VALLEY NATIONAL BANCORP
Form 424B3
November 01, 2011
Table of Contents

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Proxy Statement of State Bancorp, Inc. Prospectus of Valley National Bancorp

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

To the Stockholders of State Bancorp, Inc.:

The Board of Directors of State Bancorp, Inc. has approved an Agreement and Plan of Merger (referred to as the merger agreement) for the merger of State Bancorp, Inc. (referred to as State Bancorp) into Valley National Bancorp (referred to as Valley).

If the merger contemplated by the merger agreement is completed, you will be entitled to receive one share of Valley common stock, no par value per share, for each share of State Bancorp common stock, par value $0.01 per share, you own. On October 31, 2011, a date immediately preceding the printing of this proxy statement-prospectus, the closing price of Valley common stock was $12.00.

Valley common stock is listed on the New York Stock Exchange under the symbol VLY . State Bancorp common stock is listed on the NASDAQ Global Market under the symbol STBC .

We generally expect the merger to be tax-free with respect to Valley common stock you receive, except with respect to any cash received in lieu of a fractional share of Valley common stock.

If the merger is completed, State Bancorp stockholders will own approximately 17 million shares, or approximately 10% of Valley s common stock.

The merger cannot be completed unless State Bancorp s stockholders approve the merger agreement. We have scheduled a special meeting so you can vote to approve the merger agreement and to approve, on a non-binding advisory basis, the compensation of the named executive officers of State Bancorp based upon or related to the merger and the agreements and understandings concerning such compensation. You will also be asked to approve the authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or postpone or vote on other matters properly before the special meeting. **The State Bancorp Board of Directors unanimously recommends that you vote to approve the merger agreement, vote to approve, on a non-binding advisory basis, the compensation of the named executive officers of State Bancorp based upon or related to the merger and the agreements and understandings concerning such compensation, and vote to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.**

The date, time and place of the meeting are as follows:

December 5, 2011

Residence Inn by Marriott

9 Gerhard Road

Plainview, New York 11803

10:00 am local time

Only stockholders of record as of October 21, 2011 are entitled to attend and vote at the meeting.

Your vote is very important. Whether or not you plan to attend the meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. Approval of the merger agreement by State Bancorp stockholders requires the approval by holders of a majority of the shares of State Bancorp common stock outstanding. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of approval of the merger agreement, in favor of approval of the compensation of the named executive officers of State Bancorp based upon or related to the merger and the agreements and understandings concerning such compensation, and in favor of authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting. If you do not vote by proxy, telephone or internet or vote in person at the State Bancorp special meeting, it will have the effect of a vote against the merger agreement, but will have no effect on the vote to approve, on a non-binding advisory basis, executive compensation and agreements and understandings or the vote to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

This document describes the special meeting, the merger, the documents related to the merger and other related matters. **Please carefully read this entire document, including the Risk Factors beginning on page 28 for a discussion of the risks related to the proposed merger.** You can also obtain information about both State Bancorp and Valley from documents that each of us has filed with the Securities and Exchange Commission.

Thomas M. O Brien

President and Chief Executive Officer

State Bancorp, Inc.

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

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

This proxy statement-prospectus is dated November 1, 2011, and is first being mailed to State Bancorp stockholders on or about November 2, 2011.

Table of Contents

State Bancorp, Inc.

Two Jericho Plaza

Jericho, New York 11753

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON DECEMBER 5, 2011

At the direction of the Board of Directors of State Bancorp, NOTICE IS HEREBY GIVEN that a special meeting of Stockholders of State Bancorp will be held at Residence Inn by Marriott, 9 Gerhard Road, Plainview, New York 11803, on December 5, 2011, at 10:00 am (local time) to consider and vote upon the following matters:

(1) Approval of the Agreement and Plan of Merger dated as of April 28, 2011 between Valley National Bancorp and State Bancorp, Inc. pursuant to which State Bancorp will merge with and into Valley National Bancorp;

(2) Approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation; and

(3) Authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

The Board of Directors has fixed October 21, 2011, as the record date for the determination of the stockholders entitled to notice of and to vote at the special meeting, and only stockholders of record on said date will be entitled to receive notice of and to vote at said meeting.

The State Bancorp Board of Directors recommends that stockholders vote:

(1) FOR approval of the merger agreement;

(2) FOR approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation; and

(3) FOR approval of authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

By Order of the Board of Directors,

Janice Clark
Secretary
Jericho, New York

November 1, 2011

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

Table of Contents

TABLE OF CONTENTS

i

Table of Contents

HOW TO GET COPIES OF RELATED DOCUMENTS

This document incorporates important business and financial information about Valley National Bancorp that is not included in or delivered with this document. State Bancorp stockholders may receive this information free of charge by writing or calling Stockholder Relations, Dianne Grenz, Valley National Bancorp, 1455 Valley Road, Wayne, New Jersey 07470; telephone number (973) 305-4005.

This document incorporates important business and financial information about State Bancorp that is not included in or delivered with this document. State Bancorp stockholders may receive this information free of charge by writing or calling Janice Clark, Secretary, State Bancorp, Inc., Two Jericho Plaza, Jericho, New York 11753; telephone number (516) 465-2200.

We will respond to your request as soon as practicable by sending the requested documents by first class mail or other equally prompt means. In order to ensure timely delivery of the documents in advance of the meeting, any request must be made by November 28, 2011.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: WHAT IS THE PURPOSE OF THIS DOCUMENT?

A: This document serves as both a proxy statement of State Bancorp and a prospectus of Valley. As a proxy statement, it is being provided to you because the State Bancorp Board of Directors is soliciting your proxy for use at the State Bancorp special meeting of stockholders at which the State Bancorp stockholders will consider and vote on (i) approval of the merger agreement between State Bancorp and Valley, (ii) approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation, and (iii) authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting. As a prospectus, it is being provided to you because Valley is offering to exchange shares of its common stock for your shares of State Bancorp common stock upon completion of the merger.

Q: **WHAT WILL I RECEIVE IN THE MERGER?**

A: Upon completion of the merger, you will receive one share of Valley common stock for each share of State Bancorp common stock you own. The closing price of Valley common stock on October 31, 2011 was $12.00. In the event that Valley declares a stock dividend or Valley s shares are otherwise reclassified, recapitalized or split, the exchange ratio would be adjusted to account for such action.

Q: **HOW DO I VOTE?**

A: *Shares Held of Record.* If you hold your shares in your own name as an owner of record, you may vote your shares either in person or by proxy. If you wish to vote by proxy, you must do one of the following:

- Complete the enclosed proxy card and mail it in the envelope provided.

- Use the Internet to vote at www.eproxy.com/stbc/. Please have your proxy card in hand as you will be prompted to enter your control number and to create and submit an electronic vote. The deadline for Internet voting is 1:00 p.m., Eastern Time, on December 4, 2011.

- Use any touch-tone telephone to vote by calling 1-800-560-1965; have your proxy card in hand as you will be prompted to enter your control number to submit your vote. The deadline for telephone voting is 1:00 p.m., Eastern Time, on December 4, 2011.

If you wish, you can vote your shares in person by attending the meeting. You will be given a ballot at the meeting to complete and return. Returning a proxy card will not prevent you from voting in person if you attend the meeting.

Shares Held in Brokerage Accounts. If you hold your shares in street name (that is, you hold your shares through a broker, bank or other holder of record), your bank, broker or other holder of record will forward proxy materials and voting instructions that you must follow in order to vote your shares. You may receive more than one proxy card if your shares are registered in different names or are held in more than one account. If you hold your shares in street name and plan to attend the meeting, you should bring either a copy of the voting instruction card provided by your broker or nominee or a recent brokerage statement showing your ownership as of October 21, 2011.

Shares Held in the ESOP. If you are a participant in the State Bancorp, Inc. Employee Stock Ownership Plan (referred to as the ESOP), you may vote the shares of common stock held in your ESOP account as of the record date ONLY by following the separate voting instructions provided by the ESOP s administrator. You may not vote the shares by proxy or by ballot at the meeting.

Table of Contents

Shares Held in the 401(k) Plan. If you are a participant in the State Bank of Long Island 401(k) Retirement Plan and Trust (referred to as the 401(k) Plan), you may vote the shares of common stock held in your 401(k) Plan account as of the record date ONLY by following the separate voting instructions provided by the 401(k) Plan s administrator. You may not vote the shares by proxy or by ballot at the meeting.

Q: **WHY IS MY VOTE AS A HOLDER OF STATE BANCORP COMMON STOCK IMPORTANT?**

A: The approval of the merger agreement requires the affirmative vote of the holders of at least a majority of the State Bancorp common stock outstanding. If you do not vote by proxy, telephone or internet or vote in person at the State Bancorp special meeting, it will have the effect of a vote AGAINST approval of the merger agreement, but will have no effect on the vote to approve, on a non-binding advisory basis, executive compensation and agreements and understandings concerning such compensation or the vote to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

The vote to approve, on a non-binding advisory basis, compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation requires the affirmative vote of the holders of a majority of the shares of State Bancorp common stock present in person or represented by proxy at the meeting and entitled to vote. This proposal is advisory in nature and a vote for or against approval will not be binding on State Bancorp or the State Bancorp Board of Directors.

The vote on the authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting requires the affirmative vote of the holders of a majority of the shares of State Bancorp common stock present in person or represented by proxy at the meeting and entitled to vote.

Q: **WHAT DOES THE STATE BANCORP BOARD OF DIRECTORS RECOMMEND?**

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

The State Bancorp Board of Directors also unanimously recommends a vote FOR the proposal to approve, on a non-binding advisory basis, the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation, and FOR the proposal to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

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

A: No. Your broker cannot vote your shares without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker. Without instructions, your shares will not be voted, which will have the effects described above.

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

A: Abstentions will count as shares represented and entitled to vote at the special meeting and will have the same effect as a vote AGAINST each of the proposals. Broker non-votes are proxies received from brokers who, in the absence of specific voting instructions from beneficial owners of shares held in brokerage name, are unable to vote such shares in those instances where discretionary voting by brokers is not permitted. Broker non-votes will be counted toward a quorum at the State Bancorp special meeting and will have the effect of a vote AGAINST the merger agreement, but will have no effect on the vote to approve, on a non-binding advisory basis, executive compensation and agreements and understandings concerning such compensation or the vote to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

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

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

- filing a written revocation of the proxy with our Secretary;
- submitting a signed proxy card bearing a later date; or
- attending and voting in person at the special meeting, but you must also file a written revocation with the Secretary at the special meeting prior to voting.

Written revocations should be sent to Janice Clark, Secretary, State Bancorp, Inc., Two Jericho Plaza, Jericho, New York 11753. Attendance at the special meeting will not in and of itself revoke a proxy.

If you use the Internet, you can change your vote at the Internet address shown on your proxy card. The Internet voting system is available 24 hours a day until 1:00 p.m., Eastern Time, on December 4, 2011.

If you vote by telephone, you can change your vote by using the toll free telephone number shown on your proxy card. The telephone voting system is available 24 hours a day in the United States until 1:00 p.m., Eastern Time, on December 4, 2011.

You may revoke your instructions to the ESOP s administrator with respect to voting of the shares held in your ESOP account by submitting to the ESOP administrator a signed instruction card bearing a later date, provided that your new instruction card must be received by the ESOP administrator on or prior to the last date for such instructions with respect to the special meeting designated in the separate voting instructions provided by the ESOP s administrator.

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

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

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

Q: **WHAT SHOULD I DO IF I HOLD MY SHARES OF STATE BANCORP COMMON STOCK IN BOOK-ENTRY FORM?**

A: You are not required to take any specific actions if your shares of State Bancorp common stock are held in book-entry form. After the completion of the merger, shares of State Bancorp common stock held in book-entry form will automatically be exchanged for shares of Valley common stock in book-entry form.

3

Table of Contents

Q: **WHO CAN I CONTACT IF I CANNOT LOCATE MY STATE BANCORP STOCK CERTIFICATE(S)?**

A: If you are unable to locate your original State Bancorp stock certificate(s), you should contact Janice Clark, Secretary, State Bancorp, Inc., Two Jericho Plaza, Jericho, New York 11753; telephone number (516) 465-2200.

