Valley National Bank

Investor Presentation

Forward Looking Statements

The foregoing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are not historical facts and include expressions about management's confidence and strategies and management's expectations about new and existing programs and products, acquisitions, relationships, opportunities, taxation, technology, market conditions and economic expectations. These statements may be identified by such forward-looking terminology as "should," "expect," "believe," "view," "opportunity," "allow," "continues," "reflects," "typically," "usually," "anticipate," or similar statements or variations of such terms. Such forward-looking statements involve certain risks and uncertainties. Actual results may differ materially from such forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to: a severe decline in the general economic conditions of New Jersey and the New York Metropolitan area; other-than-temporary impairment charges on our investment securities; Valley's inability to pay dividends at current levels, or at all, because of inadequate future earnings, regulatory restrictions or limitations, and changes in the composition of qualifying regulatory capital and minimum capital requirements (including those resulting from the U.S. implementation of Basel III requirements); higher than expected increases in our allowance for loan losses; higher than expected increases in loan losses or in the level of nonperforming loans; unexpected changes in interest rates; higher than expected tax rates, including increases resulting from changes in tax laws, regulations and case law; a continued or unexpected decline in real estate values within our market areas; declines in value in our investment portfolio; charges against earnings related to the change in fair value of our junior subordinated debentures; higher than expected FDIC insurance assessments; the failure of other financial institutions with whom we have trading, clearing, counterparty and other financial relationships; lack of liquidity to fund our various cash obligations; unanticipated reduction in our deposit base; potential acquisitions that may disrupt our business; government intervention in the U.S. financial system and the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve; legislative and regulatory actions (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations) subject us to additional regulatory oversight which may result in increased compliance costs and/or require us to change our business model; changes in accounting policies or accounting standards; our inability to promptly adapt to technological changes; our internal controls and procedures may not be adequate to prevent losses; claims and litigation pertaining to fiduciary responsibility, environmental laws and other matters; the inability to realize expected cost savings and revenue synergies from the merger of State Bancorp with Valley in the amounts or in the timeframe anticipated; inability to retain State Bancorp's customers and employees; lower than expected cash flows from PCI loans; and other unexpected material adverse changes in our operations and earnings.

A detailed discussion of factors that could affect our results is included in our SEC filings, including the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2011; our Quarterly Report on Form 10-Q, filed on May 8, 2012 and our Current Report on Form 8-K filed on July 26, 2012. We undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in our expectations. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

Shareholder Returns

Historical Financial Data (1) *(Dollars in millions, except for share data)*

Years Ended	Total Assets	Net Income (2)	Diluted Earnings Per Common Share	Return on Average Assets	Return on Average Equity	Cash Dividends Declared Per Common Share	Common Stock Splits and Dividends	
YTD 6/2012	$ 16,018	$ 67.4	$0.34	0.86 %	9.05 %	$0.33	5/12 - 5%	Stock Dividend
2011	14,245	133.7	0.75	0.94	10.20	0.66	5/11 - 5%	Stock Dividend
2010	14,144	131.2	0.74	0.93	10.32	0.65	5/10 - 5%	Stock Dividend
2009	14,284	116.1	0.58	0.81	8.64	0.66	5/09 - 5%	Stock Dividend
2008	14,718	93.6	0.58	0.69	8.74	0.66	5/08 - 5%	Stock Dividend
2007	12,749	153.2	1.00	1.25	16.43	0.65	5/07 - 5%	Stock Dividend
2006	12,395	163.7	1.04	1.33	17.24	0.64	5/06 - 5%	Stock Dividend
2005	12,436	163.4	1.06	1.39	19.17	0.62	5/05 - 5%	Stock Dividend
2004	10,763	154.4	1.05	1.51	22.77	0.60	5/04 - 5%	Stock Dividend
2003	9,873	153.4	1.05	1.63	24.21	0.57	5/03 - 5%	Stock Dividend
2002	9,148	154.6	1.01	1.78	23.59	0.54	5/02 - 5:4	Stock Split
2001	8,590	135.2	0.85	1.68	19.70	0.51	5/01 - 5%	Stock Dividend
2000	6,426	106.8	0.82	1.72	20.28	0.48	5/00 - 5%	Stock Dividend
1999	6,360	106.3	0.77	1.75	18.35	0.45	5/99 - 5%	Stock Dividend
1998	5,541	97.3	0.74	1.82	18.47	0.41	5/98 - 5:4	Stock Split
1997	5,091	85.0	0.68	1.67	18.88	0.36	5/97 - 5%	Stock Dividend
1996	4,687	67.5	0.59	1.47	17.23	0.32	5/96 - 5%	Stock Dividend
1995	4,586	62.6	0.54	1.40	16.60	0.30	5/95 - 5%	Stock Dividend
1994	3,744	59.0	0.60	1.60	20.03	0.29	5/94 - 10%	Stock Dividend
1993	3,605	56.4	0.59	1.62	21.42	0.23	4/93 - 5:4	Stock Split
1992	3,357	43.4	0.46	1.36	19.17	0.20	4/92 - 3:2	Stock Split

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

(2) Net income includes other-than-temporary impairment charges on investment securities, net of tax benefit, totaling $345 thousand for the six months ended June 30, 2012, and $12.2 million, $2.9 million, $4.0 million, $49.9 million, $10.4 million, and $3.0 million for the years ended 2011, 2010, 2009, 2008, 2007, and 2006, respectively.

