE VOTES CAST BE FOR THE PROPOSAL.

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REPORT OF THE AUDIT AND RISK COMMITTEE

February 23, 2011

To the Board of Directors of Valley National Bancorp:

Management is responsible for the preparation, presentation and integrity of the Company s financial statements, accounting and financial reporting principles, internal controls, and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. The Company s independent registered public accounting firm, KPMG LLP, performs an annual independent audit of the financial statements and expresses an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles.

The following is the report of the Audit and Risk Committee with respect to the audited financial statements for fiscal 2010. With respect to fiscal year 2010, the Audit and Risk Committee has:

reviewed and discussed Valley s audited financial statements with management and KPMG;

discussed with KPMG the scope of its services, including its audit plan;

reviewed Valley s internal control procedures;

discussed with KPMG the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T;

received the written disclosures and the letter from KPMG required by applicable requirements of the Public Company Accounting Oversight Board regarding KPMG s communications with the Audit and Risk Committee concerning independence, and discussed with KPMG their independence from management and Valley; and

approved the audit and non-audit services provided during fiscal 2010 by KPMG.

Based on the foregoing review and discussions, the Audit and Risk Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for fiscal 2010.

Pursuant to Section 404 of the Sarbanes-Oxley Act, management is required to prepare as part of the Company s 2010 Annual Report on Form 10-K, a report by management on its assessment of the Company s internal control over financial reporting, including management s assessment of the effectiveness of such internal control. KPMG is also required by Section 404 to prepare and include as part of the Company s 2010 Annual Report on Form 10-K, the auditors attestation report on management s assessment. During the course of 2010, management regularly discussed the internal control review and assessment process with the Audit and Risk Committee, including the framework used to evaluate the effectiveness of such internal control, and at regular intervals updated the Audit and Risk Committee on the status of this process and actions taken by management to respond to issues identified during this process. The Audit and Risk Committee also discussed this process with KPMG. Management s assessment report and the auditor s attestation report are included as part of the 2010 Annual Report on Form 10-K.

Andrew B. Abramson, Committee Chairman

Eric P. Edelstein, Vice Chairman

Pamela R. Bronander

Gerald Korde

Michael L. LaRusso

Marc J. Lenner

Suresh L. Sani

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CORPORATE GOVERNANCE

Our business and affairs are managed under the direction of the Board of Directors. Members of the Board are kept informed of Valley s business through discussions with the Chairman and our other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. In this regard, to further educate directors about Valley and assist committees in their work, committees are encouraged to invite non-member directors to attend committee meetings to learn about the workings of the Board. All members of the Board also served as directors of our subsidiary bank, Valley National Bank (the Bank), during 2010. It is our policy that all directors attend the annual meeting absent a compelling reason, such as family or medical emergencies. In 2010, all directors then serving attended our annual meeting.

Our Board of Directors believes that the purpose of corporate governance is to ensure that we maximize shareholder value in a manner consistent with legal requirements and safe and sound banking principles. The Board has adopted corporate governance practices which the Board and senior management believe promote this purpose. Periodically, these governance practices, as well as the rules and listing standards of NASDAQ and the NYSE and the regulations of the SEC, are reviewed by senior management, outside expert legal counsel and the Board.

Board Leadership Structure and the Board s Role in Risk Oversight. Valley is led by Mr. Gerald Lipkin, who has served as our Chairman and CEO since 1989. Our Board is comprised of Mr. Lipkin and 14 other directors, of whom 10 are independent under NYSE and NASDAQ guidelines. The Board has three standing independent committees with separate chairpersons the Audit and Risk Committee, a Nominating and Corporate Governance Committee, and a Compensation and Human Resources Committee. Our Audit and Risk Committee is responsible for overseeing risk management, and our full board regularly engages in discussions of risk management and receives reports on risk from our executive management, other company officers and the chair of the Audit and Risk Committee. Each of our other board committees also considers the risk within its area of responsibilities. We do not have a lead director, but our corporate governance guidelines provide that our non-management directors will meet in executive session at least once a year and that the three chairs of our board committees will rotate in presiding at these executive sessions.

We have employed the same basic leadership structure since Mr. Lipkin became Chairman and CEO in 1989. We believe that this leadership structure has been effective. Our corporate leadership structure is commonly utilized by other public companies in the United States. We believe that having a combined chairman/CEO and independent chairpersons for each of our Board committees provides the right form of leadership. We have a single leader for our company who can present a consistent vision, and he is seen by our customers, business partners, investors and other stakeholders as providing strong leadership for Valley and in our industry. We believe that our Chairman/CEO together with the Audit and Risk Committee and the full board of directors, provide effective oversight of the risk management function.

Director Independence. The Board has determined that a majority of the directors and all current members of the Nominating and Corporate Governance, Compensation and Human Resources, and Audit and Risk Committees are independent for purposes of the independence standards of both the New York Stock Exchange and NASDAQ, and that all of the members of the Audit and Risk Committee are also independent for purposes of Section 10A(m)(3) of the Securities Exchange Act of 1934 and the independence standards of both the New York Stock Exchange and NASDAQ. The Board based these determinations primarily on a review of the responses of the directors to questions regarding employment and transaction history, affiliations and family and other relationships and on discussions with the directors. Our independent directors are: Andrew B. Abramson, Pamela R. Bronander, Eric P. Edelstein, Gerald Korde, Michael L. LaRusso, Marc J. Lenner, Robinson Markel, Richard S. Miller, Barnett Rukin and Suresh L. Sani.

To assist in making determinations of independence, the Board has concluded that the following relationships are immaterial and that a director whose only relationships with the Company fall within these categories is independent:

- A loan made by the Bank to a director, his or her immediate family or an entity affiliated with a director or his or her immediate family, or a loan personally guaranteed by such persons if such loan (i) complies with federal regulations on insider loans, where applicable; and (ii) is not classified by the Bank s credit risk department or independent loan review department, or by any bank regulatory agency which supervises the Bank;

- A deposit, trust, insurance brokerage, investment advisory, securities brokerage or similar customer relationship between Valley or its subsidiaries and a director, his or her immediate family or an affiliate of his or her immediate family if such relationship is on customary and usual market terms and conditions;

The employment by Valley or its subsidiaries of any immediate family member of the director if the employee serves below the level of a senior vice president;

Annual contributions by Valley or its subsidiaries to any charity or non-profit corporation with which a director is affiliated if the contributions do not exceed an aggregate of $30,000 in any calendar year;

Purchases of goods or services by Valley or any of its subsidiaries from a business in which a director or his or her spouse or minor children is a partner, shareholder or officer, if the director, his or her spouse and minor children own five percent (5%) or less of the equity interests of that business and do not serve as an executive officer of the business; or

Purchases of goods or services by Valley, or any of its subsidiaries, from a director or a business in which the director or his or her spouse or minor children is a partner, shareholder or officer if the annual aggregate purchases of goods or services from the director, his or her spouse or minor children or such business in the last calendar year does not exceed the greater of $120,000 or five percent (5%) of the gross revenues of the business.