Q: **WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO ME?**

A: We expect that for federal income tax purposes, the merger will not be a taxable event to State Bancorp stockholders.

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

We urge you to consult with your tax advisor to gain a full understanding of the tax consequences of the merger to you. Tax matters are very complicated, and in many cases, the tax consequences of the merger will depend on your particular facts and circumstances. See Proposal 1 The Merger Material Federal Income Tax Consequences of the Merger, beginning at page 72.

Q: **DO I HAVE THE RIGHT TO DISSENT FROM THE MERGER?**

A: No.

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

A: Yes. The merger must be approved by the Office of the Comptroller of the Currency (referred to as the OCC) and a waiver or approval must be received from the Board of Governors of the Federal Reserve System (referred to as the FRB). In addition, the merger agreement must be approved by the State Bancorp stockholders and each share of State Bancorp s Fixed Rate Cumulative Perpetual Preferred Stock, Series A must be purchased by either Valley or State Bancorp from the United States Department of the Treasury which also requires the approval of the FRB. On July 7, 2011, we received the written approval of the OCC for the merger. On July 15, 2011, we received written confirmation that the transaction may proceed without the prior approval of the FRB.

Valley stockholders do not have to approve the merger agreement; accordingly, Valley stockholders will not vote on the merger agreement.

Completion of the merger is also subject to certain other conditions, including there being no material adverse change in the financial condition of State Bancorp. See Proposal 1 The Merger The Merger Agreement Conditions to Complete the Merger, beginning at page 84.

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

A: Yes. Much of the business and financial information about Valley and State Bancorp that may be important to you is not included in this document. Instead, that information is incorporated by reference to documents separately filed by Valley and State Bancorp with the Securities and Exchange Commission (referred to as the SEC). This means that each of Valley and State Bancorp, respectively, may satisfy its disclosure obligations to you by referring you to one or more documents separately filed by it with the SEC. See Information Incorporated by Reference beginning at page 103 for a list of documents that each of Valley and State Bancorp, respectively, has incorporated by reference into this proxy statement-prospectus and for instructions on how to obtain copies of those documents. The documents are available to you without charge.

Table of Contents

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

A: You should rely on the LATER FILED DOCUMENT. Information in this proxy statement-prospectus may update information contained in one or more of the Valley or State Bancorp documents incorporated by reference. Similarly, information in documents that Valley or State Bancorp may file after the date of this proxy statement-prospectus may update information contained in this proxy statement-prospectus or information contained in previously filed documents. Later dated documents filed with the SEC and incorporated by reference update and, in the event of a conflict, supersede earlier documents filed with the SEC.

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

A: We are working toward completing the merger as quickly as possible and expect the merger to be effective in early January 2012. We cannot close the merger until after State Bancorp stockholders approve the merger agreement and all regulatory approvals have been obtained.

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

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

Janice Clark

Secretary

State Bancorp, Inc.

Two Jericho Plaza, Jericho, New York 11753

Telephone number (516) 465-2200

SUMMARY

This is a summary of certain information regarding the proposed merger and the stockholder meeting to vote on the merger. We urge you to carefully read the entire proxy statement-prospectus, including the appendices, before deciding how to vote.

This proxy statement-prospectus, including information included or incorporated by reference in this proxy statement-prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between Valley and State Bancorp, including future financial and operating results and performance; statements about Valley s and State Bancorp s plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as expects, anticipates, intends, plans, believes, views, seeks, estimates, predicts, continues, allows, reflects, typically, usually, will, should, may or the negative of these terms or words of similar meaning. These forward-looking statements are based upon the current beliefs and expectations of Valley s and State Bancorp s management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of Valley and State Bancorp. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements. See Forward-Looking Statements on page 26.

What this Document is About

The Board of Directors of State Bancorp and the Board of Directors of Valley have each approved an Agreement and Plan of Merger for the merger of State Bancorp into Valley. In order to complete the merger, the stockholders of State Bancorp must approve the merger agreement. The State Bancorp Board of Directors has called a special meeting of State Bancorp stockholders to vote on approval of the merger agreement, to vote on approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation, and to vote to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting. This document is the proxy statement used by the State Bancorp Board of Directors to solicit proxies for the meeting. It is also the prospectus of Valley regarding the Valley common stock to be issued to State Bancorp stockholders if the merger is completed.

Voting on the Merger

Shares Entitled to Vote	The State Bancorp Board of Directors has selected October 21, 2011 as the record date for the meeting. Each of the 16,959,792 shares of State Bancorp common stock outstanding on the record date are entitled to vote at the meeting.
	As of September 30, 2011, directors and executive officers of State Bancorp and their affiliates owned or had the right to vote 2,090,924 shares or 12.33% of the outstanding State Bancorp common stock on such date. As of September 30, 2011, none of Valley s directors or executive officers, or their respective affiliates, had the right to vote any shares of State Bancorp common stock entitled to be voted at the meeting.

Quorum	The presence at the special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of State Bancorp common stock as of the record date is considered a quorum for the transaction of business. If you submit a properly completed proxy or if you appear at the special meeting to vote in person, your shares of common stock will be considered part of the quorum. Abstentions and broker non-votes will be counted as present to determine if a quorum for the transaction of business is present.
Vote Required to Approve the Merger Agreement	Approval by the holders of a majority of the shares of State Bancorp common stock outstanding is required to approve the merger agreement.
Vote Required to Approve, on a Non-Binding Advisory Basis, Compensation of the Named Executive Officers of State Bancorp Based on or Related to the Merger	Approval by the holders of a majority of the shares of State Bancorp common stock present in person or represented by proxy at the meeting and entitled to vote is required to approve, on a non-binding advisory basis, the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation.
Vote Required to Authorize the Board of Directors, in its Discretion, to Adjourn or Postpone the Special Meeting to Solicit Additional Proxies in favor of Approval of the Merger Agreement or Vote on Other Matters Properly Before the Special Meeting	Approval by the holders of a majority of the shares of State Bancorp common stock present in person or represented by proxy at the meeting and entitled to vote is required to approve the authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

The Companies

Valley	Valley, a New Jersey corporation, is the bank holding company for Valley National Bank. Valley is a regional bank holding company with over $14 billion in assets, headquartered in Wayne, New Jersey. Its principal subsidiary, Valley National Bank, currently operates 197 branches in 134 communities serving 14 counties throughout northern and central New Jersey, Manhattan, Brooklyn and Queens. Valley s principal executive offices are located at 1455 Valley Road, Wayne, New Jersey 07470 and its telephone number is (973) 305-8800.
State Bancorp	State Bancorp, a New York corporation, is the bank holding company for State Bank of Long Island, or SBLI. SBLI is a New York-chartered commercial bank that operates 16 full-service branches located in Queens and Manhattan as well as Nassau and Suffolk counties in New York. At September 30, 2011, State Bancorp had consolidated assets of $1.6 billion. State Bancorp s principal executive offices are located at Two Jericho Plaza, Jericho, New York 11753 and its telephone number is (516) 465-2200.

The Merger

General Description	State Bancorp will merge with Valley, with Valley as the surviving entity. The merger will occur on the day which is five business days after receipt of all regulatory approvals and all material conditions to closing have been met or such other date as the parties agree. The terms of the proposed merger are set forth in a merger agreement signed by State Bancorp and Valley. A copy of the merger agreement is attached as Appendix A to this document and is incorporated herein by reference.
Consideration to State Bancorp Stockholders	In the merger, you will receive one share of Valley common stock for each share of State Bancorp common stock that you own. On April 28, 2011, the last trading day before the merger was publicly announced, the closing price of Valley common stock was $13.72 (as adjusted for the 5% stock dividend issued by Valley to stockholders on May 20, 2011). On October 31, 2011, a date which is shortly before the date of this proxy statement-prospectus, the closing price of Valley common stock was $12.00.
	The parties currently estimate that Valley will issue approximately 17 million shares of its common stock in connection with the merger.
	In the event that Valley declares a stock dividend or Valley s shares are otherwise reclassified, recapitalized or split prior to closing of the merger, the exchange ratio for State Bancorp common stock would be adjusted to account for such action.
Stock Options	Upon completion of the merger, each outstanding option or similar right to acquire State Bancorp common stock granted under any State Bancorp equity plan or other compensatory arrangement will convert automatically into a fully vested and exercisable option to purchase a number of shares of Valley common stock equal to the number of shares of State Bancorp common stock underlying such State Bancorp stock option or similar right immediately prior to the merger, with an exercise price that equals the exercise price of such State Bancorp stock option or similar right immediately prior to the merger and otherwise on the same terms and conditions as were in effect immediately prior to the completion of the merger, except that options will continue to be exercisable until the final termination date of the option.
	In the event that Valley declares a stock dividend or Valley s shares are otherwise reclassified, recapitalized or split prior to closing of the merger, the conversion ratio for outstanding options or similar rights to acquire State Bancorp common stock would be adjusted to account for such action.

Treatment of State Bancorp TARP Preferred Stock and TARP Warrant in the Merger	The merger agreement provides that each outstanding share of Fixed Rate Cumulative Perpetual Preferred Stock, Series A (referred to as the State Bancorp TARP Preferred Stock) must be repurchased or redeemed from the United States Department of the Treasury (referred to as Treasury) at least five business days prior to the closing of the merger. Valley may, but is not required to, repurchase the outstanding warrant (referred to as the State Bancorp TARP Warrant), to purchase State Bancorp common stock, which was issued on December 5, 2008 to Treasury, prior to the closing of the merger. If the State Bancorp TARP Warrant is not repurchased prior to closing it will be converted into a warrant to purchase Valley common stock, subject to appropriate adjustments to reflect the exchange ratio. The redemption or repurchase of the State Bancorp TARP Preferred Stock held by Treasury is subject to approval of the FRB.
Listing of Valley common stock	The shares of Valley common stock to be issued in the merger will be listed on the New York Stock Exchange under the symbol VLY.
Tax-Free Nature of the Merger	The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code, and it is a condition to our respective obligations to complete the merger that each of Valley and State Bancorp receive a legal opinion to that effect. Accordingly, the merger generally will be tax-free to you for United States federal income tax purposes as to the shares of Valley common stock you receive in the merger.
	Tax matters are very complicated, and the tax consequences of the merger to each State Bancorp stockholder will depend on the facts of that stockholder s particular situation. We urge you to read the more complete description of the merger s tax consequences beginning on page 72 and to consult with your own tax advisors regarding the specific tax consequences of the merger to you under applicable tax laws.
Voting Agreements	In connection with the execution of the merger agreement, Valley entered into voting agreements with each State Bancorp director. Pursuant to the voting agreements, the State Bancorp directors have each agreed to vote the shares of State Bancorp beneficially owned by them and over which they have sole voting power, and to use their reasonable efforts to vote the shares of State Bancorp beneficially owned by them and over which they have joint voting power with their spouse, in favor of approval of the merger agreement. As of September 30, 2011, a total of 1,081,914 shares of common stock representing approximately 6.38% of the outstanding State Bancorp common stock on such date are covered by the voting agreements, of which 462,388 shares are permitted to be transferred under certain conditions prior to the stockholder meeting to vote on the merger agreement.