Valley National Bank Today

About Valley

- Regional Bank Holding Company
- $16 Billion in Assets
- Headquartered in Wayne, New Jersey
- 39th Largest United States Chartered Commercial Bank
  - One of the Largest Chartered Commercial Banks Headquartered in New Jersey
- Operates 211 Branches in 147 Communities Serving 16 counties throughout Northern and Central New Jersey, Manhattan, Brooklyn, Queens and Long Island
- Traded on the NYSE (VLY)

Significant Attributes

- Consistent Shareholder Returns
- Focus on Credit Quality
- Conservative Strategies
- Affluent and Heavily Populated Footprint
- Strong Customer Service
- Experienced Senior and Executive Management

Management Approach

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

- Large percentage of retail ownership
  - Long-term investment approach
  - Focus on cash and stock dividends
- Large insider ownership, family members, retired employees and retired directors
- Market Cap of $1.8 Billion
- Approximately 280 institutional holders

Source: Bloomberg as of 8/1/2012

Valley's 2Q 2012 Highlights

- **Net Income**
  - 2Q net income available to common shareholders was $32.8 million ($0.17 Diluted EPS) adjusted for a five percent stock dividend issued on May 25, 2012.
  - Net Interest Margin for 2Q 2012 was 3.52% on a tax equivalent basis

- **Loan Growth**
  - Total non-covered loans increased by $300 million or 11.0% on an annualized basis
  - Residential Mortgage: 33.8% annualized growth linked quarter
  - Commercial Real Estate: 8.6% annualized growth linked quarter
  - Consumer Loans: 4.7% annualized growth linked quarter
  - Commercial & Industrial: (0.9%) annualized decline linked quarter

- **Credit Quality**
  - Total 30+ day delinquencies were 1.38% of entire loan portfolio at June 30, 2012 compared to 1.52% at March 31, 2012
  - Total non-accrual loans were 1.10% of total loans
  - Out of approximately 26,000 residential mortgages and home equity loans, only 260 loans were past due **30 days** or more at June 30, 2012.
  - Net charge-offs were $8.7 million or 0.37% of average total loans during 2Q 2012

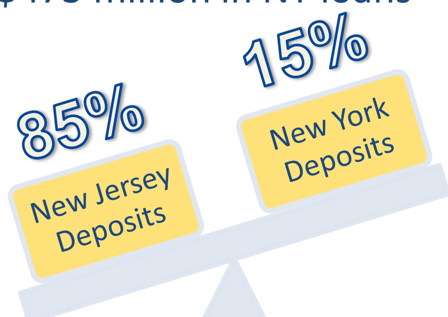
- **Capital**
  - Strong capital ratios

Valley National Bank

Valley's New York Franchise

2001 Total NY Relationships

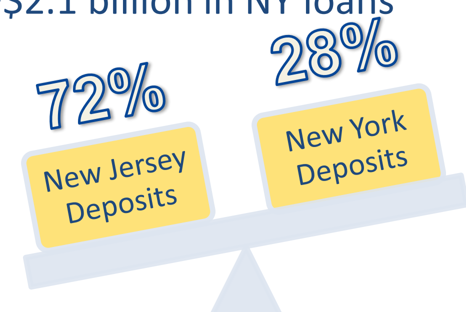
- $950 million in NY deposits
- $473 million in NY loans