The Board considered the following categories of items for each director it determined was independent:

Name	Loans*	Trust Services/Assets Under Management	Banking Relationship with VNB	Professional Services to Valley
Andrew B. Abramson	Commercial and Personal	Trust Services	Checking, Savings, Certificate of Deposit	None
Pamela R. Bronander	Commercial and Personal Line of Credit, Home Equity	None	Checking, Savings, Certificate of Deposit	None
Eric P. Edelstein	Residential Mortgage	None	Checking	None
Gerald Korde	Commercial, Commercial and Personal Line of Credit	Trust Services	Checking, Money Market	None
Michael L. LaRusso	Mortgage, Home Equity	None	Checking, Money Market, Safekeeping	None
Marc J. Lenner	Commercial Mortgage, Residential Mortgage, Personal Line of Credit and Home Equity	None	Checking, Money Market, Certificate of Deposit, IRA	None
Robinson Markel	None	None	Checking	Legal
Richard S. Miller	Home Equity Line of Credit	None	Checking, Savings	Legal
Barnett Rukin	Commercial and Home Mortgages, Line of credit	Assets Under Management	Checking, Safe Deposit Box	None
Suresh L. Sani	Commercial Mortgage	None	Checking, Money Market	None

* In compliance with Regulation O.

Executive Sessions of Non-Management Directors. Valley s Corporate Governance Guidelines require the Board to provide for executive sessions with only independent, non-management directors participating. At least once a year, the Board holds an executive session including only independent, non-management directors. Valley s Board has chosen to rotate the presiding director for each meeting among the respective chairmen of the Audit and Risk, Compensation and Human Resources, and Nominating and Corporate Governance Committees.

Shareholder and Interested Parties Communications with Directors. The Board of Directors has established the following procedures for shareholder or interested party communications with the Board of Directors or with the rotating chairman of the executive sessions of the non-management directors of the Board:

Shareholders or interested parties wishing to communicate with the Board of Directors or with the presiding director of executive sessions, should send any communication to Valley National Bancorp, c/o Alan D. Eskow, Corporate Secretary, at 1455 Valley Road, Wayne, New Jersey 07470. Any such communication should state the number of shares owned by the shareholder.

The Corporate Secretary will forward such communication to the Board of Directors or, as appropriate, to the particular committee chairman; or to the then presiding director, unless the communication is a personal or similar grievance, a shareholder proposal or related communication, an abusive or inappropriate communication, or a communication not related to the duties or responsibilities of the Board of Directors; or of the non-management directors, in which case the Corporate Secretary has the authority to determine the appropriate disposition of the communication. All such communications will be kept confidential to the extent possible.

The Corporate Secretary will maintain a log of, and copies of, all such communications for inspection and review by any Board member; or by the presiding director of executive sessions, and will regularly review all such communications with the Board or the appropriate committee chairman; or with the presiding director at the next meeting.

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The Board of Directors has also established the following procedures for shareholder or interested party communications with the rotating chairman of the executive sessions of the non-management directors of the Board:

The Corporate Secretary will maintain a log of, and copies of, all such communications for inspection and review by the presiding director of executive sessions, and shall regularly review all such communications with the presiding director at the next meeting.

COMMITTEES OF THE BOARD OF DIRECTORS; BOARD OF DIRECTORS MEETINGS

In 2010, the Board of Directors maintained an Audit and Risk Committee, a Nominating and Corporate Governance Committee, and a Compensation and Human Resources Committee. Only independent directors serve on these committees.

Each director attended 87% or more of the meetings of the Board of Directors, the Bank Board and of each committee on which he or she served for the two-year period ended December 31, 2010. Our Board met five times during 2010 and the Bank s Board met 12 times during 2010.

The following table presents 2010 membership information for each of our Audit and Risk, Nominating and Corporate Governance, and Compensation and Human Resources Committees.

Name	Audit and Risk	Nominating and Corporate Governance	Compensation and Human Resources
Andrew B. Abramson	X*	X	X
Pamela R. Bronander	X		
Eric P. Edelstein	X**		X**
Gerald Korde	X	X	X*
Michael L. LaRusso	X		X
Marc J. Lenner	X	X	
Robinson Markel		X*	X**
Richard S. Miller		X	
Barnett Rukin			X
Suresh L. Sani	X		

* Committee Chairman
** Vice Chairman

AUDIT AND RISK COMMITTEE. The Audit and Risk Committee met nine times during 2010, (and in addition, the Committee Chairman and on occasion one other member of the Audit and Risk Committee met with the Chief Audit Executive and Chief Risk Officer of Valley monthly for the purpose of communicating closely with those officers and receiving updates on significant developments.) The Board of Directors has determined that each member of the Audit and Risk Committee is financially literate and that more than one member of the Audit and Risk Committee has the accounting or related financial management expertise required by the NYSE. The Board of Directors has also determined that Mr. Edelstein, Mr. LaRusso and Mr. Lenner meet the SEC criteria of an Audit Committee Financial Expert. The charter for the Audit and Risk Committee can be viewed at our website www.valleynationalbank.com/charters. The charter gives the Committee the authority and responsibility for the appointment, retention, compensation and oversight of our independent registered public accounting firm, including pre-approval of all audit and non-audit services to be performed by our independent registered public accounting firm. Each member of the Audit and Risk Committee is independent under both NYSE and NASDAQ listing rules. Other responsibilities of the Audit and Risk Committee pursuant to the charter include:

Reviewing the scope and results of the audit with Valley s independent registered public accounting firm;

Reviewing with management and Valley s independent registered public accounting firm Valley s interim and year-end operating results including SEC periodic reports and press releases;

Considering the appropriateness of the internal accounting and auditing procedures of Valley;

Considering the independence of Valley s independent registered public accounting firm;

Overseeing the risk management and internal audit functions including the activities of the loan review, information security and regulatory compliance departments;

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- Reviewing examination reports by regulatory agencies, together with management s response and follow-up;

- Reviewing the significant findings and recommended action plans prepared by the internal audit function, together with management s response and follow-up; and

- Reporting to the full Board concerning significant matters coming to the attention of the Committee.

Nominating and Corporate Governance Committee. The Committee met four times during 2010. This Committee reviews qualifications of and recommends to the Board candidates for election as director of Valley and the Bank, considers the composition of the Board, recommends committee assignments, and discusses management succession for the Chairman and the CEO positions. The Nominating and Corporate Governance Committee develops corporate governance guidelines which include:

- Director qualifications and standards;

- Director responsibilities;

- Director orientation and continuing education;

- Limitations on board members serving on other boards of directors;

- Director access to management and records; and

- Criteria for annual self-assessment of the Board, its committees, and management and their effectiveness.