Table of Contents

Exchanging Your Stock Certificates	Shortly following the closing you will receive a letter of transmittal and instructions for exchanging your State Bancorp stock certificates. In order to receive your Valley common stock, you must send your stock certificates to American Stock Transfer & Trust Company, the exchange agent. You will need to carefully review and complete these materials and return them as instructed along with your stock certificates for State Bancorp common stock. If you do not have stock certificates but hold shares of State Bancorp common stock with your broker in street name , the shares will be exchanged for you by your broker.
Dividends	Valley and State Bancorp agreed in the merger agreement that State Bancorp may continue to pay a quarterly cash dividend equal to $0.05 per share with respect to the quarterly periods following the signing of the merger agreement, subject to the discretion of the State Bancorp Board of Directors. Valley has further agreed that State Bancorp may pay an increased cash dividend equal to $0.10 per share with respect to the fourth quarter of 2011.
Reselling the Stock You Receive in the Merger	The shares of Valley common stock to be issued in the merger will be registered under the Securities Act of 1933, as amended. Except as noted in the section Resale Considerations Regarding Valley Common Stock on page 71, you may freely transfer those shares after you receive them.
Recommendation of State Bancorp s Board of Directors	State Bancorp s Board of Directors has determined that the merger is fair and in the best interests of State Bancorp and its stockholders. The State Bancorp Board of Directors unanimously recommends that State Bancorp stockholders vote **FOR** approval of the merger agreement, **FOR** approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation, and **FOR** authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn or postpone the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting. See the section entitled Proposal 1 The Merger Recommendation of State Bancorp s Board of Directors and Reasons for the Merger beginning on page 50 for a description of the factors considered by State Bancorp s Board of Directors in reaching its decision to approve the merger agreement.
Risk Factors	An investment in Valley common stock includes substantial risks. See the section entitled Risk Factors beginning on page 28 for a discussion of risks associated with the merger and an investment in Valley common stock.
Opinion of State Bancorp s Financial Advisor	In deciding to approve the merger agreement, the State Bancorp Board of Directors considered the opinion of its financial advisor, Sandler O Neill & Partners, L.P. (referred to as Sandler O Neill),

	dated as of April 28, 2011, that the exchange ratio was fair to State Bancorp stockholders from a financial point of view. The opinion is attached to this proxy statement-prospectus as Appendix B. We encourage you to read this opinion. This opinion does not constitute a recommendation as to how any stockholder should vote on the merger. For information on how Sandler O Neill arrived at its opinion, see pages 59-70.
Holders of State Bancorp Common Stock Do Not Have Dissenters Rights	Dissenters rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with the extraordinary transaction. Dissenters rights are not available in all circumstances, and exceptions to these rights are provided under the New York Business Corporation Law (referred to as the NYBCL). As a result of the provisions of the NYBCL, the holders of State Bancorp common stock are not entitled to dissenters rights in the merger. See the section entitled Proposal 1-The Merger No Dissenters Rights on page 74.
Conditions That Must Be Satisfied or Waived for the Merger to Occur	Currently, we expect the merger to be effective in early January 2012. As more fully described in this document and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, receipt of the requisite approvals of State Bancorp s stockholders, the receipt of all required regulatory approvals and consents (including from the OCC and the FRB), the repurchase or redemption of the State Bancorp TARP Preferred Stock from Treasury at least five business days prior to the closing date, and the receipt of legal opinions by each company regarding the United States federal income tax treatment of the merger. On July 7, 2011, we received the written approval of the OCC for the merger. On July 15, 2011, we received written confirmation that the transaction may proceed without the prior approval of the FRB. We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.
Termination of the Merger Agreement	State Bancorp and Valley may mutually agree to terminate the merger agreement before completing the merger, even after State Bancorp stockholder approval. The merger agreement can be terminated by either party in any of the following circumstances: if the merger has not been completed on or before January 31, 2012, unless the failure to complete the merger by that date is due to the breach of the merger agreement by the party seeking to terminate the merger agreement; if there has been a final, non-appealable action denying any required regulatory approval for the merger or the transactions contemplated by the merger agreement unless the failure to

11

Table of Contents

obtain the regulatory approval is due to the breach of the merger agreement by the party seeking to terminate the merger agreement;

if the requisite stockholder vote in connection with the merger agreement is not obtained at the State Bancorp special meeting (or any adjournment or postponement thereof); or

if there is a breach of the representations and warranties or other covenants in the merger agreement by one of the parties that is not cured within 30 days following notice or cannot be cured prior to January 31, 2012, and would result in (i) the failure to satisfy any of the closing conditions by January 31, 2012, or (ii) a material adverse effect on the party committing such breach, provided that the terminating party is not in breach of the merger agreement.

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

if, prior to receipt of the State Bancorp stockholder approval, State Bancorp, its Board of Directors or any committee of its Board of Directors (1) withdraws, modifies or qualifies in a manner adverse to Valley, or refuses to make, the recommendation that its stockholders approve the merger agreement or adopts, approves, recommends, endorses or otherwise declares advisable certain other business combination proposals, (2) fails to recommend the merger and the approval of the merger agreement by its stockholders, (3) breaches its non-solicitation obligations under the merger agreement in any material respect adverse to Valley, or (4) in response to a tender or exchange offer for 25% or more of the outstanding shares of State Bancorp s common stock being commenced (other than by Valley or a subsidiary thereof), recommends that its stockholders tender their shares or otherwise fails to recommend that their stockholders reject such offer within a 10-business day period; or

if State Bancorp cannot meet the closing conditions by January 31, 2012.

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

if Valley cannot meet the closing conditions by January 31, 2012;

if State Bancorp receives a proposal that the State Bancorp Board of Directors concludes to be more favorable than the merger with Valley and enters into an acquisition agreement with a third-party with respect to such superior proposal; or

if a majority of the entire State Bancorp Board of Directors determines that, as of a specified determination date (which shall be the later of (i) the day that all required regulatory approvals

	have been obtained, (ii) the day of the expiration of the last waiting period with respect to the required regulatory approvals, and (iii) the day the State Bancorp stockholders have approved the merger agreement), the average closing price of Valley s common stock over a period of 10 trading days immediately preceding such determination date is less than $11.04 and, during such period, Valley s common stock underperforms the Nasdaq Bank Index by more than 20%.
	For a more complete description of these and other termination rights available to State Bancorp and Valley, see pages 84-85.
Termination Fee	Under certain circumstances, if the merger agreement is terminated and State Bancorp is acquired or executes a definitive agreement to be acquired by another entity within 12 months after the termination, Valley is entitled to receive a termination fee from State Bancorp of $8.75 million. For a more complete description of the termination fee, see page 86.
Valley Board of Directors Following Completion of the Merger	Upon completion of the merger, the number of directors constituting Valley s and Valley National Bank s respective Boards of Directors will each be increased by one member and an individual who is currently a director of State Bancorp will be appointed to each of Valley s and Valley National Bank s respective Boards of Directors from among three directors selected by State Bancorp s Board of Directors and who meet Valley s director qualifications as determined by Valley s Nominating and Corporate Governance Committee. As of this date, State Bancorp has not selected the three directors it will propose to Valley s Nominating and Corporate Governance Committee.
State Bancorp has Agreed Not to Solicit Alternative Transactions	In the merger agreement, State Bancorp has agreed not to initiate, solicit or knowingly encourage or facilitate inquiries with, or engage in negotiations with, or provide any information to, any person other than Valley concerning an acquisition transaction involving State Bancorp or SBLI. However, State Bancorp may take certain of these actions if its Board of Directors determines that it should do so. This determination by the Board of Directors must be made after the Board of Directors consults with counsel and its financial advisors, and must be based in accordance with the Board of Director s fiduciary duties. This restriction may deter other potential acquirers of State Bancorp.
The Rights of State Bancorp Stockholders Will Change as a Result of the Merger	The rights of State Bancorp stockholders are governed by New York law, as well as the State Bancorp restated certificate of incorporation and the State Bancorp bylaws, as amended and restated. After completion of the merger, the rights of former State Bancorp stockholders who receive Valley common stock in the merger will be governed by New Jersey law and Valley s restated certificate of incorporation and the Valley bylaws. A description of the material differences in stockholder rights begins on page 89.

Table of Contents

Share Information and Market Prices

Valley common stock is listed on the New York Stock Exchange under the symbol VLY and State Bancorp common stock is traded on the Nasdaq Global Select Market under the symbol STBC . The following table lists the closing prices of Valley common stock and State Bancorp common stock on April 28, 2011, the last trading day before the announcement of the merger, and on October 31, 2011, a date shortly before the date of this proxy statement-prospectus as well as the implied value of one share of State Bancorp common stock on each date based on the one-for-one exchange ratio. You should obtain current market quotations for Valley and State Bancorp common stock. Because the exchange ratio is fixed and trading prices fluctuate, State Bancorp stockholders are not assured of receiving any specific market value of Valley common stock.

Date	Closing Sale Price Per Share of Valley Common Stock	Closing Sale Price Per Share of State Bancorp Common Stock	Equivalent Value of Consideration Per Share of State Bancorp Common Stock
April 28, 2011	$ 13.72*	$ 10.96	$ 13.72
October 31, 2011	$ 12.00	$ 11.83	$ 12.00

* As adjusted for the 5% stock dividend distributed to stockholders on May 20, 2011.

Financial Interests of State Bancorp s Directors and Executive Officers in the Merger

On September 30, 2011, directors and executive officers of State Bancorp and their affiliates owned or had the right to vote 2,090,924 shares or 12.33% of the outstanding State Bancorp common stock on such date.

State Bancorp directors and executive officers may have interests in the merger as individuals in addition to, or different from, their interests as stockholders, such as receiving salaries or other benefits. For example, Valley has agreed to appoint one director of State Bancorp to the Valley Board of Directors when the merger occurs, subject to such director complying with Valley s director qualification guidelines.

Pursuant to the merger agreement, Valley will honor the existing change of control, employment and retirement benefit agreements between State Bancorp and its officers and has entered into retention agreements with certain State Bancorp executive officers. The purpose of the retention agreements is to facilitate retaining the officers services for a minimum period of time following the merger and serve as an inducement to Valley to enter into the merger agreement by (i) eliminating a financial incentive for each executive to resign following the closing of the merger in the event of a diminution of position, duties or responsibilities, relocation, or other circumstances giving rise to a right to severance on resignation for good reason , and (ii) providing additional compensation for continuing to provide services to Valley following the closing of the merger at least through a transition period.

Table of Contents

	Valley has agreed to indemnify the directors and officers of State Bancorp against certain liabilities for a six-year period following the merger.
	For additional information on the benefits of the merger to State Bancorp directors and management, see pages 53-59.
Litigation Relating to the Merger	State Bancorp, State Bancorp s Directors and Valley are named as defendants in a purported class action lawsuit brought by a State Bancorp stockholder challenging the proposed merger and seeking, among other things, to enjoin completion of the merger on the agreed-upon terms. See Proposal 1-The Merger Litigation Relating to the Merger beginning on page 74 for more information about the purported class action lawsuit related to the merger that has been filed.
Approval, on a Non-Binding Advisory Basis, of Compensation of the Named Executive Officers of State Bancorp Based on or Related to the Merger	In accordance with SEC rules, State Bancorp is providing stockholders with the opportunity to vote on approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation, as reported on the Golden Parachute Compensation Subject to Advisory Vote table on page 99, and the associated narrative discussion. The State Bancorp Board of Directors unanimously recommends that you vote FOR the proposal to approve, on a non-binding advisory basis, the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation.
Approval of Authorization of Board of Directors, in its Discretion, to Adjourn or Postpone the Special Meeting to Solicit Additional Proxies in Favor of Approval of the Merger Agreement or Vote on Other Matters Properly Before the Special Meeting	You are being asked to approve a proposal to authorize the State Bancorp Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting. The State Bancorp Board of Directors unanimously recommends that you vote FOR the proposal to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

Table of Contents

RECENT DEVELOPMENTS

Valley s Third Quarter Earnings

On October 27, 2011, Valley reported its unaudited preliminary financial results for the quarter ended September 30, 2011.

Valley reported net income for the third quarter of 2011 of $35.4 million, or $0.21 per diluted common share, as compared to the third quarter of 2010 earnings of $32.6 million, or $0.19 per diluted common share. Valley also reported that net interest income increased $4.2 million to $121.9 million for the quarter ended September 30, 2011 as compared to $117.7 million for the quarter ended June 30, 2011. On a tax equivalent basis, Valley reported that net interest margin increased 15 basis points to 3.86 percent in the third quarter of 2011 as compared to 3.71 percent for the second quarter of 2011, and was 8 basis points higher than the 3.78 percent net interest margin for the third quarter of 2010. The increases in the net interest income and margin were mainly due to additional cash flows on covered loan pools and an increase in non-covered loan prepayment fees and recovered interest on non-accrual loans.

Valley also reported that total non-covered loans (i.e., loans which are not subject to Valley s loss-sharing agreements with the FDIC) increased by $35.1 million to $9.3 billion at September 30, 2011 from June 30, 2011. Total covered loans (i.e., loans subject to Valley s loss-sharing agreements with the FDIC) decreased to $282.4 million, or 2.9 percent of Valley s total loans, at September 30, 2011 as compared to $308.4 million at June 30, 2011 mainly due to normal payment activity. Total loans past due 30 days or more were 1.73 percent of the loan portfolio at September 30, 2011 compared to 1.66 percent at June 30, 2011. Total non-accrual loans were $107.7 million, or 1.12 percent of Valley s entire loan portfolio of $9.6 billion, at September 30, 2011.