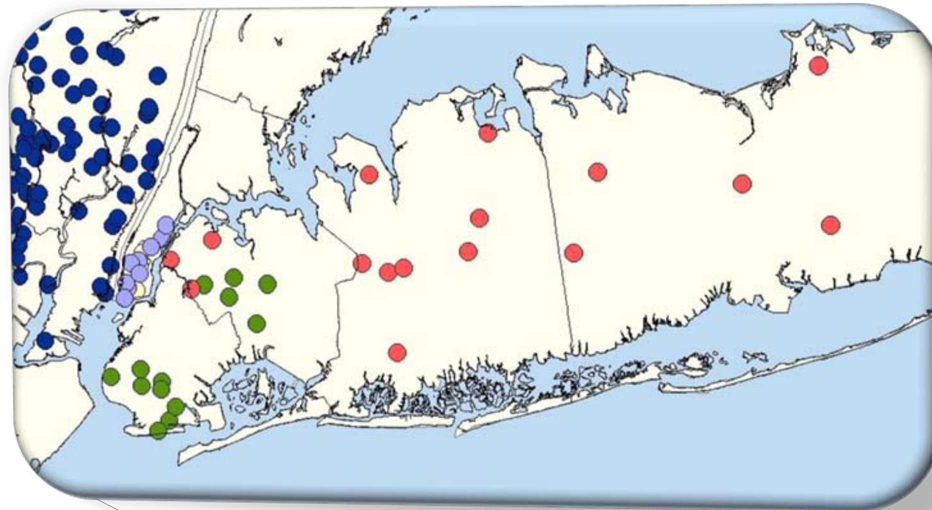


* NY loans include C&I loans only

2012 Total NY Relationships

- $2.9 billion in NY deposits
- $2.1 billion in NY loans





VLY NJ Branches - 167

2001 Merchant's Branches

Manhattan - 7

2001+ De Novo Branches

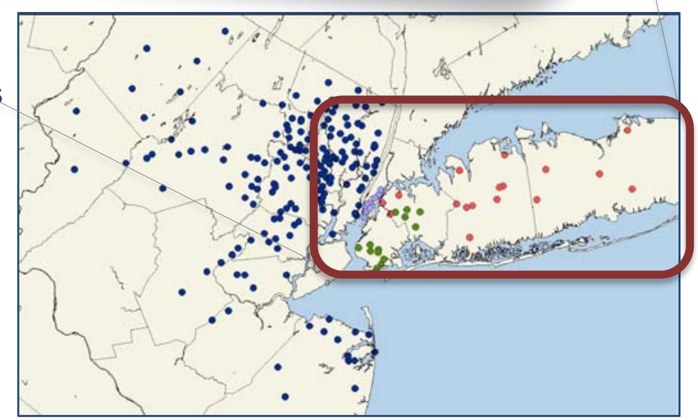
Manhattan - 9

2007+ Brooklyn/Queens

Brooklyn – 8
Queens - 5

2012 State Bank

Queens – 2
Nassau – 8
Suffolk – 5



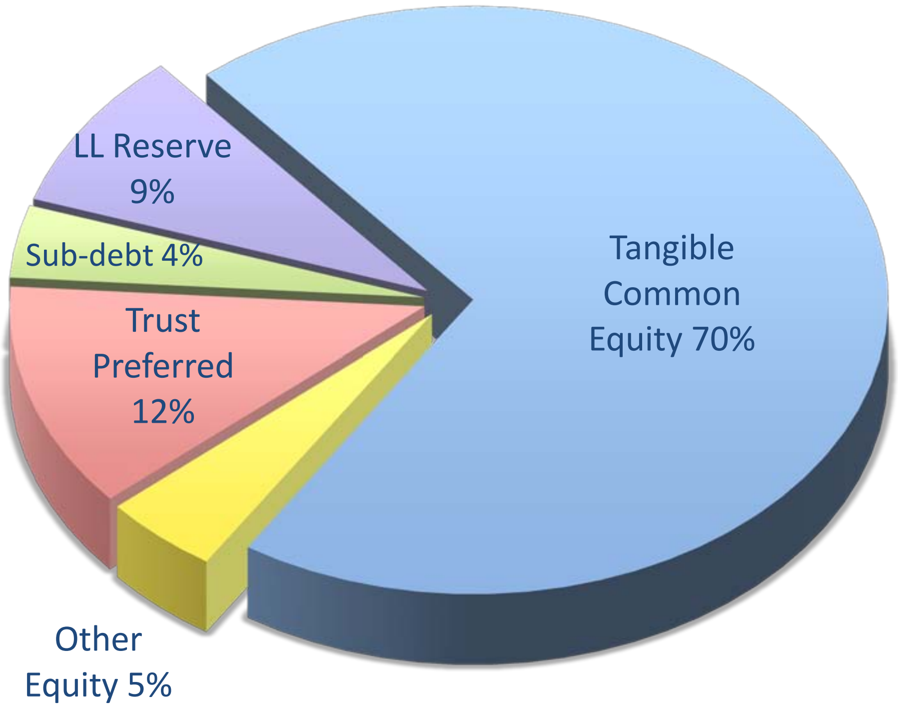
Valley National Bank

Future Opportunities

- Ability to lever Valley's capital to grow Long Island Franchise
  - Opportunity to fill in Nassau and Suffolk county geography
- Consumer Lending
  - Opportunity to introduce new products (State Bancorp does not actively pursue consumer lending relationships)
    - Valley's residential mortgage products
    - Valley's consumer lending (auto & home equity) products
- Commercial Lending
  - Opportunity to expand relationships
    - Larger lending limit

Valley National Bank

Equity Composition / Ratios*



Total Tier II Equity = $1.5 Billion

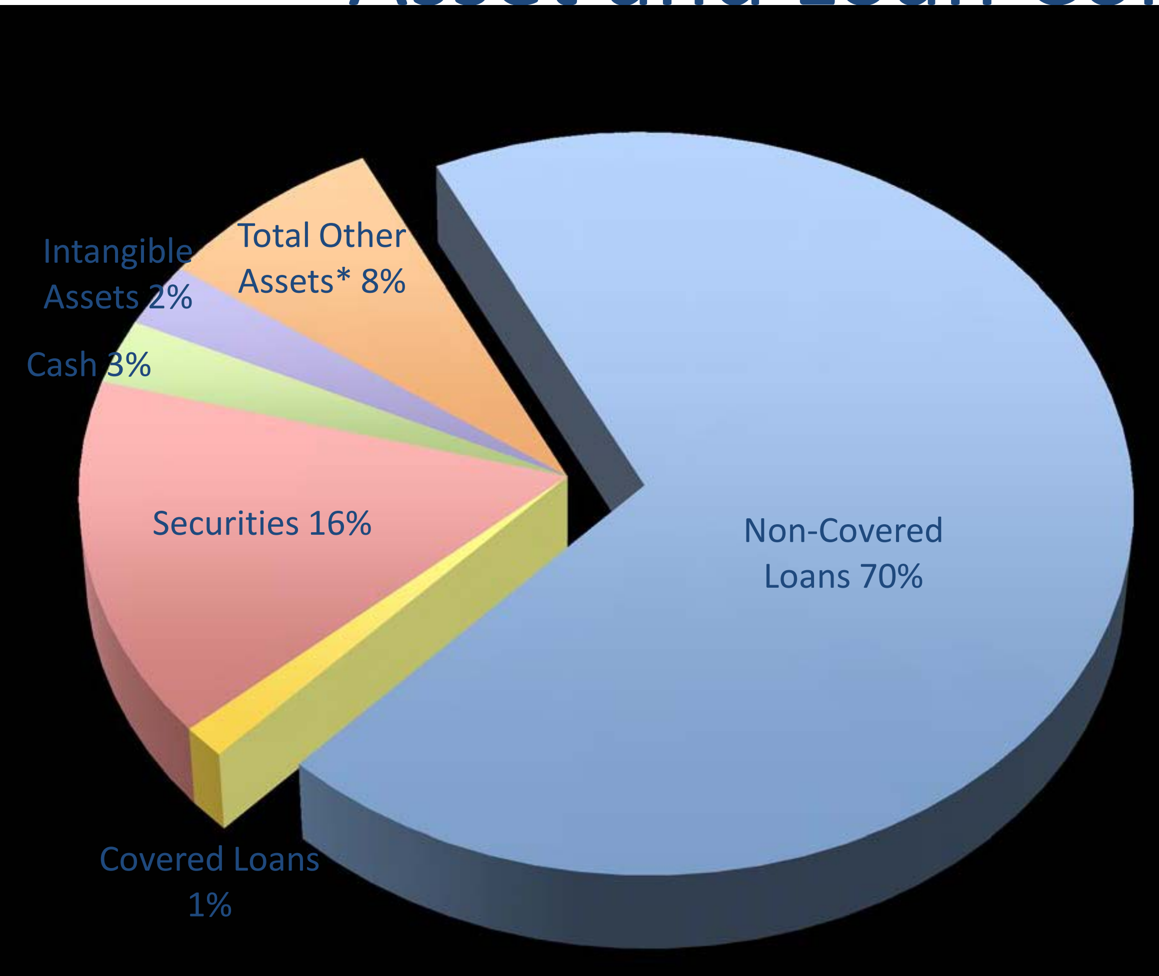
Capital Ratios	As of 6/30/2012	"Well Capitalized"
Tangible Common Equity / Tangible Assets	6.78%	N/A
Tangible Common Equity / Risk-Weighted Assets	8.97%	N/A
Tier I Common Ratio	8.95%	N/A
Tier I	10.53%	6.00%
Tier II	12.16%	10.00%
Leverage	8.10%	5.00%
Book Value	$7.62	N/A
Tangible Book Value	$5.35	N/A