The Nominating and Corporate Governance Committee is also charged with overseeing the Board s adherence to our corporate governance standards and the Code of Conduct and Ethics. The Nominating and Corporate Governance Committee reviews recommendations from shareholders regarding corporate governance and director candidates. The procedure for submitting recommendations of director candidates is set forth below under the caption Nomination of Directors. Each member of the Nominating and Corporate Governance Committee is independent under both NYSE and NASDAQ listing rules.

Compensation and Human Resources Committee. The Committee met nine times during 2010. The Committee determines CEO compensation, sets general compensation levels for directors, all officers and employees and sets specific compensation for named executive officers (NEOs) and other executive officers. It also administers our non-equity and the equity incentive plans, including the 2009 Long-Term Stock Incentive Plan and makes awards pursuant to those plans. The Board has approved its charter, available under our website located at www.valleynationalbank.com/charters, which delegates to the Committee the responsibility to recommend Board compensation. Each member of the Compensation and Human Resources Committee is independent under both NYSE and NASDAQ listing rules.

Executive Officers Compensation. In undertaking its responsibilities, annually, the Committee receives from the CEO recommendations for salary, non-equity incentive awards, stock option and restricted stock awards for NEOs and other executive officers. After considering the possible payments under our 2009 Long-Term Stock Incentive Plan (2009 LTSIP) and our 2010 Executive Incentive Plan (2010 EIP), and discussing the recommendations with the CEO, the Committee meets in executive session to make the final decisions on these elements of compensation. All stock awards are made using the closing stock price on the date prior to the date the awards are approved. Stock awards under the 2009 LTSIP may take the form of restricted shares, stock options or both. Awards under the 2010 EIP may be in cash, restricted shares or both.

Under authority delegated by the Committee, all other employee salaries and non-equity compensation are determined by executive management. For stock awards, based on operational considerations, prior awards and staff numbers, a block of shares is allocated by the

Committee. The individual stock option and restricted stock awards are then allocated by the CEO and his executive staff. All stock awards are made using the closing stock price on the date prior to the date that the awards are approved.

Under authority delegated by the Committee, during the year, the CEO is authorized to make limited stock option grants and restricted stock awards in specific circumstances (special incentive awards for non-officers, awards to new employees and grants on completion of advanced degrees.) All stock awards are made using the closing stock price on the date prior to the date that the awards are approved.

All awards not specifically approved in advance by the Committee, but awarded under the authority delegated, are reported to the Committee at its next meeting at which time the Committee ratifies the action taken.

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Compensation Consultants

In 2010 the Committee in its sole discretion employed Fredrick W. Cook & Co. as compensation consultants. The Cook firm was employed to review compensation and performance data of a peer group of comparable financial organizations that had been selected by the Committee and in relationship to these data provide an overview and comments on Valley s executive compensation. Also, the Cook firm was requested to provide trend information relating to executive compensation matters. In addition, the Cook firm has reviewed and provided comments on the compensation disclosures contained in this proxy statement.

In addition, the Committee also employed Towers Watson as compensation analysts to provide an analysis and information relating to our NEOs potential post-employment payments described below, under the Compensation Discussion & Analysis Post-Employment Compensation Elements.

Compensation as it relates to risk management

The Chief Risk Officer evaluated all incentive-based compensation for all employees of the Company and reported to the Compensation and Human Resources Committee that none individually, or taken together, was reasonably likely to have a material adverse effect on Valley. Each NEO s compensation was not considered excessive. None of the other forms of compensation or incentives for Valley employees were considered to encourage undue or unwarranted risk. The Compensation and Human Resources Committee accepted the Chief Risk Officer s report.

Availability of Committee Charters

The Audit and Risk Committee, Nominating and Corporate Governance Committee, and Compensation and Human Resources Committee each operates pursuant to a separate written charter adopted by the Board. Each Committee reviews its charter at least annually. All of the committee charters can be viewed at our website www.valleynationalbank.com/charters. Each charter is also available in print to any shareholder who requests it. The information contained on the website is not incorporated by reference or otherwise considered a part of this document.

Nomination of Directors

Nominations for a director may be made only by the Board of Directors, the Nominating and Corporate Governance Committee of the Board, or by a shareholder of record entitled to vote. The Board of Directors has established minimum criteria for members of the Board. These include:

- The maximum age for an individual to join the Board shall be age 60;

- Directors may not be nominated for election to the Board in the calendar year after the year in which the director turns 75; except that a director past 75 years of age who remains employed full time in his or her primary business can be nominated for reelection. The Nominating and Corporate Governance Committee must excuse such a director from participating in the discussion of his/her own renomination;

- Each Board member must demonstrate that he or she is mentally and physically able to serve regardless of age;

- Each Board member must be a U.S. citizen and comply with all qualifications set forth in 12 USC §72;

- A majority of the Board members must maintain their principal residences within 100 miles of Wayne, New Jersey (Valley s primary service area);

Board members may not stand for re-election to the Board for more than four terms following the establishment of a principal legal residence outside of Valley s primary service area;

Each Board member must own a minimum of 5,000 shares of our common stock of which 1,000 shares must be in his or her own name (or jointly with the director s spouse) and not pledged or hypothecated;

Unless there are mitigating circumstances (such as medical or family emergencies), any Board member who attends less than 85% of the Board and assigned committee meetings for two consecutive years, will not be nominated for re-election;

Each Board member must prepare for meetings by reading information provided prior to the meeting. Each Board member should participate in meetings, for example, by asking questions and by inquiring about policies, procedures or practices of Valley;

Each Board member should be available for continuing education opportunities throughout the year;

Each Board member is expected to be above reproach in their personal and professional lives and their financial dealings with Valley, the Bank and the community;

If a Board member (a) has his or her integrity challenged by a governmental agency (indictment or conviction), (b) files for personal or business bankruptcy, (c) materially violates Valley s Code of Conduct and Ethics, or (d) has a loan made to or guaranteed by the director classified as substandard or doubtful, the Board member shall resign upon request of the Board;

No Board member should serve on the board of any other bank or financial institution or on more than two boards of other public companies while a member of Valley s Board without the approval of Valley s Board of Directors;

Each Board member should be an advocate for Valley within the community; and

It is expected that the Bank will be utilized by the Board member for his or her personal and business affiliations.

