

STATE BANCORP INC
Form 425
April 29, 2011

New Jersey's and New York's Premier
Relationship Commercial Bank
Filed by Valley National Bancorp
Pursuant to Rule 425 under the Securities Act of 1933
And deemed filed pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: State Bancorp, Inc.

Commission File No. 001-14783

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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, relationships, opportunities, taxation, technology and market conditions. These statements may be identified by such forward-looking terminology as 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 from those contemplated by such forward-looking statements include, but are not limited to, the following: failure to obtain shareholder or regulatory approval for the merger of State Bancorp with Valley or to satisfy other conditions to the merger on the proposed terms and within the proposed timeframe including, without limitation, the purchase from the United States Department of the Treasury of each share of State Bancorp's Series A Preferred Stock issued under the Treasury's Capital Purchase Program; the inability to realize expected cost savings and synergies from the merger of State Bancorp with Valley in the amounts or in the timeframe anticipated; changes in the estimate of non-recurring charges; costs or difficulties relating to integration matters might be greater than expected; material adverse changes in Valley's or State Bancorp's operations or earnings; the inability to retain State Bancorp's customers and employees; or a decline in the economy in Valley's primary market areas, mainly in New Jersey and New York, as well as the risk factors set forth in Valley's Annual Report on Form 10-K for the year ended December 31, 2010. Valley assumes no obligation for updating any such forward-looking statement at any time.

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Additional Information and Where to Find it

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation

of

any

vote

or approval.
In connection with the proposed merger, Valley intends to file a proxy statement/prospectus with the Securities and Exchange Commission.

**INVESTORS
AND
SECURITY
HOLDERS
ARE**

ADVISED TO READ THE PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION.

Investors and security holders may obtain a free copy of the registration statement (when available) and other documents filed by Valley with the Commission at the Commission's web site at www.sec.gov.

These documents may be accessed and downloaded for free at Valley's web site at <http://www.valleynationalbank.com/filings.html> or by directing

a
request
to
Dianne
M.
Grenz,
First
Senior
Vice
President, Valley National Bancorp, at 1455 Valley Road, Wayne, New Jersey 07470, telephone (973) 305-3380.

Participants in the Solicitation

This
communication
is
not
a
solicitation
of
a
proxy
from
any
security
holder
of
State
Bancorp.
However,
Valley,
State
Bancorp,
their
respective
directors
and
executive
officers
and
other
persons
may
be
deemed
to
be
participants in the solicitation of proxies from State Bancorp's shareholders in respect of the proposed
transaction.
Information
regarding
the

directors
and
executive
officers
of
Valley
may
be
found
in
its
definitive

proxy statement relating to its 2011 Annual Meeting of Shareholders, which was filed with the Commission on March 11, 2011 and can be obtained free of charge from Valley's website.

Information regarding the directors and

executive officers of State Bancorp may be found in its definitive proxy statement relating to its 2011 Annual Meeting of Shareholders, which was filed with the Commission on March 25, 2011 and can be obtained free of charge from State Bancorp's website.

Other information regarding the participants in the proxy solicitation and a

description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

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Strategic Rationale for Transaction

Powerful Super Community Bank Franchise

Strategic
eastward

geographic
extension
into
a
contiguous
market
for
Valley

Strong middle market commercial lender which matches up with
Valley s historic strengths

Significant core deposit funding franchise

Utilizes management team of Tom O Brien with extensive Long Island
expertise

Shared Vision of Banking

Relationship bank

Conservative management culture

Financially Advantageous

Commitment to strong capital

Accretive to income within one year

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Summary of Key Terms

*Adjusted to
reflect
the
5%
stock
dividend

declared

by

Valley

on

4/13/11

**Calculations based on Valley's 10 day average closing share price (4/14/11

4/28/11)

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Valley's Eastward Expansion

New York City

Acquired Merchants Bank in 2001 (7 branches)