Significant unrealized gain on facilities, referenced in slide 10, not incorporated in capital ratios reflected above.

As of 6/30/2012

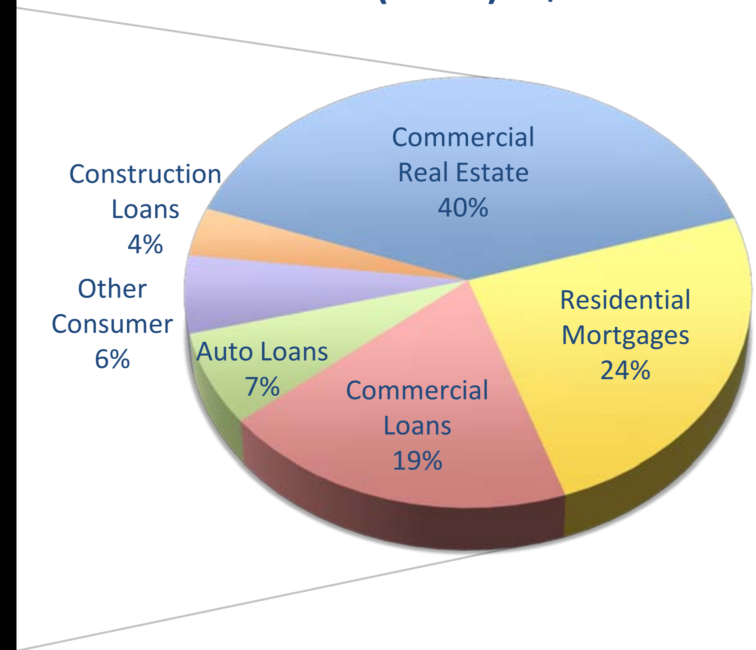
*Non-GAAP reconciliations shown on slide 19-20.