The Nominating and Corporate Governance Committee has adopted a policy regarding consideration of director candidates recommended by shareholders. The Nominating and Corporate Governance Committee will consider nominations recommended by shareholders. In order for a shareholder to recommend a nomination, the shareholder must provide the recommendation along with the additional information and supporting materials to our Corporate Secretary not less than 90 days nor more than 120 days prior to the anniversary of the date of the preceding year s annual meeting. The shareholder wishing to propose a candidate for consideration by the Nominating and Corporate Governance Committee must own at least 1% of Valley s outstanding common stock. In addition, the Nominating and Corporate Governance Committee has the right to require any additional background or other information from any director candidate or the recommending shareholder as it may deem appropriate. For Valley s annual meeting in 2012, we must receive this notice on or after December 15, 2011, and on or before January 14, 2012. The following factors, at a minimum, are considered by the Nominating and Corporate Governance Committee as part of its review of all director candidates and in recommending potential director candidates to the Board:

Appropriate mix of educational background, professional background and business experience to make a significant contribution to the overall composition of the Board;

If the Nominating and Corporate Governance Committee deems it applicable, whether the candidate would be considered a financial expert or financially literate as described in SEC, NYSE and NASDAQ rules or an Audit and Risk Committee financial expert as defined by SEC rules;

If the Nominating and Corporate Governance Committee deems it applicable, whether the candidate would be considered independent under NYSE and NASDAQ rules and the Board s additional independence guidelines set forth in the Company s Corporate Governance Guidelines;

Demonstrated character and reputation, both personal and professional, consistent with that required for a bank director;

Willingness to apply sound and independent business judgment;

Ability to work productively with the other members of the Board;

Availability for the substantial duties and responsibilities of a Valley director; and

Meets the additional criteria set forth in Valley s Corporate Governance Guidelines.

Diversity is one of the factors that the Nominating Committee considers in identifying nominees for a director. In selecting director nominees the Nominating Committee considers, among other factors, (1) the competencies and skills that the candidate possesses and the candidate s areas of qualification and expertise that would enhance the composition of the Board, and (2) how the candidate would contribute to the Board s overall balance of expertise, perspectives, backgrounds and experiences in substantive matters pertaining to the Company s business. The Nominating Committee has not adopted a formal diversity policy with regard to the selection of director nominees.

Compensation and Human Resources Committee Processes and Procedures

The Board has delegated the responsibility for executive compensation matters to the Compensation and Human Resources Committee. The minutes of the Committee meetings are provided at Board meetings and the chair of the Committee reports to the Board significant issues dealt with by the Committee.

Code of Conduct and Ethics and Corporate Governance Guidelines

We have adopted a Code of Conduct and Ethics which applies to our chief executive officer, principal financial officer, principal accounting officer and to all of our other directors, officers and employees. The Code of Conduct and Ethics is available and can be viewed under our website www.valleynationalbank.com/charters. The Code of Conduct and Ethics is also available in print to any shareholder who requests it. We will disclose any substantive amendments to or waiver from provisions of the Code of Conduct and Ethics made with respect to the chief executive officer, principal financial officer or principal accounting officer on that website.

We have also adopted Corporate Governance Guidelines, which are intended to provide guidelines for the governance by the Board and its committees. The Corporate Governance Guidelines are available under our website located at www.valleynationalbank.com/charters. The Corporate Governance Guidelines are also available in print to any shareholder who requests them.

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DIRECTOR COMPENSATION

Compensation of Directors. Annual compensation of non-employee directors for 2010 was comprised of the following components: cash compensation consisting of annual retainer; meeting and committee fees; and, to the extent that a director elects to forego all or a portion of the annual retainer and board meeting fees, participation in the 2004 Directors Restricted Stock Plan. In addition, there is also a Directors Retirement Plan. Each of these compensation components is described in detail below. The total 2010 compensation of the non-employee directors is shown in the following table.

2010 Director Compensation

Name	Fees Earned or Paid in Cash (2)	Stock Awards (3)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (4)	All Other Compensation (5)		Total
Andrew B. Abramson (1)	$ 49,000	$ 74,667	$ 11,350	$ 14,255		$ 149,272
Pamela R. Bronander	29,500	74,667	9,959	14,185		128,311
Eric P. Edelstein (1)	101,750	0	8,359	4,635		114,744
Mary J. Steele Guilfoile	27,000	74,667	6,575	215,721	(6)	323,963
Graham O. Jones	72,500	0	14,817	0		87,317
Walter H. Jones, III	68,500	0	16,130	0		84,630
Gerald Korde (1)	100,500	0	20,422	0		120,922
Michael L. LaRusso	62,500	37,333	9,531	7,150		116,514
Marc J. Lenner	79,000	0	2,725	0		81,725
Robinson Markel (1)	91,000	0	12,648	0		103,648
Richard S. Miller	78,000	0	12,887	0		90,887
Barnett Rukin	84,000	0	20,925	8,041		112,966
Suresh L. Sani	69,500	0	2,872	0		72,372
Robert C. Soldoveri	64,500	0	4,675	0		69,175

(1) Bancorp Committee Chairman and/or Bancorp Committee Vice Chairman (see Committees of the Board on Page 14 in this Proxy Statement.)

(2) Includes committee fees and fees for chairing Board Committees.

(3) Reflects fees forgone by directors pursuant to the 2004 Directors Restricted Stock Plan. There were 16,682 shares awarded under the plan during the year ended December 31, 2010 each at the grant date fair market value of $15.67 and there were 94,916 outstanding shares under the plan as of December 31, 2010. The following table represents the shares awarded in 2010, the grant date fair market value and the aggregate number of stock outstanding at December 31, 2010, for each of the following participants:

Name	Number of Shares Awarded in 2010	Grant Date Fair Market Value of Shares Awarded	Aggregate Number of Stock Awards Outstanding at Fiscal Year-End
Andrew B. Abramson	4,766	$15.67	22,138
Pamela R. Bronander	4,766	15.67	22,041
Eric P. Edelstein	0	0	6,414
Mary J. Steele Guilfoile	4,766	15.67	22,091
Michael L. LaRusso	2,383	15.67	11,100
Barnett Rukin	0	0	11,132

(4) Represents non-cash compensation reflecting the change in the present value of pension benefits year to year for Directors Plan for 2010, taking into account the age of each director, a present value factor, an interest discount factor and time remaining until retirement.

(5) This column reflects the cash dividend and interest on deferred dividends earned during 2010, under the 2004 Directors Restricted Stock Plan.

(6) This includes $150,000 consulting fee in connection with Valley s acquisition of LibertyPointe Bank and Park Avenue Bank, and $51,500 consulting fee pursuant to a long-standing investment banking retainer consulting agreement, paid to MG Advisors, Inc. in 2010. Ms. Guilfoile is the Chairman of MG Advisors.

Annual Board Retainer. Non-employee directors received an annual retainer of $30,000 per year, paid quarterly. This retainer is paid to recognize expected ongoing dialog of board members with our executives and employees, for being available to provide their professional expertise as needed, for attending various Bank functions, for undertaking continuing education, and for interfacing with customers as appropriate.

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Board Meeting Fees. In recognition of the preparation time, travel time, attendance at and providing professional expertise at the board meetings, non-employee directors received a board meeting fee of $2,000 for each meeting attended.