Valley reported that the provision for losses on non-covered loans and unfunded letters of credit increased to $7.8 million for the third quarter of 2011 as compared to $6.8 million for the second quarter of 2011 and declined from $9.3 million for the third quarter of 2010. Net loan charge-offs on non-covered loans declined to $4.8 million for the three months ended September 30, 2011 compared to $6.2 million for the second quarter of 2011 and $6.1 million for the third quarter of 2010. At September 30, 2011, Valley s allowance for losses on non-covered loans and unfunded letters of credit totaled $125.1 million and was 1.34 percent of non-covered loans, as compared to 1.32 percent and 1.28 percent at June 30, 2011 and September 30, 2010, respectively. Valley reported that allowance for losses on covered loans totaled $12.6 million at September 30, 2011 as compared to $18.7 million at June 30, 2011 and was reduced by loan charge-offs totaling $6.1 million in impaired loan pools during the third quarter of 2011.

The foregoing is only a summary and is not intended to be a comprehensive statement of Valley s unaudited preliminary financial results for the quarter ended September 30, 2011.

State Bancorp s Third Quarter Earnings

On October 19, 2011, State Bancorp reported its unaudited preliminary financial results for the quarter ended September 30, 2011.

State Bancorp announced earnings of $7.1 million for the quarter ended September 30, 2011, or $0.39 per diluted common share, compared with net income of $3.2 million, or $0.17 per diluted common share, a year ago. The 122% increase in third quarter earnings was primarily attributable to a $3.5 million credit to the provision for loan losses, a $0.9 million reduction in total operating expenses, a $0.3 million increase in net interest income and a $0.2 million increase in net gains on the sale of securities in 2011 versus 2010. The third quarter net interest margin expanded by seven basis points in 2011 to 4.23% from 4.16% in the comparable 2010 period.

Table of Contents

Net income for the first nine months of 2011 was $13.0 million or $0.68 per diluted common share versus $7.9 million or $0.39 per diluted common share in the comparable 2010 period. The increase in net income in the first nine months of 2011 versus 2010 resulted from a $10.7 million reduction in the provision for loan losses and a $1.6 million decline in total operating expenses. State Bancorp s results reflect expenses of $1.5 million (pre-tax) incurred in the September 2011 year-to-date period related to the pending merger with Valley.

At September 30, 2011, State Bancorp had total assets of $1.6 billion, loans of $1.1 billion, deposits of $1.4 billion and stockholders equity of $167 million. In addition, the Board of Directors of State Bancorp declared a quarterly cash dividend of $0.10 per common share at their October 25, 2011 meeting. The dividend is payable on December 16 to stockholders of record on November 11, 2011.

The foregoing is only a summary and is not intended to be a comprehensive statement of State Bancorp s unaudited preliminary financial results for the quarter ended September 30, 2011.

SUMMARY FINANCIAL DATA OF VALLEY

Valley is providing the following information to aid you in your analysis of the financial aspects of the merger. Valley derived the financial information as of and for the fiscal years ended December 31, 2006 through December 31, 2010 from its historical audited financial statements for these fiscal years. Valley derived the financial information as of and for the six months ended June 30, 2010 and June 30, 2011 from its unaudited financial statements, which financial statements include, in the opinion of Valley s management, all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of those results. The per common share data below have been restated to give retroactive effect to stock splits and stock dividends.

The results for the six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2011. This information is only a summary, and you should read it in conjunction with Valley s consolidated financial statements and the related notes contained in Valley s periodic reports filed with the Securities and Exchange Commission that have been incorporated by reference in this proxy statement-prospectus. See Information Incorporated by Reference beginning on page 103. See also Recent Developments beginning on page 16.

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006
(in thousands, except per share data)							
Selected Financial Condition Data:							
Total assets	$ 14,469,776	$ 14,112,481	$ 14,143,826	$ 14,284,153	$ 14,718,129	$ 12,748,959	$ 12,395,027
Loans and loans held for sale	9,619,408	9,438,313	9,424,753	9,395,563	10,148,232	8,499,205	8,336,359
Allowance for loan losses	(138,626)	(110,645)	(124,704)	(101,990)	(93,244)	(72,664)	(74,718)
Securities	2,887,947	2,975,070	2,991,169	2,969,819	2,624,415	2,885,100	2,784,051
Cash and interest bearing deposits with banks	526,663	346,121	366,286	661,337	580,507	228,465	244,149
Goodwill	317,891	310,147	317,891	296,424	295,146	179,835	181,497
Deposits	9,706,447	9,420,421	9,363,614	9,547,285	9,232,923	8,091,004	8,487,651
Borrowings	3,083,482	3,262,197	3,313,098	3,343,617	3,814,447	3,569,582	2,847,529
Stockholders equity	1,311,218	1,268,667	1,295,205	1,252,854	1,363,609	949,060	949,590
Selected Operating Data:							
Net interest income	$ 234,562	$ 231,877	$ 462,752	$ 449,314	$ 420,799	$ 381,685	$ 391,121
Provision for credit losses	30,188	25,049	49,456	47,992	28,282	11,875	9,270
Gains (losses) on securities transactions, net	19,171	4,519	11,598	8,005	5,020	2,139	(742)
Net impairment losses on securities recognized in earnings	(825)	(4,642)	(4,642)	(6,352)	(84,835)	(17,949)	(4,722)
Gains on sale of assets, net	203	304	619	605	518	16,051	3,849
All other non-interest income	59,773	37,972	83,752	69,993	82,553	88,787	73,679
FDIC insurance assessment	6,631	6,976	13,719	20,128	1,985	1,003	1,085
All other non-interest expense	160,278	151,351	303,963	285,900	283,263	252,909	249,255
Net income	73,479	60,373	131,170	116,061	93,591	153,228	163,691
Dividends on preferred stock and accretion				19,524	2,090		
Net income available to common stockholders	73,479	60,373	131,170	96,537	91,501	153,228	163,691
Selected Financial Ratios and Other Data:							
Performance Ratios:							
Return on average assets	1.03%	0.85%	0.93%	0.81%	0.69%	1.25%	1.33%
Return on average stockholders equity	11.24	9.58	10.32	8.64	8.74	16.43	17.24
Net interest margin	3.67	3.64	3.65	3.45	3.40	3.37	3.40
Efficiency ratio	53.35	58.63	57.34	58.67	67.27	53.94	54.00
Average interest-earning assets to average interest-bearing liabilities	1.24	1.22	1.22	1.23	1.20	1.21	1.22
Per Common Share Data:							

Basic earnings per share	$ 0.43	$ 0.36	$ 0.78	$ 0.61	$ 0.61	$ 1.05	$ 1.10
Diluted earnings per share	0.43	0.36	0.78	0.61	0.61	1.05	1.10
Dividends declared	0.34	0.34	0.69	0.69	0.69	0.69	0.67
Book value (end of period)	7.72	7.51	7.64	7.43	6.86	6.51	6.45
Tangible book value[(1)]	5.71	5.53	5.61	5.53	4.80	5.11	5.01
Dividend payout ratio	79%	94%	88%	113%	113%	66%	61%

Table of Contents

	As of and for the Six Months Ended June 30, 2011	2010	As of and for the Years Ended December 31, 2010	2009	2008	2007	2006
(in thousands, except per share data)							
Capital Ratios:							
Average stockholders equity to average assets	9.18%	8.90%	9.00%	9.40%	7.94%	7.58%	7.72%
Stockholders equity to total assets	9.06	8.99	9.16	8.77	9.26	7.44	7.66
Tangible common equity to tangible assets(2)	6.86	6.78	6.90	6.68	5.22	5.94	6.06
Regulatory Capital Ratios:							
Tier 1 capital	11.07%	10.72%	10.94%	10.64%	11.44%	9.55%	10.56%
Total capital	13.09	12.74	12.91	12.54	13.18	11.35	12.44
Leverage capital	8.37	8.16	8.31	8.14	9.10	7.62	8.10
Asset Quality Ratios:							
Non-performing assets (NPAs)	$ 125,477	$ 109,809	$ 117,260	$ 98,398	$ 45,668	$ 32,698	$ 28,867
Non-accrual loans to total loans	1.19%	1.10%	1.12%	0.98%	0.33%	0.36%	0.33%
NPAs to total loans and NPAs	1.29	1.15	1.24	1.04	0.45	0.38	0.35
Net loan charge-offs to average loans	0.33	0.34	0.28	0.40	0.21	0.14	0.12
Allowance for loan losses to total loans	1.45	1.17	1.33	1.09	0.92	0.86	0.90
Allowance for credit losses to total loans	1.47	1.19	1.35	1.11	0.93	0.88	0.90

(1) Tangible book value per common share, which is a non-GAAP measure, is computed by dividing stockholders equity less preferred stock, and less goodwill and other intangible assets by common shares outstanding.

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

($ in thousands)	At June 30, 2011	2010	At December 31, 2010	2009	2008	2007	2006
Tangible common equity to tangible assets:							
Tangible stockholders equity	$ 969,325	$ 934,831	$ 951,664	$ 932,125	$ 750,970	$ 744,513	$ 738,235
Total assets	14,469,776	14,112,481	14,143,826	14,284,153	14,718,129	12,748,959	12,395,027
Less: Goodwill and other intangible assets	341,893	333,836	343,541	320,729	321,100	204,547	211,355
Tangible assets	14,127,883	13,778,645	$ 13,800,285	$ 13,963,424	$ 14,397,029	$ 12,544,412	$ 12,183,672
Tangible common equity to tangible assets	6.86%	6.78%	6.90%	6.68%	5.22%	5.94%	6.06%

19

Table of Contents

SUMMARY FINANCIAL DATA OF STATE BANCORP

State Bancorp is providing the following information to aid you in your analysis of the financial aspects of the merger. State Bancorp derived the financial information as of and for the fiscal years ended December 31, 2006 through December 31, 2010 from its historical audited financial statements for these fiscal years. State Bancorp derived the financial information as of and for the six months ended June 30, 2010 and June 30, 2011 from its unaudited financial statements, which financial statements include, in the opinion of State Bancorp s management, all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of those results. The per common share data below have been restated to give retroactive effect to stock splits and stock dividends.

The results for the six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2011. This information is only a summary, and you should read it in conjunction with State Bancorp s consolidated financial statements and the related notes contained in State Bancorp s periodic reports filed with the Securities and Exchange Commission that have been incorporated by reference in this proxy statement-prospectus. See Information Incorporated by Reference beginning on page 103. See also Recent Developments beginning on page 16.