Asset and Loan Composition



Total Assets = $16.0 Billion

Non-Covered Loans (Gross) = $11.2 Billion

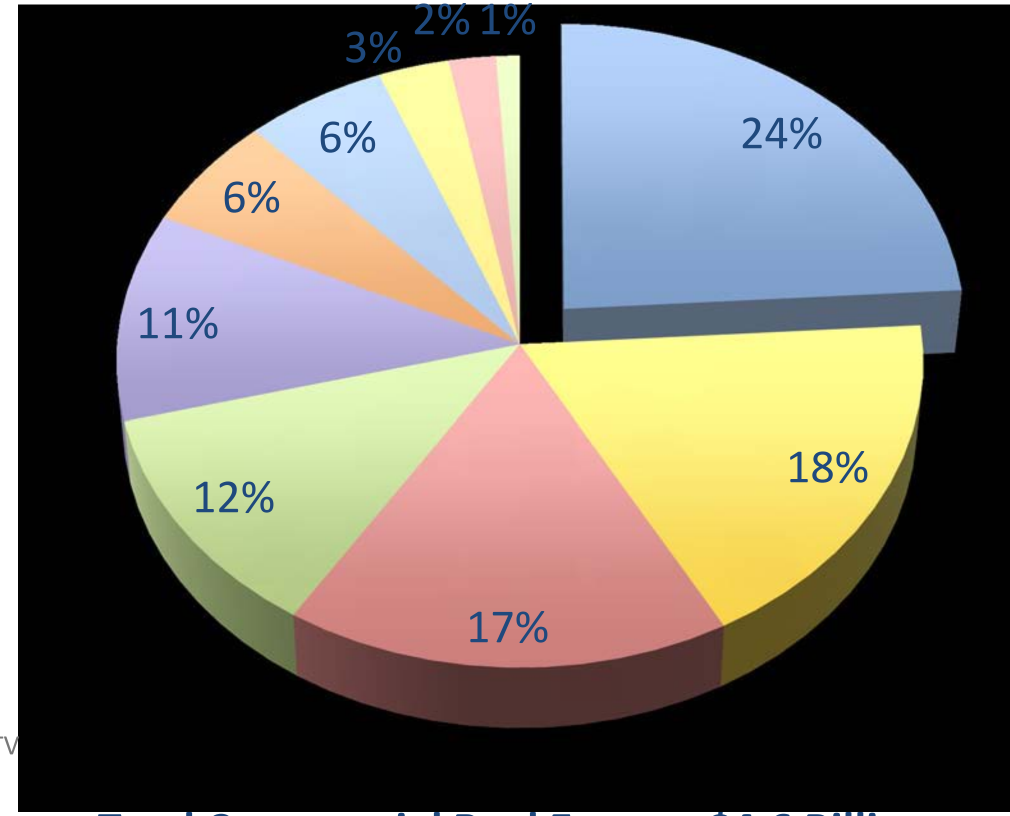


s includes bank owned branch locations carried at a
d by management to be significantly less than the
et value.

As of 6/30/2012

Diversified Commercial Real Estate Portfolio

	Primary Property Type	$ Amount (Millions)	% of Total	Average LTV
	Retail	1,100	24%	50%
	Apartments	795	18%	39%
	Industrial	787	17%	50%
	Office	538	12%	52%
	Mixed Use	506	11%	46%
	Healthcare	288	6%	59%
	Specialty	270	6%	49%
	Land Loans	133	3%	67%
	Residential	104	2%	54%
	Other	51	1%	40%



Total Commercial Real Estate - $4.6 Billion

(Includes both Covered and Non-Covered Loans)

-Average LTV based on current balances and most recent appraised value. LTV calculation excludes Covered-Loans.

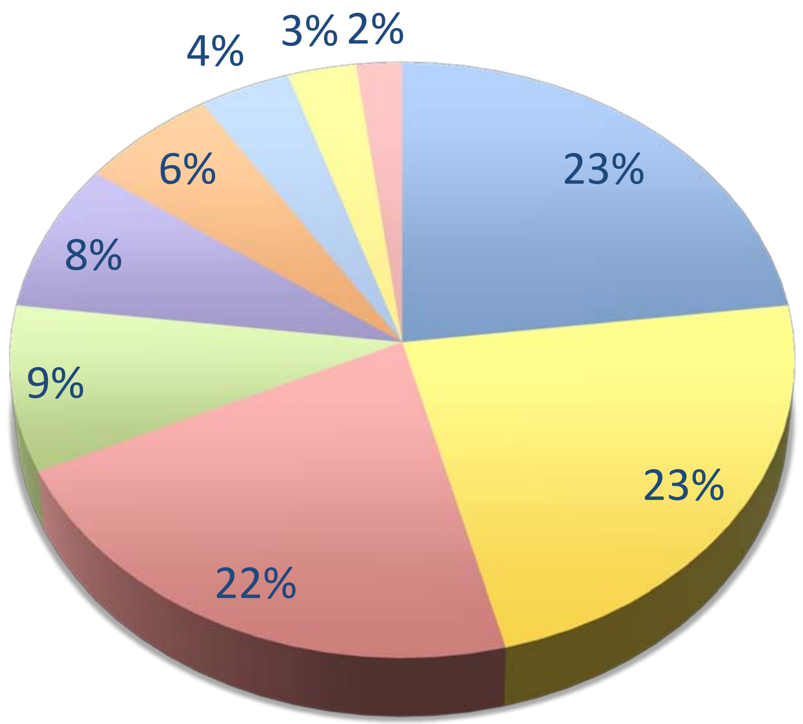
-The total CRE loan balance is based on Valley's internal loan hierarchy structure and does not reflect loan classifications reported in Valley's SEC and bank regulatory reports.

-The chart above does not include $381 Million in Construction loans.

As of 6/30/2012

Retail Composition of Commercial Real Estate

Retail Property Type	% of Total	Average LTV
Multi-Tenanted - Anchor	23%	53%
Multi-Tenanted - No Anchor	23%	52%
Single Tenant	22%	52%
Auto Dealership	9%	49%
Private & Public Clubs	8%	33%
Food Establishments	6%	52%
Entertainment Facilities	4%	55%
Private Education Facilities	3%	48%
Auto Servicing	2%	48%



-Average LTV based on current balances and most recent appraised value
-LTV calculation excludes covered loans
-The chart above does not include construction loans.

Total Retail Property Types - $1,100 Million

(Non-Covered Loans)