Board Committee Fees and Committee Chair Retainer. The Chair of the Audit and Risk Committee received an annual retainer of $10,000 and the Vice Chair a retainer of $3,750. The Chair of the Compensation and Human Resources Committee received an annual retainer of $10,000 and each Vice Chair a retainer of $5,000. The Chair of the Nominating and Corporate Governance Committee received an annual retainer of $7,500. These retainers are to recognize the extensive time that is devoted to committee matters including meetings with management, auditors, attorneys and consultants and preparing committee agendas.

All members of these committees are paid for attending each committee meeting as follows: $2,000 for Audit and Risk, $1,500 for Compensation and Human Resources and $1,000 for Nominating and Corporate Governance.

The Company and Bank also have a number of other committees (other than the corporate governance committees listed above and required to be disclosed) that are not disclosed committees under SEC and NYSE rules. These committees generally deal with oversight of various operating matters. All other committee chairs receive a retainer of $5,000 and there is an attendance fee between $500 and $1,000 for each committee meeting.

Directors Retirement Plan. We maintain a retirement plan for non-employee directors. The plan provides 10 years of annual benefits to directors with five or more years of service. The benefits commence following the later of a director reaching age 65 or after a director has retired from the Board. The annual benefit is equal to the director s years of service, multiplied by 5%, multiplied by the final annual retainer paid to the director at the time of retirement. In the event of the death of the director prior to receipt of all benefits, the payments continue to the director s beneficiary or estate.

Directors Restricted Stock Plan. We also maintain the 2004 Director Restricted Stock Plan (2004 Directors Plan). The 2004 Directors Plan provides the non-employee members of the Board of Directors with the opportunity to forego some or all of their annual cash retainer and meeting fees in exchange for shares of Valley restricted stock granted at 75% percent of the market value at the date of grant. The discount recognizes the exchange of immediate cash fees for a five year deferral or until retirement, death, disability, the participant s inability to stand for re-election due to age restrictions, or the participant s failure to be re-elected after standing for re-election, and if there is a change-in-control prior to the vesting date. There were 94,916 shares outstanding under this plan as of December 31, 2010.

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STOCK OWNERSHIP OF MANAGEMENT

AND PRINCIPAL SHAREHOLDERS

Stock Ownership of Directors and Executive Officers. The following table contains information about the beneficial ownership of our common stock at December 31, 2010 by each director, by each of our executive officer for whom individual information is required to be set forth in this proxy statement under rules of the SEC, and by directors and all executive officers as a group.

Name of Beneficial Owner	Number of Shares Beneficially Owned (1)		Percent of Class (2)
Directors and Named Executive Officers:			
Andrew B. Abramson	299,642	(3)	.18
Pamela R. Bronander	38,235	(4)	.02
Peter Crocitto	339,963	(5)	.21
Eric P. Edelstein	23,938	(6)	.01
Albert L. Engel	163,127	(7)	.10
Alan D. Eskow	262,028	(8)	.16
Mary J. Steele Guilfoile	401,016	(9)	.24
Graham O. Jones	888,400	(10)	.54
Walter H. Jones, III	1,453,432		.89
Gerald Korde	2,112,612	(11)	1.29
Michael L. LaRusso	26,512	(12)	.02
Marc J. Lenner	231,669	(13)	.14
Gerald H. Lipkin	674,404	(14)	.41
Robinson Markel	480,805	(15)	.29
Robert M. Meyer	292,073	(16)	.18
Richard S. Miller	110,581	(17)	.07
Barnett Rukin	100,515	(18)	.06
Suresh L. Sani	52,942	(19)	.03
Robert C. Soldoveri	155,469	(20)	.09
Directors and Executive Officers as a group (32 persons)	9,452,777	(21)	5.76

(1) Beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares owned (i) by a spouse, minor children or by relatives sharing the same home, (ii) by entities owned or controlled by the named person, and (iii) by other persons if the named person has the right to acquire such shares within 60 days by the exercise of any right or option. Unless otherwise noted, all shares are owned of record and beneficially by the named person.

(2) The number of shares of our common stock used in calculating the percentage of the class owned includes 161,460,596 shares of our common stock outstanding as of December 31, 2010. The table also includes 1,031,105 shares purchasable pursuant to stock options or warrants for our shares that were exercisable within 60 days of December 31, 2010 (All exercisable options outstanding have exercise prices that are higher than Valley s market price at December 31, 2010 of $14.30. See the Outstanding Equity Awards table below for each of the NEO s outstanding awards); and as of the record date of February 18, 2011, all exercisable options outstanding have exercise prices that are higher than Valley s market price of $13.77.

(3) This total includes 9,347 shares held by Mr. Abramson s wife, 31,503 shares held by his wife in trust for his children, 9 shares held by a family trust of which Mr. Abramson is a trustee, 11,024 shares held by a family foundation, 98,748 shares held by a trust of which Mr. Abramson is a trustee, 3,333 shares held by a family fund trust, 8,679 shares held in self-directed IRA Plans of which Mr. Abramson and his wife are beneficiaries, 5,080 shares of Mr. Abramson s mother of which he has the authority to execute trades and 22,138 restricted shares pursuant to the director restricted stock plan; and of this total 13,419 shares were pledged as security. Mr. Abramson disclaims beneficial ownership of shares held by his wife; his mother; and shares held for his children.

(4) This total includes 656 shares held in custody for Ms. Bronander s children, 4,038 shares held by Ms. Bronander s children, 22,041 restricted shares pursuant to the director restricted stock plan; and of this total, 9,503 shares were pledged as security.

(5) This total includes 36,302 shares held by Mr. Crocitto s wife, 3,356 shares held in Mr. Crocitto s KSOP, 5,523 shares held by Mr. Crocitto as custodian for his child, 2,725 shares held by Mr. Crocitto s children, 34,175 restricted shares, and 117,023 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2010, but not the 30,855 shares potentially available in the future by exercise of his stock options not exercisable within 60 days of December 31, 2010.

(6) This total includes 6,414 restricted shares pursuant to the director restricted stock plan.

(7)

This total includes 3,328 shares held in Mr. Engel s KSOP, 21,011 restricted shares and 69,276 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2010, but not the 22,965 shares potentially available in the future by exercise of his stock options not exercisable within 60 days of December 31, 2010; and of this total, 10,000 shares were pledged as security.