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
(in thousands, except per share data)	**2011**	**2010**	**2010**	**2009**	**2008**	**2007**	**2006**
Selected Financial Condition Data:							
Total assets	$ 1,626,136	$ 1,614,885	$ 1,589,979	$ 1,607,712	$ 1,693,495	$ 1,628,014	$ 1,788,722
Loans & Loans Held For Sale	1,143,218	1,101,343	1,131,370	1,098,305	1,122,538	1,041,009	983,725
Allowance for loan losses	(27,731)	(31,259)	(33,078)	(28,711)	(18,668)	(14,705)	(16,412)
Securities	355,602	369,125	383,158	415,985	412,379	401,229	517,781
Cash and cash equivalents	78,170	64,593	23,121	28,624	102,988	96,380	206,211
Goodwill							2,391
Deposits	1,400,807	1,388,841	1,348,735	1,349,562	1,481,048	1,324,853	1,566,183
Borrowings	52,620	52,620	74,620	97,620	33,620	169,651	30,676
Stockholders equity	161,321	152,951	154,852	148,515	153,919	113,638	104,141
Selected Operating Data:							
Net interest income	$ 31,985	$ 32,873	$ 64,690	$ 62,079	$ 62,870	$ 60,165	$ 62,237
Provision for loan losses	3,000	7,700	12,900	39,500	17,226	4,464	2,490
Gains (losses) on securities	113	2,781	3,519	994	48	(219)	(69)
Net impairment losses on securities recognized in earnings				(4,000)	(6,203)		
All other non-interest income	1,981	1,767	4,726	4,505	6,520	5,595	5,760
FDIC & NYS insurance assessment	1,153	1,356	2,686	3,628	866	265	962
Non-interest expense	20,407	20,821	39,338	44,875	42,885	51,648	36,664
Net income (loss)	5,917	4,676	11,441	(14,820)	1,807	6,229	11,494
Dividends on preferred stock and accretion	1,042	1,036	2,071	2,058	143		
Net income available to common stockholders	$ 4,875	$ 3,640	9,370	(16,878)	1,664	6,229	11,494
Selected Financial Ratios And Other Data:							
Performance Ratios:							
Return on average assets	0.74%	0.58%	0.70%	(0.91)%	0.11%	0.37%	0.68%
Return on average stockholders equity	8.09	6.39	8.04	(14.71)	1.46	5.70	18.39
Net interest margin	4.24	4.33	4.21	4.03	4.12	3.82	4.01
Efficiency ratio	63.3	63.7	60.0	72.4	62.5	77.9	54.6
Average interest-earning assets to average interest-bearing liabilities	1.41	1.40	1.40	1.39	1.29	1.27	1.29
Per Common Share Data:							
Basic earnings per share (loss)	$ 0.30	$ 0.22	$ 0.57	$ (1.16)	$ 0.12	$ 0.45	$ 1.02
Diluted earnings per share (loss)	$ 0.29	$ 0.22	0.57	(1.16)	0.12	0.45	1.00
Common Dividends declared	$ 0.10	$ 0.10	0.20	0.20	0.50	0.45	0.45
Tangible Book value (end of period) per common share[1]	$ 7.30	$ 6.95	7.04	6.82	8.09	8.11	7.65
Dividend payout ratio	35%	45%	35%	N/M%[3]	430%	100%	44%

Table of Contents

(in thousands, except per share data)	As of and for the Six Months Ended June 30, 2011	2010	As of and for the Years Ended December 31, 2010	2009	2008	2007	2006
Capital Ratios:							
Average stockholders equity to average total assets	9.85%	9.28%	9.41%	9.29%	7.18%	6.63%	3.71%
Stockholders equity to total assets	9.92	9.47	9.74	9.24	9.09	6.98	5.82
Tangible common equity to tangible assets(2)	7.62	7.17	7.39	6.93	6.91	6.98	5.69
Regulatory Capital Ratios:							
Tier I leverage capital	10.07%	8.93%	9.53%	8.68%	9.38%	7.03%	6.30%
Tier I risk-based capital	12.74	12.02	12.29	11.26	12.03	10.04	9.48
Total risk-based capital	14.00	13.28	13.55	12.52	14.07	12.11	11.58
Asset Quality Ratios:							
Non-performing assets	$ 11,590	$ 7,376	$ 14,857	$ 10,533	$ 16,075	$ 5,820	$ 2,190
Non-performing loans to total loans	1.01%	0.67%	1.31%	0.96%	1.44%	0.56%	0.22%
Net loan charge-offs (annualized) to average loans	1.48	0.94	0.77	2.64	1.04	0.61	0.19
Allowance for loan losses to non-performing	239	443	223	291	134	253	749
Allowance for loan losses to total loans	2.43	2.84	2.92	2.62	1.67	1.41	1.67

(1) Tangible book value per common share, which is a non-GAAP measure, is computed by dividing stockholders equity less preferred stock, and less goodwill and other intangible assets by common shares outstanding.

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

($ in thousands)	At June 30, 2011	2010	At December 31, 2010	2009	2008	2007	2006
Tangible common equity to tangible assets:							
Tangible stockholders equity	$ 123,897	$ 115,763	$ 117,550	$ 111,442	$ 117,062	$ 113,638	$ 101,640
Total assets	1,626,136	1,614,885	1,589,979	1,607,712	1,693,495	1,628,014	1,788,722
Less: Goodwill and other intangible assets							2,501
Tangible assets	1,626,136	1,614,885	$ 1,589,979	$ 1,607,712	$ 1,693,495	$ 1,628,014	$ 1,786,221
Tangible common equity to tangible assets	7.62%	7.17%	7.39%	6.93%	6.91%	6.98%	5.69%

(3) N/M denotes percentage variance not meaningful for statistical purposes.

Table of Contents

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Set forth below are the earnings per share, period-end book value per share and cash dividends per share for the common stock of Valley and State Bancorp for the periods noted. The data is presented on a historical and pro forma basis. The historical per share data were derived from the financial statements of Valley and State Bancorp that are incorporated by reference herein. The pro forma combined share data have been derived after giving effect to the State Bancorp merger as if it occurred at the beginning of the period presented using the purchase method of accounting. The historical per share data for both Valley and State Bancorp have been restated to retroactively reflect the effect of stock dividends and stock splits. See Summary Financial Data of Valley on page 18 and Summary Financial Data of State Bancorp on page 20.

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

It is anticipated that the merger will provide Valley with financial benefits, such as possible expense efficiencies and revenue enhancements, among other factors, although no assurances can be given that these benefits will actually be achieved. The impact of these benefits has not been reflected in the preliminary pro forma financial information.

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

Due to the one-for-one exchange ratio, the pro forma equivalent per State Bancorp share will be the same as the pro forma combined per share data (after giving effect to the merger).

Table of Contents

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

	Historical Valley	Historical State Bancorp	Pro Forma Combined
Six Months Ended June 30, 2011			
Earnings per share:			
Basic	$ 0.43	$ 0.30	$ 0.42
Diluted	0.43	0.29	0.42
Period-End Book Value Per Share	7.72	7.30	8.18
Cash Dividends Per Share	0.34	0.10	0.34
Year Ended December 31, 2010			
Earnings per share:			
Basic	$ 0.78	$ 0.57	$ 0.76
Diluted	0.78	0.57	0.76
Period-End Book Value Per Share	7.64	7.04	8.12
Cash Dividends Per Share	0.69	0.20	0.69

Table of Contents

The first table below presents, for the periods indicated, the high and low closing prices per share of Valley common stock and State Bancorp common stock. The prices of Valley common stock and State Bancorp common stock have been restated to give retroactive effect to stock dividends and stock splits, including the Valley stock dividend issued on May 20, 2011. The second table presents the implied value of one share of State Bancorp common stock on April 28, 2011, computed by multiplying the Valley closing price on that date by the 1.00 exchange ratio. The second table also presents the implied value of one share of State Bancorp common stock on October 31, 2011 by multiplying the 1.00 exchange ratio by the October 31, 2011 Valley closing price. Valley common stock is listed on the New York Stock Exchange under the symbol VLY and State Bancorp common stock is traded on the Nasdaq Global Select Market under the symbol STBC . We urge you to obtain current market quotations for Valley common stock and State Bancorp common stock. Because the exchange ratio is fixed and trading prices fluctuate, State Bancorp stockholders are not assured of receiving any specific market value of Valley common stock. The price of Valley common stock when the merger becomes effective may be higher or lower than its price when the merger agreement was signed, when this proxy statement was mailed or when Valley or State Bancorp stockholders meet to vote on the merger.

	Closing Price Valley Common Stock		Closing Price State Bancorp Common Stock	
	High	**Low**	**High**	**Low**
2011:				
First Quarter	$ 14.20	$ 12.70	$ 11.09	$ 8.91
Second Quarter	13.72	12.82	13.34	10.03
Third Quarter	14.09	9.89	13.84	9.81
Fourth Quarter (through October 31, 2011)	12.69	10.14	12.60	10.01
2010:				
First Quarter	$ 14.33	$ 11.91	$ 8.30	$ 6.95
Second Quarter	15.19	12.97	10.40	7.80
Third Quarter	14.17	11.83	9.98	8.17
Fourth Quarter	13.73	12.01	9.60	8.95
2009:				
First Quarter	$ 17.16	$ 7.60	$ 10.47	$ 4.10
Second Quarter	13.63	9.93	8.80	6.86
Third Quarter	12.30	9.90	9.20	7.73
Fourth Quarter	12.87	10.72	8.46	6.48

Date	**Closing Sale Price Per Share of Valley Common Stock**	**Closing Sale Price Per Share of State Bancorp Common Stock**	**Equivalent Value of Merger Consideration Per Share of State Bancorp Common Stock**
April 28, 2011	$ 13.72*	$ 10.96	$ 13.72
October 31, 2011	$ 12.00	$ 11.83	$ 12.00

* As adjusted for the 5% stock dividend distributed to stockholders on May 20, 2011.

Table of Contents

INTRODUCTION

The Board of Directors of State Bancorp, Inc. and the Board of Directors of Valley National Bancorp have approved an Agreement and Plan of Merger, dated as of April 28, 2011 between Valley and State Bancorp. The merger agreement provides for State Bancorp to be merged with Valley, with Valley as the surviving corporation. The merger cannot be completed unless the stockholders of State Bancorp approve the merger agreement of State Bancorp and Valley. Under a separate merger agreement, State Bank of Long Island will be merged with and into Valley National Bank immediately following the merger of the holding companies.

This document serves two purposes. It is the proxy statement being used by the State Bancorp Board of Directors to solicit proxies for use at a special State Bancorp stockholders meeting called by the Board of Directors to seek approval of the merger agreement, approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation, and approval of the authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting. It is also the prospectus of Valley regarding the Valley common stock to be issued if the merger is completed. Thus, we sometimes refer to this document as the proxy statement-prospectus.

This document describes the merger agreement in detail. A copy of the merger agreement is attached as Appendix A to this document and is incorporated herein by reference. We urge you to read this entire document and the appendices carefully.

All information and statements contained or incorporated by reference in this document about State Bancorp were supplied by State Bancorp and all information and statements about Valley were supplied by Valley.

No person has been authorized to give any information or to make any representation other than what is included in this document or incorporated by reference. If any information or representation is given or made, it must not be relied upon as having been authorized.

[Table of Contents](#)

FORWARD-LOOKING STATEMENTS

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

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- the failure of the parties to satisfy the closing conditions in the merger agreement in a timely manner or at all;
- the failure of the stockholders of State Bancorp to approve the merger agreement;
- the failure to obtain governmental approvals of the merger or to satisfy other conditions to the merger on the proposed terms and within the proposed timeframe;
- the failure of Valley to purchase, or cause to be purchased, from the United States Department of the Treasury the State Bancorp TARP Preferred Stock five business days prior to the closing;
- the possibility that State Bancorp terminates the merger agreement because the average closing price of Valley s common stock, as of a specified period prior to the closing date, is less than $11.04 and, during such period, underperforms the Nasdaq Bank Index by more than 20%;
- disruptions to the businesses of Valley and State Bancorp as a result of the announcement and pendency of the merger;
- higher than expected increases in Valley s or State Bancorp s loan losses or in the level of nonperforming loans;
- the risk that the businesses of Valley and State Bancorp may not be combined successfully, or such combination may take longer or be more difficult, time-consuming or costly to accomplish than expected;
- a continued weakness or unexpected decline in the U.S. economy, in particular in New Jersey and the New York Metropolitan area including Long Island;

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

higher than expected charges Valley incurs in connection with marking State Bancorp s assets to fair value;

unexpected changes in interest rates;

a continued or unexpected decline in real estate values within Valley s and State Bancorp s market areas;

Table of Contents

other than temporary impairments or declines in value in Valley s or State Bancorp s investment portfolio;

charges against earnings related to the change in fair value of Valley s junior subordinated debentures;

higher than expected FDIC insurance assessments;

the failure of other financial institutions with whom Valley and State Bancorp have trading, clearing, counterparty and other financial relationships;

lack of liquidity to fund Valley s and State Bancorp s various cash obligations;

unanticipated reduction in Valley s and State Bancorp s deposit base;

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

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

changes in accounting policies or accounting standards;

Valley s and State Bancorp s inability to promptly adapt to technological changes;

Valley s and State Bancorp s internal controls and procedures may not be adequate to prevent losses;

the possibility that litigation that may be brought pertaining to fiduciary responsibility, environmental laws and other matters;

the possibility that the expected benefits of this and other acquisitions by Valley will not be fully realized;

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;

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; and

- other unexpected material adverse changes in Valley s or State Bancorp s operations or earnings.