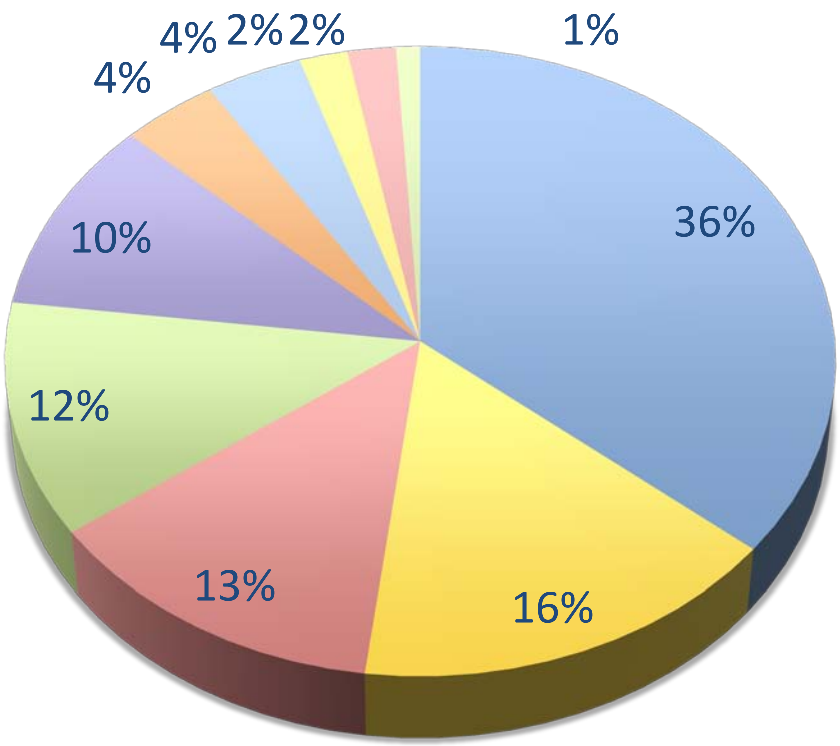
As of 6/30/2012,

Valley National Bank

Construction Loan Composition

Total (Non-Covered) Construction Loans - $381 Million

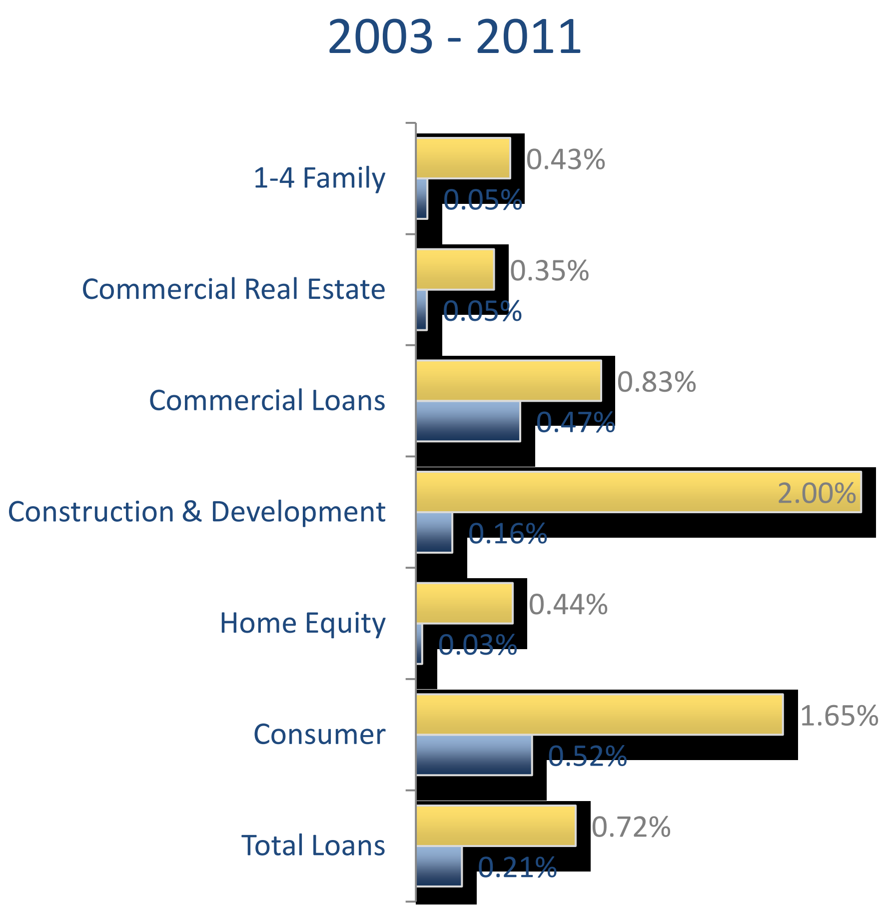
Primary Property Type	$ Amount (Millions)	% of Total
Residential	139	36%
Retail	61	16%
Land Loans	50	13%
Apartments	48	12%
Mixed Use	37	10%
Industrial	14	4%
Specialty	13	4%
Healthcare	9	2%
Other	7	2%
Office	3	1%