(8) This total includes 46,981 shares held by Mr. Eskow s wife, 3,529 shares held in Mr. Eskow s KSOP, 9,463 shares held in his IRA, 1,019 shares held jointly with his wife, 940 shares in an IRA held by his wife, 34,175 restricted shares and 104,098 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2010, but not the 30,855 shares potentially available in the future by exercise of his stock options not exercisable within 60 days of December 31, 2010.
(9) This total includes 182,865 shares held by Ms. Guilfoile s spouse and 22,091 restricted shares pursuant to the director restricted stock plan.
(10) This total includes 14,667 shares owned by trusts for the benefit of Mr. G. Jones children of which his wife is co-trustee; and of this total, 862,844 shares were pledged as security.
(11) This total includes 65,428 shares held jointly with Mr. Korde s wife, 310,838 shares held in the name of Mr. Korde s wife, 810,298 shares held by his wife as custodian for his children, 286,058 shares held by a trust of which Mr. Korde is a trustee and 114,684 shares held in Mr. Korde s self-directed IRA.
(12) This total includes 13,159 shares held jointly with Mr. LaRusso s wife and 11,100 restricted shares pursuant to the director restricted stock plan.
(13) This total includes 11,490 shares held in a retirement pension, 378 shares held by Mr. Lenner s wife, 18,409 shares held by his children, 175,418 shares held by a trust of which Mr. Lenner is 50% trustee and 12,222 shares held by a charitable foundation.
(14) This total includes 201,135 shares held in the name of Mr. Lipkin s wife, 140 shares held jointly with his wife, 58,249 shares held in a Roth IRA, and 17,681 shares held by a family charitable foundation of which Mr. Lipkin is a co-trustee. This total also includes Mr. Lipkin s 77,929 restricted shares and 185,088 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2010, but not the 64,639 shares potentially available in the future by exercise of his stock options not exercisable within 60 days of December 31, 2010.
(15) This total includes 5,149 shares owned by Mr. Markel s wife, 36,219 shares held by his wife in trust for his children, 85,197 shares owned by Mr. Markel in his self-directed IRA and 253,139 shares owned by his sister, which Mr. Markel has power to vote. Mr. Markel disclaims beneficial ownership of the shares held by his wife, the shares held by his wife in trust for his children and shares owned by his sister.
(16) This total includes Mr. Meyer s 22,027 restricted shares, 118,327 shares held jointly with his wife, 3,356 shares held in his KSOP and 117,023 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2010, but not the 23,630 shares potentially available in the future by exercise of his stock options not exercisable within 60 days of December 31, 2010; and of this total, 144,875 shares were pledged as security.
(17) This total includes 35,572 shares held in Mr. Miller s self-directed IRA, 38,685 shares held jointly with his wife, 2,469 shares held by a corporation for which Mr. Miller is a 20% shareholder, and 8,709 shares held by his wife, and 1,873 shares of warrants exercisable within 60 days of December 31, 2010. Mr. Miller disclaims beneficial ownership of the 8,709 shares held by his wife, and all shares held by the corporation except for the 20% or 494 of such shares.
(18) This total includes 25,110 shares held by Mr. Rukin s wife, as custodian and Mr. Rukin, as trustee, in various accounts for their children, 11,451 shares held by a private foundation of which Mr. Rukin is an officer and 11,132 restricted shares pursuant to the director stock plan. Mr. Rukin disclaims beneficial ownership of the shares held by his wife, shares held by his wife as custodian for their children, and shares held by a private foundation.
(19) This total includes 5,178 shares held in Mr. Sani s Keogh Plan, 5,178 shares held in trusts for benefit of his children, and 40,271 shares held in pension trusts of which Mr. Sani is co-trustee.
(20) This total includes 130,850 shares held by a foundation of which Mr. Soldoveri is a trustee, 637 shares of warrants exercisable within 60 days of December 31, 2010.
(21) This total includes 1,345,774 shares owned by 13 executive officers who are not directors or named executive officers, which total includes 12,519 shares in KSOP and/or IRA, 139,879 indirect shares, 81,935 restricted shares, and 436,087 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2010, but not the 79,628 shares potentially available in the future by exercise of their stock options not exercisable within 60 days of December 31, 2010. The total does not include shares held by the Bank s trust department.

Principal Shareholders. The following table contains information about the beneficial ownership at December 31, 2010 by persons or groups that beneficially owns 5% or more of our common stock.

Name and Address	Number of Shares Beneficially Owned	Percent of Class (1)
Columbia Wanger Asset Management, LLC (2) 227 West Monroe Street, Suite 3000, Chicago, IL 60606	8,572,953	5.22%
BlackRock, Inc. (3) 40 East 52nd Street, New York, NY 10022	10,759,879	6.67

(1) The number of shares of our common stock used in calculating the percentage of the class owned includes 161,460,596 shares of our common stock outstanding as of December 31, 2010 and 2,686,730 shares purchasable pursuant to stock options for our shares that were exercisable within 60 days of December 31, 2010.
(2) Based on a Schedule 13G/A Information Statement filed February 11, 2011 by Columbia Wanger Asset Management, LLC, as an investment adviser. The Schedule 13G/A discloses that Columbia Wanger had sole voting power as to 7,867,953 shares, and sole dispositive power as to 8,572,953 shares.
(3) Based on a Schedule 13G Information Statement filed February 9, 2011 by BlackRock, Inc. The Schedule 13G discloses that BlackRock has sole voting power and sole dispositive power as to 10,759,879 shares.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS (CD&A)

EXECUTIVE SUMMARY

OUR 2010 PERFORMANCE. 2010, like its predecessor, was not an easy year for financial institutions in general. Bank failures continued at record levels. Many companies reported greatly reduced earnings or actual losses. Many banks continued to reduce or eliminate dividends to common shareholders. While our 2010 operating results were below our long term objectives, they were improved over 2009, which in turn was an improvement over 2008. This was not the case for many regional banks and financial institutions. We reported net income of $116.1 million in 2009, compared with $93.6 million in 2008. Some highlights for 2010 were:

- Earned $131.2 million in net income;
- Diluted EPS increased to $0.81 in 2010 from $0.64 in 2009;
- Continued to pay $0.72 annual dividend, adjusted for the stock dividend issued in May of 2010;
- Reported one of the best overall credit quality metrics, among the financial institutions that we regard as our peers;
- Lowered net loan charge-offs in 2010 by 30% from 2009. As a percentage of total average loans the 2010 net loan charge-off ratio of 0.28% reflects favorably versus the prior year ratio of 0.40%;
- Maintained strong balance sheet and high regulatory capital ratios;
- Increased net interest margin from 3.49% for 2009 to 3.69% for 2010;
- Continued to open new branches;
- Maintained strong residential loan origination program, and expanded our residential loan and title company businesses into Pennsylvania;
- Purchased and successfully integrated two New York City banks (LibertyPointe Bank and The Park Avenue Bank) acquired via FDIC assisted transactions;
- Improved investment portfolio risk profile shifted largest weighting of investment composition from FNMA/FHLMC to GNMA (full faith and credit of US Government);
- Sustained discipline in investing and lending;

Trading at high multiples of book value and tangible book value per share relative to peers;

Performance recognized as among industry leaders; and

Total return to shareholders for 5 year period ending 12/31/10 equal to -4.89% versus -35.26% for the Keefe, Bruyette & Woods KBW50 Bank Index.

Pay For Performance. Table 1 below lists the principal compensation elements and why we provide them.

