



Comptroller of the Currency
Administrator of National Banks

Northeastern District Office
1114 Avenue of the Americas, Suite 3900
New York, N.Y. 10036

Licensing Division
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Corporate Decision #2005-03
June 2005

May 13, 2005

Mr. Alan Eskow
Executive Vice President
Valley National Bank
1455 Valley Road
Wayne, New Jersey 07470

Re: Application to merge NorCrown Bank, Livingston, New Jersey, with and into Valley National Bank, Passaic, New Jersey, under the charter and title of the latter. Also, Valley National Bank's application to proceed with the establishment of the approved but un-opened NorCrown branch located in Vernon, New Jersey.

Application Control Numbers: 2004-NE-02-0050 and 2004-NE-05-0229
Charter Number: 15790

Dear Mr. Eskow:

This is to inform you that the Office of the Comptroller of the Currency (OCC) approved the application to merge NorCrown Bank, Livingston, New Jersey (NorCrown) with and into Valley National Bank, Passaic, New Jersey (Valley), under the charter and title of the latter. The OCC also approved Valley's application to establish NorCrown's approved but unopened branch located at 155 Pompton Avenue, Vernon, Essex County, New Jersey, 097044.

This approval was granted based on a thorough review of all information available, including commitments and representations made in the application, the merger agreement, and those of your representatives.

The OCC reviewed the proposed merger under the criteria of the Bank Merger Act (12 U.S.C. § 1828(c)), the Community Reinvestment Act (12 U.S.C. §§ 2901 *et seq.*), and applicable OCC regulations, including 12 C.F.R. § 5.33, and policies. Among other matters, we found that the proposed transaction would not have any anticompetitive effects. The OCC considered the financial and managerial resources of the banks, their future prospects, and the convenience and needs of the communities to be served. In addition, the Bank Merger Act requires the OCC to consider, "... the effectiveness of any insured depository institution involved in the proposed

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merger transaction in combating money laundering activities, including in overseas branches.” (12 U.S.C. § 1828(c)(11)) We considered these factors and believe the approval of this transaction is consistent with the statutory provisions.

As a reminder, the district office must be advised in writing 10 days in advance of the desired effective date for the merger so that the OCC may issue the necessary certification. The effective date must be after the expiration of the period during which the Department of Justice may file an injunction to stop the merger, (at least 15 days after the date of this letter) and after all other regulatory approvals have been obtained.

The OCC will issue a letter certifying consummation of the transaction when we have received:

- 1) A Secretary’s Certificate for each institution, certifying that a majority of the board of directors approved the transaction, if not previously provided.
- 2) A Secretary’s Certificate for each institution, certifying that the shareholder approvals have been obtained, if not previously provided.
- 3) An executed merger agreement with Articles of Association for the resulting bank attached, if not previously provided.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

With respect to the approved but un-opened branch, the district office must be advised in writing within 10 days after the opening of the branch so the OCC may complete its records. Please reference the application control number 2005-NE-05-0229 in your letter.

Please be advised that the OCC is also authorizing the resulting bank, should the combination occur between Call Report dates, to recalculate its legal lending limit. The new lending limit should be calculated by using data from the last Call Report of the individual banks filed prior to consummating the merger, as adjusted for the combination. The resulting bank will then file a new Call Report and begin calculating its legal lending limit according to 12 C.F.R. §32.4(a) at the end of the quarter following consummation of the combination.

This approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the

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OCC, the U.S., any agency or entity of the U.S., or any officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

If you have any questions, please contact Gabriel Butler, Licensing Analyst, at (212) 790-4055.

Sincerely,

signed

Stephen A. Lybarger
Director for Licensing Activities
Comptroller of the Currency