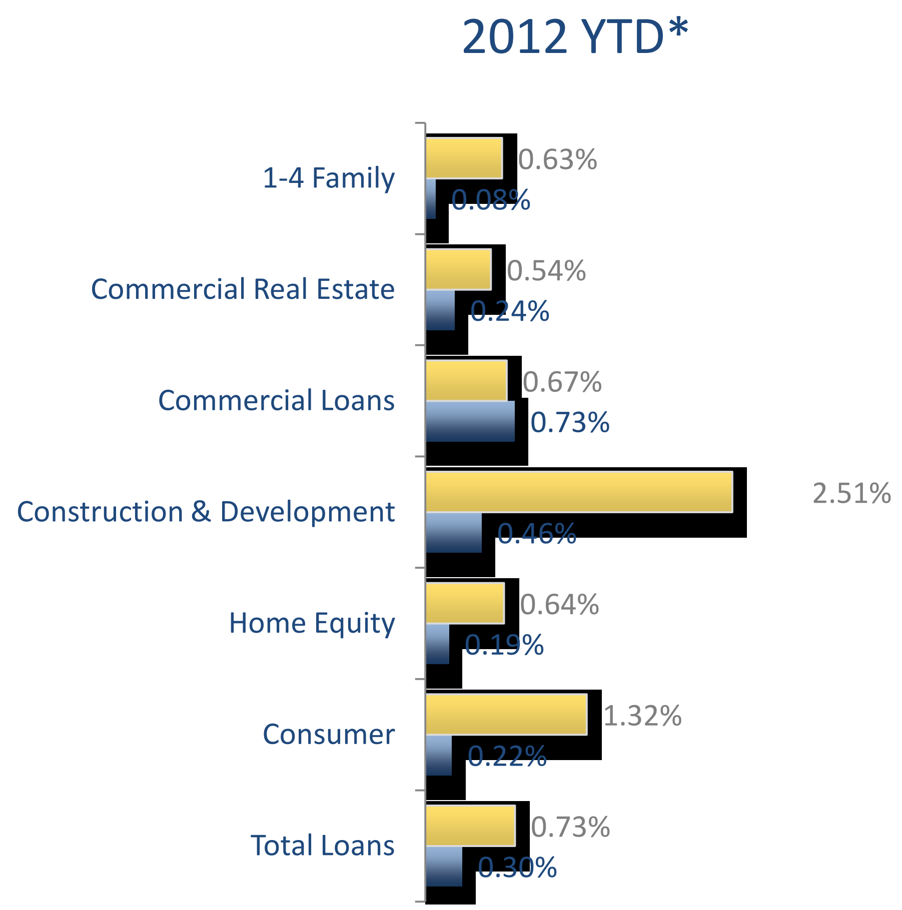


-Construction loan balance is based on Valley's internal loan hierarchy structure and does not reflect loan classifications reported in Valley's SEC and bank regulatory reports.

As of 6/30/2012

Net Charge-offs to Average Loans





Valley Peer Group

Peer group consists of banks with total assets between $3 billion and $50 billion.

*Valley 2012 Charge-offs exclude covered loans

Source - SNL Financial As of 8/1/2012

Valley National Bank

Investment Portfolio

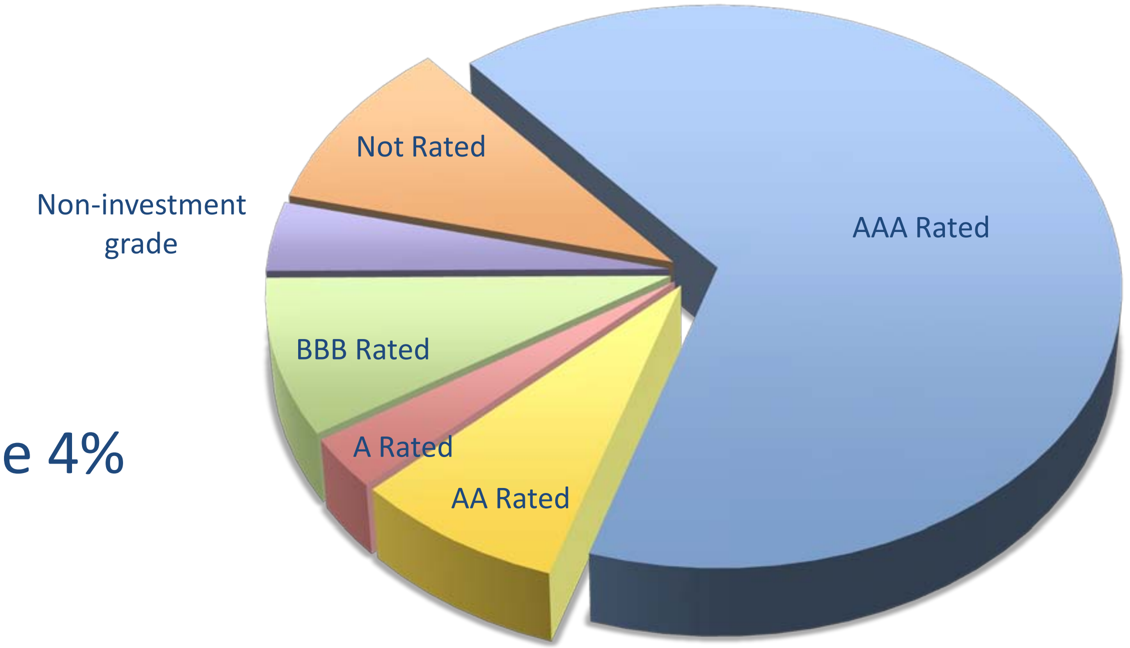
2Q 2012	Investment Types	2007
33%	GSE MBS (GNMA)	3%
19%	GSE MBS (FNMA/FHLMC)	49%
15%	State, County & Municipals	7%
13%	Trust Preferred	12%
9%	Other	7%
5%	Corporate Debt	5%
4%	US Treasury	0%
2%	Private Label MBS	17%
$2.5 Billion	Investment Portfolio	$3.1 Billion
1.95 Years	**Duration of MBS Securities**	**2.64 Years**