Table 1. Compensation Elements

Compensation Element	Why We Provide It
Base Salary	To fairly compensate them for their day-to-day management
Executive Incentive (cash bonus) Plan Award	To incentivize performance in the short-term (1 year)
Long-Term Stock Incentive Plan Award	To align executive performance in the longer term (3 to 5 years) with the interests of shareholders
Pension Benefit	To retain key employees by providing post-retirement income

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Shareholder Say-on-Pay Votes. We asked our shareholders to approve our NEO compensation program at our Annual Meetings of Shareholders in 2009 and 2010. In 2010, the percentage voting to approve was higher than the prior year, at 90.38% of those voting; in 2009, 82.25% of those voting voted to approve.

Recapture. Our clawback policy lets us recapture awards that turn out to have been based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. Also, cash bonus awards under our Executive Incentive Plan are paid in installments over a two-year time period, allowing us to evaluate the longer-term results of NEO business decisions before completing payment of cash awards.

Hold Past Termination. Our hold-past-termination policy for all new stock-based awards requires a departing NEO to hold half of certain shares for at least 18 months after employment terminates.

Peer Group Comparisons. Chart 1 below compares the indicated aspects of our performance and the compensation of our NEOs over periods of one and three years relative to our peer group. While most of the performance parameters fall at or above the 75th percentile in the one-year comparison and at or above the 50th percentile in the three-year comparison, cash compensation and total compensation parameters mostly fall at or below the 25th percentile in both the one- and three-year comparisons.

Chart 1. Valley National Bank performance relative to peers

(1) Cumulative compound annual
(2) Before extraordinary items and discontinued operations; 3-year performance represents cumulative compound annual growth rate
(3) 3-year performance represents an average of the last three years
(4) As of 12/31/2009; 3-year performance represents compounded annual growth rate

NEO Compensation Highlights 2010 and Early 2011. The key elements of our executive compensation program in which our named executive officers participated in 2010 consisted of cash salaries and cash bonuses (paid beginning in February 2011 and as further described below, under EIP Awards), and option and restricted stock awards under our 2009 Long-Term Incentive Plan.

Superior NEO performance was recognized with salary increases, cash incentives and awards of stock and stock options under our Long-Term Stock Incentive Plan, as described below.

Our Compensation Philosophy

We recognize that financial institution executive compensation should be structured so as not to encourage the taking by management of unreasonable or unnecessary risks, and that the period over which incentive compensation is obtained should be more closely aligned with the risk horizon, (the estimated time needed to see if the risk taken has produced the intended beneficial result), and the incentive compensation is reduced or eliminated if expected results are not achieved.

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To address these concerns, we have put in place a number of measures intended to avoid encouraging risks:

- Our hold-past-termination policy for all new stock-based awards (restricted stock awards, and stock earned by exercising stock options.) The policy applies to all unvested NEO award shares the vesting of which is accelerated as the result of an NEO s leaving our employ, and requires the departing NEO to hold 50% of those shares for at least 18 months after termination of employment with us. We adopted this policy to better align the long-term interests of our NEOs with those of our shareholders, because we expect it to induce a longer-term focus by NEOs on the safety and well-being of our institution over a substantial period beyond the time when they lose the ability to influence its operations.

- Our clawback policy that allows us to recover cash and stock incentive payments awarded after the policy s adoption if our Committee determines that any award, made within three years prior to the Committee s determination, was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria.

- The extended two-year payout schedule for cash awards under our EIP, to allow time to evaluate the longer-term results of NEO business decisions before completing payment of cash awards.

- Elimination of the formula-based method we previously used to determine EIP awards and implementation of a new determination method based on the application of quantitative and qualitative reviews of executive performance by our CEO and Compensation Committee. We concluded that the formula-based method, which relied principally on the prior year s earnings per share, could encourage unnecessary risk-taking in order to increase earnings.

OUR NAMED EXECUTIVE OFFICERS (NEOS)

Our NEOs during 2010 were: President, CEO and Chairman Gerald H. Lipkin, Senior Executive Vice President and Chief Financial Officer Alan D. Eskow; Senior Executive Vice President and Chief Operating Officer Peter Crocitto and Executive Vice Presidents Albert L. Engel and Robert M. Meyer.

OUR COMPENSATION AND HUMAN RESOURCES COMMITTEE

Our Compensation and Human Resources Committee (the Committee) discharges the duties of our Board of Directors that concern compensation of our NEOs. The Committee s functions are set out in its charter, which has been approved by the Board. None of the Committee members is an NEO, and all of them are independent as that term is defined under the rules of the New York Stock Exchange.

The Committee met nine times in 2010. Our CEO generally attends these meetings (except those that relate to his compensation) at the Committee s invitation, to provide information about other NEOs and more junior officers compensation and to assist the Committee in evaluating NEO job performance. At its meeting when compensation is determined for the next year, the Committee reviews charts of NEO (and more junior executives) compensation elements, including:

- Base salary for the current year and each of the two preceding years;

- Non-equity (cash bonus) award for each of the two preceding years;

- Equity awards for each of the two preceding years; and

Management s recommendation for salary adjustment for the coming year, cash incentive compensation and incentive stock awards for the current year.

The Committee uses these charts to evaluate each NEO s recent history of equity awards and cash compensation. We prepare these charts in order to give the Committee a single, organized source of this information which it uses to determine whether to approve management s recommended NEO compensation. In Mr. Lipkin s case, the Committee discusses his compensation directly with him, then the Committee meets privately and in its sole discretion fixes his compensation.

In addition to its review of the charts just described, the Committee reviews the extent to which each NEO has achieved personal goals in his area of responsibility. These goals are discussed and set near the beginning of each year, and the achievement review takes place at the year s end.

Since 2006, the Committee has engaged the services of compensation consulting firm Frederic W. Cook & Co. (F.W. Cook) to assist it in compensation decisions and related matters like peer group membership. One of that firm s consultants attended two Committee meetings in 2010. F.W. Cook renders no services to the Company.

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Peer Group Considerations

At several points in this discussion and analysis, we mention that we compare a particular compensation element with the same element as paid by members of our peer group. We have assembled a group of domestic financial institutions whose operations, measured by factors like revenue, net income, total assets, market capitalization and numbers of employees, are similar in size to ours. The identity of the institutions in our current peer group, and their respective revenues, net incomes, total assets and market capitalization as of the end of the fiscal year shown, appear in Table 2 below.