Additional factors that could cause Valley and State Bancorp s results to differ materially from those described in the forward-looking statements can be found in Valley s and State Bancorp s filings with the SEC, including their Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

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

Table of Contents

RISK FACTORS

In addition to the other information included and incorporated by reference in this document, State Bancorp stockholders should consider the matters described below in determining whether to approve the merger agreement.

State Bancorp stockholders cannot be sure of the market value of the merger consideration they will receive because the market price of Valley common stock may fluctuate.

Upon completion of the merger, each share of State Bancorp common stock will be converted into merger consideration consisting of one share of Valley common stock. The market value of the merger consideration may vary from the closing price of Valley common stock on the date we announced the merger, on the date that this document was mailed to State Bancorp stockholders, on the date of the special meeting of the State Bancorp stockholders and on the date we complete the merger and thereafter. Any change in the market price of Valley common stock prior to completion of the merger will affect the market value of the merger consideration that State Bancorp stockholders will receive upon completion of the merger. Accordingly, at the time of the special meeting, State Bancorp stockholders will not know or be able to calculate the market value of the merger consideration they would receive upon completion of the merger. State Bancorp is permitted to terminate the merger agreement if a majority of the State Bancorp Board of Directors determines that, as of a specified determination date, the average closing price of Valley s common stock over a period of 10 days ending on such determination date is less than $11.04 and, during such period, Valley s common stock underperforms the Nasdaq Bank Index by 20% or more.

There will be no adjustment to the merger consideration for changes in the market price of either shares of Valley common stock or shares of State Bancorp common stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of Valley common stock and for shares of State Bancorp common stock before you vote.

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

Before the merger may be completed, various approvals, waivers or consents must be obtained from the OCC, the FRB, and Treasury (in connection with the repurchase or redemption of the State Bancorp TARP Preferred Stock). These government entities, including the FRB, may refuse to approve the merger or impose conditions on their approval of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying or preventing completion of the merger or imposing additional costs on or limiting the revenues of the combined company following the merger, any of which might have an adverse effect on the combined company following the merger.

On July 7, 2011, we received the written approval of the OCC for the merger. On July 15, 2011, we received written confirmation that the transaction may proceed without the prior approval of the FRB.

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

The success of the merger will depend, in part, on Valley s ability to realize anticipated cost savings and to combine the businesses of Valley and State Bancorp in a manner that permits growth opportunities to be realized and does not materially disrupt the existing customer relationships of State Bancorp nor result in decreased revenues due to any loss of customers. However, to realize these anticipated benefits, the businesses of Valley and State Bancorp must be successfully combined. If the combined company is not able to achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Valley and State Bancorp have operated and, until the completion of the merger, will continue to operate independently. The anticipated cost savings from the merger are largely expected to derive from the absorption by Valley of many of State Bancorp s back-office administrative functions and the conversion of State Bancorp s

Table of Contents

operating platform to Valley s systems. It is possible that the integration process could result in the loss of key employees, as well as the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies, any or all of which could adversely affect Valley s ability to maintain relationships with clients, customers, depositors and employees after the merger or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. A failure to successfully navigate the complicated integration process could have an adverse effect on the combined company.

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

The market price of Valley common stock after the merger may be affected by factors different from those currently affecting the shares of State Bancorp or Valley common stock.

The businesses of Valley and State Bancorp differ in important respects and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of Valley and State Bancorp. For a discussion of the businesses of Valley and State Bancorp and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this document and referred to under Information Incorporated by Reference beginning on page 103.

Valley may reduce or eliminate the cash dividend on its common stock.

Valley s cash dividend payout per common share was approximately 88.5 percent of its earnings per share for the year ended December 31, 2010. Valley s low retention rate resulted from earnings being negatively impacted by net trading losses caused primarily by mark-to-market losses on the fair value of Valley s junior subordinated debentures, net impairment losses on certain investment securities, and the lack of loan growth mainly caused by the current economic conditions. A prolonged economic recovery or a downturn in the economy, an increase in Valley s costs to comply with current and future changes in banking laws and regulations, and other factors may negatively impact Valley s future earnings and ability to maintain its dividend at current levels.

Holders of Valley s common stock are only entitled to receive such cash dividends as Valley s Board of Directors may declare out of funds legally available for such payments. Although Valley has historically declared cash dividends on its common stock, it is not required to do so and may reduce or eliminate its common stock cash dividend in the future. This could adversely affect the market price of Valley s common stock. Also, as a bank holding company, Valley s ability to declare and pay dividends is dependent on federal regulatory considerations including the guidelines of the OCC and the FRB regarding capital adequacy and dividends.

The merger agreement limits State Bancorp s ability to pursue an alternative acquisition proposal and requires State Bancorp to pay a termination fee of $8.75 million under certain circumstances relating to alternative acquisition proposals.

The merger agreement prohibits State Bancorp from initiating, soliciting, encouraging or engaging in negotiations with, or providing any information to, any third party with respect to alternative acquisition proposals, subject to limited exceptions. The merger agreement also provides for the payment by State Bancorp of a termination fee in the amount of $8.75 million in the event that Valley or State Bancorp terminate the merger agreement for certain reasons. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of State Bancorp. See Proposal 1-The Merger The Merger Agreement Agreement Not to Solicit Other Offers on page 82.

Table of Contents

If the merger is not completed, State Bancorp will have incurred substantial expenses without realizing the expected benefits of the merger.

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

State Bancorp and Valley will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainties about the effect of the merger on their businesses may have an adverse effect on State Bancorp and Valley. These uncertainties may also impair State Bancorp s ability to attract, retain and motivate strategic personnel until the merger is consummated, and could cause their customers and others that deal with State Bancorp to seek to change their existing business relationship, which could negatively impact Valley upon consummation of the merger. In addition, the merger agreement restricts State Bancorp from taking certain specified actions without the Valley s consent until the merger is consummated. These restrictions may prevent State Bancorp from pursuing or taking advantage of attractive business opportunities that may arise prior to the completion of the merger.

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

The merger is subject to customary conditions to closing, including the receipt of required regulatory approvals, the repurchase or redemption by Valley from Treasury, at least 5 business days prior to the closing date, of each share of the State Bancorp TARP Preferred Stock, and approval of the State Bancorp stockholders. If any condition to the merger is not satisfied or, where permitted, waived, the merger will not be completed. In addition, Valley and/or State Bancorp may terminate the merger agreement under certain circumstances even if the merger is approved by State Bancorp stockholders.

If the merger is not completed, the market price of State Bancorp common stock may decline to the extent that the current market price of its shares reflects a market assumption that the merger will be completed. If the merger is not completed, additional consequences could materialize, including any adverse effects from a failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. For more information on closing conditions to the merger agreement, see the section entitled Proposal 1-The Merger Merger Agreement Conditions to Complete the Merger on page 84.

State Bancorp stockholders do not have dissenters appraisal rights in the merger.

Dissenters rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with such extraordinary transaction. Under the NYBCL, stockholders do not have dissenters rights with respect to shares of any class of stock which, at the record date fixed to determine stockholders entitled to receive notice of and to vote at the meeting of stockholders at which a merger or consolidation was acted on, were listed on a national securities exchange. Because State Bancorp s common stock is listed on the Nasdaq, a national securities exchange, holders of State Bancorp common stock will not be entitled to dissenters appraisal rights in the merger with respect to their shares of State Bancorp common stock.

State Bancorp s directors and executive officers may have interests in the merger that differ from the interests of State Bancorp s stockholders.

State Bancorp s executive officers and directors may have interests in the merger that are in addition to, and may be different from, the interests of State Bancorp stockholders generally. With respect to certain State Bancorp executive officers, these interests include acceleration of vesting and payouts of their State Bancorp equity compensation awards, the right to receive change-in-control payments, accelerated payouts of deferred compensation balances and other benefits under executive retention incentive agreements. See Proposal 1 The Merger Interests of Certain of Persons in the Merger Interests of State Bancorp Executive Officers and Directors in the Merger beginning on page 53 for a discussion of these interests.

A lawsuit has been filed against State Bancorp, State Bancorp s Directors and Valley challenging the merger, and an adverse judgment in such lawsuit may prevent the merger from being completed or from being completed within the expected timeframe.

State Bancorp, State Bancorp s directors and Valley are named as defendants in a purported class action lawsuit brought by a State Bancorp stockholder challenging the proposed merger and seeking, among other things, to enjoin completion of the merger on the agreed-upon terms. See Proposal 1-The Merger Litigation Relating to the Merger beginning on page 74 for more information about the purported class action lawsuit related to the merger that has been filed.

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

As disclosed under Proposal 1 The Merger Litigation Relating to the Merger the parties to the purported class action lawsuit have entered into an agreement in principle to settle the action. The parties proposed settlement is subject to, among other things, court approval and plaintiffs conducting confirmatory discovery to confirm the fairness and adequacy of the terms of the settlement and the disclosures made in connection with the proposed merger and the closing of the proposed merger.

The shares of Valley common stock to be received by State Bancorp stockholders as a result of the merger will have different rights from the shares of State Bancorp common stock.

Upon completion of the merger, State Bancorp stockholders will become Valley stockholders and their rights as stockholders will be governed by the Valley restated certificate of incorporation and the Valley bylaws. The rights associated with State Bancorp common stock are different from the rights associated with Valley common stock. Please see Comparison of the Rights of Stockholders of Valley and State Bancorp beginning on page 89 for a discussion of the different rights associated with Valley common stock.

State Bancorp stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

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

Table of Contents

State Bancorp has not obtained an updated fairness opinion from its financial advisor reflecting changes in circumstances that may have occurred since the signing of the merger agreement.

Sandler O Neill, State Bancorp s financial advisor in connection with the proposed merger, has delivered to the Board of Directors of State Bancorp its opinion, dated as of April 28, 2011, regarding the fairness, from a financial point of view, of the exchange ratio to be paid to State Bancorp stockholders in connection with the merger. State Bancorp has not obtained an updated opinion as of the date of this document from Sandler O Neill regarding the fairness, from a financial point of view, of the exchange ratio to be paid to State Bancorp stockholders in connection with the merger.

Changes in the operations and prospects of Valley or State Bancorp, general market and economic conditions and other factors which may be beyond the control of Valley and State Bancorp, and on which the fairness opinion was based, may have altered the value of Valley or State Bancorp or the prices of shares of Valley common stock and shares of State Bancorp common stock as of the date of this document, or may alter such values and prices by the time the merger is completed. The opinion does not speak as of any date other than the date of the opinion. For a description of the opinion that State Bancorp received from Sandler O Neill, please refer to Proposal 1-The Merger Fairness Opinion of State Bancorp s Financial Advisor beginning on page 59. For a description of the other factors considered by State Bancorp s Board of Directors in determining to approve the merger, please refer to Proposal 1 The Merger Recommendation of State Bancorp s Board of Directors and Reasons for the Merger beginning on page 50.

Table of Contents

CERTAIN INFORMATION ABOUT VALLEY

General

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

As of June 30, 2011, Valley had:

- consolidated total assets of $14.5 billion;
- total deposits of $9.7 billion;
- total loans of $9.6 billion; and
- total stockholders equity of $1.3 billion.

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

Valley s principal executive offices and telephone number are:

1455 Valley Road

Wayne, New Jersey 07470

(973) 305-8800

Valley National Bank

Valley National Bank is a national banking association chartered in 1927 under the laws of the United States. Currently, Valley National Bank has 197 full-service banking offices located throughout northern and central New Jersey and the New York City boroughs of Manhattan, Brooklyn and Queens. The Bank provides a full range of commercial, retail and wealth management financial services products. The Bank provides a variety of banking services including automated teller machines, telephone and internet banking, drive-in and night deposit services, and safe deposit facilities. The Bank also provides certain international banking services to customers including standby letters of credit, documentary letters of credit and related products, and certain ancillary services such as foreign exchange, documentary collections, foreign wire transfers and the maintenance of foreign bank accounts. Valley also performs mortgage servicing for itself and third parties.

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

- a title insurance agency;
- asset management advisors which are Securities and Exchange Commission registered investment advisors;

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

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

a subsidiary which owns and services auto loans;

a subsidiary which specializes in asset-based lending;

a subsidiary which offers financing for general aviation aircraft and servicing for existing commercial equipment leases;

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

- a subsidiary which owns and services New York commercial loans.