As of 6/30/12 and 12/31/07

Valley National Bank

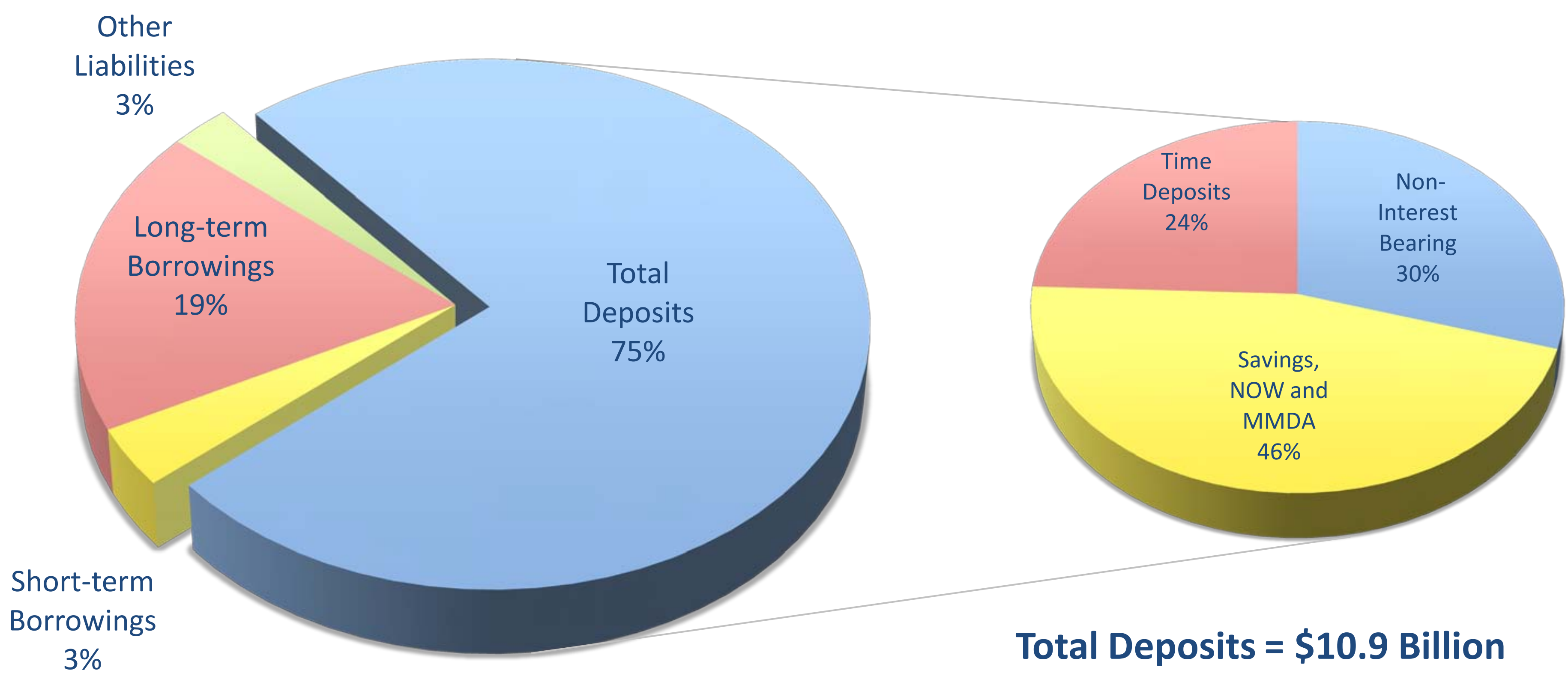
Securities by Investment Grade

- AAA Rated 66%
- AA Rated 8%
- A Rated 3%
- BBB Rated 9%
- Non Investment Grade 4%
- Not Rated 10%



As of 6/30/2012

Deposits and Borrowings Composition



Total Deposits = $10.9 Billion

Total Liabilities = $14.5 Billion

As of 6/30/2012

Valley National Bank

For More Information

- Log onto our web site: www.valleynationalbank.com

- E-mail requests to: dgrenz@valleynationalbank.com

- Call Shareholder Relations at: (973) 305-3380

- Write to: Valley National Bank
  1455 Valley Road
  Wayne, New Jersey 07470
  Attn: Dianne M. Grenz, First Senior Vice President
  Director of Marketing, Shareholder & Public Relations

- Log onto our website above or www.sec.gov to obtain free copies of documents filed by Valley with the SEC

6/30/2012
Non-GAAP Disclosure Reconciliations

($ in Thousands)

Total Equity	$1,503,073
Less: Net unrealized gains on securities available for sale	1,096
Plus: Accumulated net gains (losses) on cash flow hedges, net of tax	13,636
Plus: Pension liability adjustment, net of tax	29,678
Less: Goodwill, net of tax	(420,443)
Less: Disallowed other intangible assets	(16,514)
Less: Disallowed deferred tax asset	(57,170)
Tier I Common Capital	**$1,053,356**
Plus: Trust preferred securities	186,313
Total Tier I Capital	**$1,239,669**
Plus: Qualifying allowance for credit losses	$132,536
Plus: Qualifying sub debt	60,000
Total Tier II Capital	**$1,432,205**

Total Assets	$16,018,244
Less: Goodwill & Other Intangible Assets	(447,260)
Total Tangible Assets (TA)	**$15,570,984**
Total Equity	$1,503,073
Less: Goodwill & Other Intangible Assets	(447,260)
Total Tangible Common Equity (TCE)	**$1,055,813**
Risk Weighted Assets (RWA)	**$11,774,581**

Ratios

TCE / TA	**6.78%**
TCE / RWA	**8.97%**
Tier I Common Capital Ratio (Tier 1 common /RWA)	**8.95%**
Tier I (Total Tier I / RWA)	**10.53%**
Tier II (Total Tier II / RWA)	**12.16%**

Valley National Bank

6/30/2012
Non-GAAP Disclosure Reconciliations

($ in Thousands)

Common Shares Outstanding*	**197,259,926**
Shareholders' Equity	$1,503,073
Less: Goodwill and Other Intangible Assets	(447,260)
Tangible Shareholders' Equity	**$1,055,813**
Tangible Book Value	**$5.35**

*Share data reflects the five percent common stock dividend issued on May 25, 2012

Valley National Bank