Table 2. Peer Group 2009 Size Comparisons

($ in millions)

Company (1)	Revenue	Net Income (2)	Total Assets	Market Cap (3)
Associated Banc-Corp. (Wisconsin)	$ 1,332	($132)	$ 22,874	$ 1,413
Astoria Financial Corp (New York)*	1,079	28	20,252	1,206
BOK Financial Corp (Oklahoma)*	1,408	201	23,517	3,217
City National Corp (California)	962	51	21,079	2,349
Commerce Bancshares (Missouri)*	1,178	169	18,120	3,212
Cullen/Frost Bankers, Inc. (Texas)	917	179	16,288	2,997
FirstMerit Corporation (Ohio)	660	82	10,540	1,729
Fulton Financial Corp (Pennsylvania)	959	74	16,185	1,537
Hudson City Bancorp (New Jersey)*	2,975	527	60,268	7,213
Investors Bancorp (New Jersey)*	220	(65)	8,136	1,253
New York Community Bancorp*	1,643	399	42,154	6,141
NewAlliance Bancshares (Connecticut)*	431	46	8,300	1,281
Old National Bancorp (Indiana)*	504	14	8,005	1,084
People s United Financial (Connecticut)*	1,075	101	21,257	5,817
Provident Financial Services (New Jersey)*	324	(122)	6,836	642
Signature Bank (New York)*	421	63	9,146	1,296
Susquehanna Bancshares (Pennsylvania)	801	13	13,689	509
TCF Financial Corp (Minnesota)	1,484	87	17,885	1,757
Trustmark Corp (Mississippi)	610	93	9,526	1,417
UMB Financial Corp (Missouri)	666	89	11,663	1,590
Webster Financial Corp (Connecticut)	899	(76)	17,739	845
Whitney Holding Corp. (Louisiana)	639	(62)	11,892	879
Wilmington Trust Corporation (Delaware)	797	(4)	11,097	856
Wintrust Financial Corp. (Illinois)*	689	73	12,216	744
75th Percentile	$ 1,104	$ 95	$ 20,459	$ 2,511
Median	850	68	14,937	1,415
25th Percentile	632	8	10,286	1,032
Valley National Bancorp	$ 784	$ 116	$ 14,284	$ 2,162
VLY Percentile Rank	43%	79%	49%	73%

Data Source: Standard & Poor s Research Insight

(1) All companies have a December 31 fiscal year end except Investors Bancorp which is transitioning to that status.
(2) Before extraordinary items and discontinued operations.
(3) Market capitalization is as of 12/31/2009.

The dozen institutions whose names appear with an asterisk (*) were added to our peer group for 2010, and for that year we also removed one institution, Citizens Republic Bancorp (Michigan.) We made these changes because we felt the added institutions

were more similar to us in the financial and other measures described in the preceding paragraph, or in geographic location, than the one we removed. The three institutions whose names appear with a cross ( ) have been, or will in 2011 be, acquired by larger institutions, resulting in their removal from our peer group in 2011.

Peer group comparisons are used by the Committee to evaluate salaries and bonuses paid by the other financial institutions in our peer group. The Committee compares the salaries and non-equity incentive compensation we pay to our NEOs with the same compensation elements paid to executives of the peer group companies, generally available from public data. The Committee also refers to the peer group information when considering the CEO s recommendations for NEO salaries and awards under our Executive Incentive Plan (discussed below, and referred to as EIP.)

We make peer group comparisons of salaries, incentive compensation (both cash and stock) and pension benefits so we can avoid situations in which our NEOs are over- or under-compensated in comparison to our peer group of financial institutions. We do not seek to maintain a precise numerical or percentage relationship between our NEO compensation and that of peer group institutions. Rather, the Committee reviews peer group compensation (both total compensation and individual components) to determine that our NEOs are compensated at appropriate levels.

Compensation Details

The performance-based compensation elements we adopted for 2010 and early 2011 were:

Base Salaries. NEO base salaries were increased for 2011, effective January 2011. Our NEOs had received substantial base salary increases in January 2010 ranging from 25% to 50%, under the compensation plan we adopted in November 2009 while we were still subject to restrictions on compensation imposed by the U.S. Treasury s Troubled Asset Relief Program (TARP). The TARP restrictions did not permit cash bonuses, so the only way to avoid steep reductions in cash compensation was to increase base salaries.

The Committee recommended base salary increases for NEOs in 2011, in view of our NEOs contribution to our superior performance relative to our peers. Those increases rewarded the successful efforts of our senior management in maintaining our financial stability and navigating us through the most severe economic downturn since the 1930s while remaining profitable, not reducing dividend payments to common shareholders, and avoiding the pitfalls that led to so many bank failures and losses in 2009 and 2010. The recommended increases ranged from about 3% to 8% of 2010 base salaries. Table 3 below shows 2010 and 2011 NEO base salaries and increases for 2011.

Table 3. NEO Base Salaries, 2010 and 2011, and Increases for 2011

Named Executive Officer	2010 Base Salary	Increase for 2011 ($)	Increase for 2011 (%)	2011 Base Salary
Gerald H. Lipkin, CEO	$1,050,000	$ 73,500	7.00%	$1,123,500
Alan D. Eskow, Senior EVP	505,000	40,750	8.07	545,750
Peter Crocitto, Senior EVP	505,000	40,750	8.07	545,750
Albert Engel, EVP	425,000	15,000	3.53	440,000
Robert M. Meyer, EVP	450,000	15,000	3.33	465,000

EIP Awards. Our Executive Incentive Plan (EIP), which was approved by our shareholders at the 2010 Annual Meeting of shareholders, provides for discretionary awards, payable in cash or shares of our common stock, from a bonus pool equal to 5% of our net income before income taxes. Allocations of shares in the bonus pool are made by the Committee within the first 90 days of each calendar year. Any cash component of an award will be paid in installments as follows: 50% on the payment date fixed by the Committee and the balance in eight equal installments at the beginning of each of the next eight calendar quarters.

The initial 50% of each cash award is paid in February each year based on the previous year s final audited operating results. The remaining half is paid in eight equal quarterly installments. Payment in this manner allows time to evaluate the longer-term results of NEO business decisions while some portion of each award remains unpaid.

We believe this extended payment schedule will more closely align with the risk horizon of NEO business decisions, meaning that, before the full cash amount is paid, we will have a good idea of the longer-term effects of the business decisions and results that were rewarded at the time of the initial payment and can adjust the total award if required in the Committee s judgment in order to reflect a negative outcome.

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Recognizing the Bank s outstanding performance relative to our peer group (see Chart 1 and Table 2 above), non-equity incentive awards in the amounts listed in Table 4 immediately below were awarded to our NEOs. These awards were not made in full compliance with the terms of the 2010 EIP, which requires allocation of shares in the bonus pool to be made within the first 90 days of each Plan year. The 2010 EIP was not approved by our shareholders until the 2010 Annual Meeting held on April 14, 2010, 104 days after the start of the 2010 Plan year. A small portion of our CEO s total 2010 compensation will, accordingly, not be deductible for income tax purposes; however, the amount of additional income tax payable by us as a result will not be material. See Income Tax Considerations below.

Table 4. Non-equity Incentive Awards

Named Executive Officer	2010	% of 2010 Base Salary		
Gerald H. Lipkin, CEO	$630,000	60%	of	$ 1,050,000
Alan D. Eskow, Senior EVP	176,750	35%	of	505,000
Peter Crocitto, Senior EVP	176,750	35%	of	505,000