Valley National Bank s subsidiaries also include real estate investment trust subsidiaries which own real estate-related investments and a REIT subsidiary which owns some of the real estate utilized by Valley National Bank and related real estate investments.

Valley has grown significantly in the past five years primarily through both de novo branch expansion and bank acquisitions, including the following most recent bank transactions:

- In July 2008, Valley acquired Greater Community Bancorp, the holding company of Greater Community Bank, a commercial bank with approximately $1.0 billion in assets, $812 million in loans (mostly commercial real estate loans), $715 million in deposits and 16 branches in northern New Jersey. The purchase price of $167.8 million was paid through a combination of Valley s common stock (9.6 million shares) and 964 warrants. Each warrant is entitled to 1.1025 Valley common shares issuable upon exercise at $17.24 per share. The warrants have an expiration date of June 30, 2015, and to date, all of the warrants issued remain outstanding.

- In March 2010, Valley National Bank acquired $688.1 million in certain assets, including loans totaling $412.3 million (primarily commercial and commercial real estate loans), and assumed all of the deposits totaling $654.2 million, excluding certain brokered deposits and borrowings, of The Park Avenue Bank and LibertyPointe Bank, both New York State chartered banks, from the Federal Deposit Insurance Corporation (FDIC). The deposits from both FDIC-assisted transactions were acquired at a 0.15 percent premium. In addition, as part of the consideration for The Park Avenue Bank FDIC-assisted transaction, Valley National Bank agreed to issue a cash-settled equity appreciation instrument to the FDIC. The valuation and settlement of the equity appreciation instrument did not significantly impact Valley s consolidated financial statements for the year ended December 31, 2010.

In connection with both of the FDIC-assisted transactions, Valley National Bank entered into loss-share agreements with the FDIC. Under the terms of the loss-sharing agreements, Valley National Bank will share in the losses on assets and other real estate owned (referred to as covered loans and covered OREO , together covered assets). Valley National Bank may sell the acquired loans (with or without recourse) but in such case the FDIC loss-sharing agreements will cease to be effective for any losses incurred on such loans. Additionally, any related FDIC loss-share receivable would be uncollectable and written-off upon settlement of the sale. The commercial and single family (residential) loan loss-sharing agreements with the FDIC expire in March of 2015 and 2020, respectively. The Company expects approximately 75 percent of the covered loans to mature, substantially paydown under contractual loan terms or work through our collection process on or before the expiration of the related loss-sharing agreements. As of June 30, 2011 and December 31, 2010, Valley had approximately $308 million and $357 million, respectively, in covered loans which comprised 3.2% and 3.8%, respectively, of its total loan portfolio.

Competition

Valley National Bank is one of the largest commercial bank headquartered in New Jersey, with its primary markets located in northern and central New Jersey and the New York City Boroughs of Manhattan, Brooklyn and Queens. Valley ranked 15th in competitive ranking and market share based on the deposits reported by 240 FDIC-insured financial institutions in the New York, Northern New Jersey and Long Island deposit market as of June 30, 2010. The FDIC also ranked Valley eighth in the state of New Jersey based on deposits as of June 30, 2010. Despite Valley s favorable FDIC rankings, the market for banking and bank-related services is highly competitive and Valley faces substantial competition in all phases of its operations. In addition to the FDIC-insured commercial banks in our principal metropolitan markets, Valley also competes with other providers of financial services such as savings institutions, credit unions, mutual funds, mortgage companies, title agencies,

Table of Contents

asset managers, insurance companies and a growing list of other local, regional and national institutions which offer financial services. Many of these competitors may have fewer regulatory constraints, broader geographic service areas, greater capital, and, in some cases, lower cost structures.

De novo branching by several national financial institutions and mergers between financial institutions within New Jersey and New York City, as well as other neighboring states have heightened the level of competitive pressure in our primary markets over the last several years. In addition, competition has further intensified as a result of recent changes in regulation, advances in technology and product delivery systems, and bank failures. Web-based and other internet companies are providing non-traditional, but increasingly strong, competition for our borrowers, depositors, and other customers. Within the New Jersey and the New York metropolitan markets, Valley competes with some of the largest financial institutions in the world that are able to offer a large range of products and services at competitive rates and prices. Nevertheless, Valley believes it can compete effectively as a result of utilizing various strategies including Valley s long history of local customer service and convenience as part of a relationship management culture, in conjunction with the pricing of loans and deposits. Valley s customers are influenced by the convenience, quality of service from Valley s knowledgeable staff, personal contacts and attention to customer needs, as well as availability of products and services and related pricing. Valley provides such convenience through its banking network of 197 branches in 134 communities, an extensive ATM network, and our 24-hour telephone and on-line banking systems.

Valley continually reviews its pricing, products, locations, alternative delivery channels and various acquisition prospects and periodically engages in discussions regarding possible acquisitions to maintain and enhance our competitive position.

Valley National Bank reports the results of its operations and manages its business through four business segments: commercial lending, consumer lending, investment management, and corporate and other adjustments. Valley National Bank s Wealth Management Division comprised of trust, asset management and insurance services, is included in the consumer lending segment. Valley National Bank offers a variety of products and services within the commercial and consumer lending segments as described below.

Commercial Lending Segment

Commercial and Industrial Loans. Commercial and industrial loans, including $97.7 million of covered loans, totaled approximately $1.9 billion and represented 20.1 percent of the total loan portfolio at June 30, 2011. Valley National Bank makes commercial loans to small and middle market businesses most often located in the New Jersey and New York area. Valley National Bank s borrowers tend to be companies and individuals with clear credit histories that demonstrate a historic ability to repay current and proposed future debts. Valley National Bank s loan decisions will include consideration of a borrower s standing in the community, willingness to repay debts, collateral coverage and other forms of support. Strong consideration is given to long term existing customers that have maintained a favorable relationship. Commercial loan products offered consist of term loans for equipment purchases, working capital lines of credit that assist customer s financing of accounts receivable and inventory, and commercial mortgages for owner occupied properties. Working capital advances are generally used to finance seasonal requirements and are repaid at the end of the cycle by the conversion of short-term assets into cash. Short-term commercial business loans may be collateralized by a lien on accounts receivable, inventory, equipment and/or, partly collateralized by real estate. Unsecured loans, when made, are generally granted to Valley National Bank s most credit worthy borrowers. At June 30, 2011, unsecured commercial and industrial loans totaled approximately $386 million. In addition, through subsidiaries Valley National Bank makes aviation loans, provides financing to the diamond and jewelry industry, the medical equipment leasing market, and engages in asset based accounts receivable and inventory financing.

Commercial Real Estate Loans. Commercial real estate loans, including $188.9 million of covered loans, totaled $4.1 billion and represented 42.6 percent of the total loan portfolio at June 30, 2011. Valley National Bank originates commercial real estate loans that are secured by multi-unit residential property and non-owner occupied commercial, industrial, and retail property within New Jersey, New York and Pennsylvania. Loans are generally written on an adjustable basis with rates tied to a specifically identified market rate index. Adjustment periods generally range between five to ten years and repayment is structured on a fully amortizing basis for terms up to thirty years. When underwriting a commercial real estate loan, primary consideration is given to the financial strength and ability of the borrower to service the debt, and the experience and qualifications of the borrower s management and/or guarantors. The underlying collateral value of the mortgaged property and/or financial strength of the guarantors are considered secondary sources of repayment.

Consumer Lending Segment

Residential Mortgage Loans. Residential mortgage loans, including $15.3 million of covered loans, totaled $2.2 billion and represented 22.5 percent of the total loan portfolio at June 30, 2011. Valley National Bank offers a full range of residential mortgage loans for the purpose of purchasing or refinancing one-to-four family residential properties. Residential mortgage loans are secured by 1-4 family properties generally located in counties where Valley National Bank has a branch presence and contiguous counties (including the State of Pennsylvania). Valley National Bank occasionally makes mortgage loans secured by homes beyond this primary geographic area; however, lending outside this primary area is generally made in support of existing customer relationships. Underwriting policies that are based on Fannie Mae and Freddie Mac guidelines are adhered to for loan requests of conforming and non-conforming amounts. The weighted average loan-to-value ratio of all residential mortgage originations in the first six months of 2011 was 54 percent while FICO® (independent objective criteria measuring the creditworthiness of a borrower) scores averaged 762. Terms of first mortgages range from 10 years for interest only loans (which totaled approximately $29 million at June 30, 2011) to 30 years for fully amortizing loans. In deciding whether to make a residential real estate loan, Valley National Bank considers the qualifications of the borrower as well as the value of the underlying property. Valley National Bank s historical and current loan underwriting practice prohibits the origination of payment option ARMs which allow for negative interest amortization and subprime loans. At June 30, 2011, Valley National Bank s residential loan portfolio included approximately $23 million of loans that could be identified as nonconforming loans commonly referred to as either alt-A, stated income, or no doc loans. These loans were mostly originated prior to 2008 and had a weighted average loan-to-value ratio of 70 percent at the date of origination. Virtually all of Valley National Bank s loan originations in recent years have conformed to rules requiring documentation of income, assets sufficient to close the transactions and debt to income ratios that support the borrower s ability to repay under the loan s proposed terms and conditions. These rules are applied to all loans originated for retention in Valley National Bank s portfolio or for sale in the secondary market.

Other Consumer Loans. Other consumer loans, including $6.5 million of covered loans, totaled $1.4 billion and represented 14.8 percent of the total loan portfolio at June 30, 2011. Valley National Bank s other consumer loan portfolio is primarily comprised of direct and indirect automobile loans, home equity loans and lines of credit, credit card loans, and to a lesser extent, secured and unsecured other consumer loans. Valley National Bank is an auto lender in New Jersey, New York, Pennsylvania, and Connecticut offering indirect auto loans secured by either new or used automobiles. Auto loans may be originated directly with the purchasers of the automobile and indirect auto loans are purchased from approved automobile dealers. Home equity lines of credit are secured by 1 to 4 family residential properties and are generally provided as a convenience to Valley National Bank s residential mortgage borrowers. Home equity loans and home equity lines of credit may have a variety of terms, interest rates and amortization features. Other consumer loans include direct consumer term loans, both secured and unsecured. From time to time, Valley National Bank will also purchase prime consumer loans originated by and serviced by other financial institutions based on several factors, including current secondary market rates, excess liquidity and other asset/liability management strategies. At June 30, 2011, unsecured consumer loans totaled approximately $41.3 million, including $9.0 million of credit card loans.

Wealth Management. Valley National Bank s Wealth Management Division provides coordinated and integrated delivery of asset management advisory, trust, brokerage, insurance including title insurance agency, asset management advisory, and asset-based lending support services. Trust services include living and testamentary trusts, investment management, custodial and escrow services, and estate administration, primarily to individuals.

Table of Contents

Asset management advisory services include investment services for individuals and small to medium sized businesses, trusts and custom tailored investment strategies designed for various types of retirement plans.

Investment Management Segment.

Investment Management. Although Valley National Bank is primarily focused on its lending and wealth management services, a large portion of its income is generated through investments in various types of securities, and depending on its liquid cash position, federal funds sold and interest-bearing deposits with banks (primarily the Federal Reserve Bank of New York), as part of its asset/liability management strategies. As of June 30, 2011, total investment securities and interest bearing deposits with banks were $2.9 billion and $165.8 million, respectively.

Table of Contents

CERTAIN INFORMATION ABOUT STATE BANCORP

General

State Bancorp, Inc, a New York corporation, was organized in 1985. Its principal subsidiary is State Bank of Long Island. State Bancorp is registered as a bank holding company with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act.

As of June 30, 2011, State Bancorp had:

- consolidated assets of $1.6 billion;
- total deposits of $1.4 billion;
- total loans of $1.1 billion; and
- total stockholders equity of $161 million.

State Bancorp also owns all of the voting shares of State Bancorp Capital Trust I and II, through which State Bancorp issued trust-preferred securities.