Opened 7 De Novo locations

Acquired 2 locations with LibertyPointe and Park Avenue acquisitions

Brooklyn and Queens

Opened 13 De Novo locations since 2007

Acquired deposits and lending relationships from LibertyPointe and Park Avenue acquisitions

Long Island

Due diligence on Valley's expansion into Long Island commenced in 2008

Continuation of Valley's eastward franchise expansion, Long Island phase restrained between 2008 and 2010 due to economic uncertainty and lack of strong acquisition candidate(s)

Significant opportunities to fill in franchise

Opportunity to grow via De Novo branching

Still receptive to grow via acquisition

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Strategic Fit
Valley s
New
York
Expansion
Begins

-

2001

2001

Expansion into Manhattan through
Merchant s acquisition (7 Branches)

Total NY Relationships

\$950 million in NY deposits

\$473 million in NY loans*

VLY NJ Branches

Merchant s Branches

* NY loans include C&I loans

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Strategic Fit
Valley's New York Expansion Continues
2004
2010 De Novo growth in Manhattan
2007
2010 Expansion into Brooklyn and

Queens through De Novo strategy and the acquisitions of LibertyPointe and Park Avenue

2011 The acquisition of State Bancorp furthers Valley's eastbound expansion into Nassau and Suffolk Counties

Pro-forma NY branch network of 46

Total NY Relationships

\$2.9 billion in NY deposits

\$2.1 billion in NY loans*

* Pro-forma deposits include State Bancorp; pro-forma loans are inclusive of VLY C&I and State Bancorp

2001+ De Novo Branches**

Manhattan -

9

2007+ Brooklyn/Queens

Brooklyn

8

Queens -

5

State Bank Branches

Queens

3

Nassau

8

Suffolk

5

Manhattan

1

VLY NJ Branches -

169

2001 Merchant's Branches

Manhattan -

7

** Includes 2 branches acquired from LibertyPointe and Park Avenue

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Demographic Overview

Familiar & Strong Demographics

High net worth marketplace

Population density

Large average deposits per branch

Significant number of businesses within marketplace

* Core Market Includes Passaic, Morris, Hudson, Essex and Bergen
Counties

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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

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Pro-Forma Impact

* Pro-Forma assets, loans and deposits have not been adjusted to reflect purchase accounting adjustments.

(1) Adjusted to reflect Valley's 5% stock dividend declared on April 13, 2011

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3/31/2011 Loan Mix
Pro-Forma Impact

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3/31/2011 Deposit Mix
Pro-Forma Impact

State Bancorp

Commercial bank headquartered in Jericho, NY with 17 branches located in Long Island, Manhattan and Queens

Commercial oriented business model with a focus on deep client relationships

The Company's turnaround, which began in 2007, resulted in an extensive corporate restructuring that included strategic dispositions to remove excessive operating complexity, streamlined operating efficiencies, strengthened internal controls, improved technological infrastructure and service delivery, reduction of risks and enhanced shareholder friendly corporate governance practices

Proactive management approach to reduce high risk loans and minimize future credit exposure

Provides clients with immediate access to senior management and highly skilled business banking professionals with local market knowledge and expertise

Entrepreneurial culture that fosters professional empowerment

Management uniquely aligned with stockholders interests

Experienced senior management team with an average of 31 years banking experience

Solid capital base with ratios that are significantly in excess of highest well-capitalized regulatory standard

Company Overview

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Valley National Bancorp Today
About Valley
Regional Bank Holding Company
Approximately \$14.4 Billion in
Assets
Headquartered in Wayne, New
Jersey

46

th

Largest United States

Chartered

Commercial Bank

Largest Commercial Bank

Headquartered in New Jersey

Operates 198 Branches in 134

Communities Serving 14 counties

throughout Northern and Central

New Jersey, Manhattan, Brooklyn

and Queens

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

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Acquisition History

Customer Friendly

Employee Friendly

Seamless Transitions

Quick Conversions