State Bancorp s principal executive offices and telephone number are:

Two Jericho Plaza

Jericho, New York 11753

(516) 465-2200

State Bank of Long Island

State Bank of Long Island, a New York State chartered commercial bank founded in 1966, serves its client base through sixteen branches in Nassau, Suffolk, Queens and Manhattan. State Bank of Long Island offers a full range of banking services to its diverse client base which includes commercial real estate owners and developers, small to middle market businesses, professional service firms, municipalities and consumers. Retail and commercial products include checking accounts, NOW accounts, money market accounts, savings accounts, certificates of deposit, individual retirement accounts, commercial loans, construction loans, commercial real estate loans, small business lines of credit, cash management services and telephone and online banking. In addition, State Bank of Long Island also provides access to annuity products and mutual funds.

Table of Contents

THE MEETING

Date, Time and Place

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

December 5, 2011

Residence Inn by Marriott

9 Gerhard Road

Plainview, New York 11803

10:00 am local time

Purpose

At the meeting, State Bancorp stockholders will consider and vote on:

- approval and adoption of the merger agreement;
- approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation; and
- approval of the authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

Board Recommendations

The State Bancorp Board of Directors unanimously recommends that stockholders vote FOR:

- **the merger agreement;**
- **the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation; and**
- **the authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.**

Record Date; Quorum; Required Vote; Voting Agreement

As of the record date, October 21, 2011, 16,959,792 shares of common stock of State Bancorp were issued and outstanding. The common stock is State Bancorp s only class of securities entitled to vote, each share being entitled to one vote. The presence at the special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of common stock as of the record date is considered a quorum for the transaction of business. If you submit a properly completed proxy or if you appear at the special meeting to vote in person, your shares of common stock will be considered part of the quorum. Abstentions and broker non-votes will be counted as present to determine if a quorum for the transaction of business is present. In the absence of a quorum, the special meeting will be adjourned or postponed.

The merger cannot be completed without State Bancorp stockholder approval of the merger agreement. The affirmative vote of a majority of the shares of State Bancorp common stock outstanding is required to approve the merger agreement.

Table of Contents

On September 30, 2011, the directors and executive officers of State Bancorp as a group beneficially owned 2,090,924 shares of State Bancorp common stock, representing 12.33% of the issued and outstanding shares on such date. In connection with the execution of the merger agreement, Valley entered into voting agreements with each State Bancorp director. Pursuant to the voting agreements, the State Bancorp directors have each agreed to vote the shares of State Bancorp beneficially owned by them and over which they have sole voting power on the record date, and to use their reasonable efforts to vote the shares of State Bancorp beneficially owned by them and over which they have joint voting power with their spouse on the record date, in favor of approval of the merger agreement. On September 30, a total of 1,081,914 shares of common stock representing approximately 6.38% of the outstanding State Bancorp common stock are covered by the voting agreements, of which 462,388 shares are permitted to be transferred under certain conditions prior to the stockholder meeting to vote on the merger agreement.

The vote of State Bancorp stockholders on the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation will be approved, on a non-binding advisory basis, if the holders of a majority of the shares of State Bancorp common stock present in person or represented by proxy at the meeting and entitled to vote thereon vote FOR such proposal. This proposal is advisory in nature and a vote to approve or disapprove will not be binding on State Bancorp or the State Bancorp Board of Directors.

The vote of State Bancorp stockholders on the authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting will be approved if the holders of a majority of the shares of State Bancorp common stock present in person or represented by proxy at the meeting and entitled to vote thereon vote FOR such proposal.

The matters to be considered at the meeting are of great importance to the stockholders of State Bancorp. Accordingly, both State Bancorp and Valley urge you to read and carefully consider the information presented in this proxy statement-prospectus, and to complete, date, sign and promptly return the enclosed proxy in the enclosed postage paid envelope as instructed on the proxy card.

Voting Rights; Proxies

If you properly execute a proxy card and send it to State Bancorp in the enclosed envelope in a timely manner, your proxy will be voted in accordance with the instructions you indicate, unless you revoke your proxy prior to the vote. Approval of the merger agreement by State Bancorp stockholders is based on approval by holders of a majority of the shares of State Bancorp common stock outstanding. **If you send us a proxy card that does not instruct us how to vote, your shares will be voted (1) FOR approval of the merger agreement, (2) FOR approval, on a non-binding advisory basis, of the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation, and (3) FOR authorization of the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.**

The State Bancorp Board of Directors is not aware of any matters that will come before the meeting other than the vote on the merger agreement, the compensation of the named executive officers of State Bancorp based on or related to the merger and the agreements and understandings concerning such compensation, and the proposal to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

Table of Contents

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

(a) filing a written revocation of the proxy with the Secretary;

(b) submitting a signed proxy card bearing a later date; or

(c) attending and voting in person at the special meeting, but you must also file a written revocation with the Secretary at the special meeting prior to voting.

Written revocations should be sent to Janice Clark, Secretary, State Bancorp, Inc., Two Jericho Plaza, Jericho, New York 11753. Attendance at the Meeting will not in and of itself revoke a proxy.

If you use the Internet, you can change your vote at the Internet address shown on your proxy card. The Internet voting system is available 24 hours a day until 1:00 p.m., Eastern Time, on December 4, 2011.

If you vote by telephone, you can change your vote by using the toll free telephone number shown on your proxy card. The telephone voting system is available 24 hours a day in the United States until 1:00 p.m., Eastern Time, on December 4, 2011.

The election inspectors appointed for the meeting, who will determine whether or not a quorum is present, will tabulate votes cast by proxy or in person at the meeting. Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Abstentions occur when proxies are marked as abstentions, or when stockholders appear in person but abstain from voting. Broker non-votes occur when a broker indicates on a proxy that it does not have discretionary authority regarding certain shares.

If you do not vote by proxy, telephone or internet or vote in person at the State Bancorp special meeting, it will have the effect of a vote AGAINST the merger agreement, but will have no effect on the vote to approve, on a non-binding advisory basis, executive compensation or the vote to authorize the Board of Directors, in its discretion, to adjourn or postpone the special meeting, including, without limitation, on a motion to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger agreement or vote on other matters properly before the special meeting.

Solicitation of Proxies

State Bancorp will bear all costs of soliciting proxies for the meeting. Georgeson, Inc. has been retained to assist in the solicitation of proxies under a contract providing for payment of a fee of $6,500 plus reimbursement for its expenses. In addition to solicitations by mail and by Georgeson, Inc., the directors, officers and employees of State Bancorp may solicit proxies for the meeting from stockholders in person or by telephone. These directors, officers and employees will not be specifically compensated for their services. State Bancorp will also make arrangements with brokerage firms and other custodians, nominees and fiduciaries to send proxy materials to their principals and will reimburse those parties for their expenses in doing so.

Table of Contents

PROPOSAL 1 THE MERGER

Background of the Merger

Prior to the recent financial crisis, State Bancorp experienced significant, well documented financial difficulties necessitating the need for substantial financial and managerial changes. Beginning in November 2006, the Company began a management reorganization and engaged in a series of transactions to rebuild the Company s depleted capital position.

In December 2008, State Bancorp participated in the U.S. Treasury s Capital Purchase Program, and received approximately $37 million in exchange for the issuance to the U.S. Treasury of the State Bancorp TARP Preferred Stock, and the State Bancorp TARP Warrant. Since 2008, State Bancorp has steadily improved its balance sheet, in part through the strategic liquidation of lower quality and non-performing assets, and has seen its financial performance normalize. State Bancorp has also continually assessed its options for redeeming the State Bancorp TARP Preferred Stock and exiting from the Capital Purchase Program. State Bancorp s current and forecasted opportunities for earnings growth, consistent with the rest of the banking industry, remain constrained due to weak loan demand, low interest rates, higher capital requirements, increasing regulatory costs, the maturity of the Long Island banking market and a limited field of attractive acquisition opportunities. These circumstances, individually and collectively, served to limit State Bancorp s ability to redeem the State Bancorp TARP Preferred Stock in a manner that would allow State Bancorp to protect current stockholder value, and deliver reasonable growth and returns in a reasonable timeframe without causing significant dilution to the current stockholder base. State Bancorp s limited opportunities for meaningful earnings growth also created a significant challenge to increase its stock price, provide stockholder returns through enhanced dividends or effect share repurchase programs.

The Board of Directors of State Bancorp has historically endeavored to enhance stockholder value by pursuing the strategy of operating as an independent community bank. In doing so, the Board of Directors has periodically evaluated State Bancorp s business plan, including the State Bancorp TARP Preferred Stock redemption options, as compared to other strategic alternatives, including acquisitions of other institutions and strategic combinations. From time to time, the Board of Directors has met with a number of investment banking firms in order to gain a better understanding of the capital markets and recent business combination transactions in the banking industry. The Board of Directors also followed a practice of remaining open to evaluating all strategic opportunities, whether combining with larger institutions or acquiring smaller institutions. The Board of Directors also encouraged Thomas O Brien, State Bancorp s chief executive officer, to engage in discussions with chief executive officers of other financial institutions to discuss the state of the local banking market and their thoughts on industry consolidation, with instructions to report to the Board on those discussions. From time to time, management of State Bancorp received informal expressions of general interest from other larger financial institutions that were pursuing aggressive strategies of growth by acquisition. In addition, State Bancorp informally expressed its interest in pursuing acquisitions to other, smaller, local financial institutions. Mr. O Brien reported all such contacts to the Board members both between and during Board meetings.

In 2010, State Bancorp s management continued to re-evaluate State Bancorp s business plan in response to the desire to redeem the State Bancorp TARP Preferred Stock, taking into account State Bancorp s operating, market and financial performance as well as State Bancorp s size and opportunities for growth as a stand-alone entity and through acquisitions or equity raises. At a Board of Directors meeting on September 21, 2010, representatives from Sandler O Neill made a presentation to the Board of Directors regarding a variety of topics, including a current analysis of the bank and thrift industry, an overview of State Bancorp s recent financial performance relative to its peers, the current bank legislative and regulatory climate, general economic conditions and forecasts, an overview of the M&A market and potential business combination partners, an overview of the capital markets and the potential for executing an equity raise.

On November 22, 2010, Mr. O Brien and Gerald H. Lipkin, Valley s chief executive officer, met at Mr. Lipkin s request, during which meeting Mr. Lipkin expressed Valley s strong interest in expanding into the

Long Island market area and sought Mr. O Brien s view on whether State Bancorp would consider a merger. Mr. O Brien advised Mr. Lipkin that State Bancorp was still in the process of executing its turnaround plan and working to redeem the State Bancorp TARP Preferred Stock. Mr. O Brien expressed his belief that successful completion of these efforts could affect State Bancorp s analysis of its strategic alternatives and his concern that uncertainty over the ultimate achievement of these goals could affect current valuations in an acquisition scenario. Mr. O Brien advised Mr. Lipkin that any discussion of a transaction would need to involve a compelling valuation including full redemption of the State Bancorp TARP Preferred Stock in order for State Bancorp to consider it on an expedited basis. Mr. O Brien also stated that State Bancorp s Board of Directors was likely to have a strong preference for stock consideration. Mr. Lipkin stated that from a valuation standpoint he was interested in a stock transaction at an approximate .80 exchange ratio. Mr. O Brien responded that such a ratio was not compelling enough for the company to rethink its business strategy. Mr. Lipkin advised Mr. O Brien that Valley would consider valuation further and follow up with Mr. O Brien. Mr. O Brien had advised his Board of Directors that he was meeting with Mr. Lipkin, and reported to the Board of Directors on the conversation at the next regularly scheduled Board of Directors meeting held on December 21, 2010. The Board concurred that Mr. O Brien should continue the practice of meeting with his counterparts at other institutions, including Mr. Lipkin, and reporting back on those discussions to the Board so that the Board could keep apprised of any strategic opportunities as they arise. The Board also discussed alternatives for raising additional capital and potential uses of new capital, including repayment of the TARP Preferred Stock. In addition, Mr. O Brien had consulted with Sandler O Neill prior to meeting with Mr. Lipkin and again shortly thereafter.

During a conference for bank chief executives held in New York City on December 2-3, 2010, Mr. Lipkin and Mr. O Brien engaged in a brief conversation during which Mr. Lipkin indicated that Valley remained interested in a business combination and was continuing to review valuation issues. At the same conference, Mr. O Brien was introduced to the chief executive officer of a large regional financial institution, referred to as Bank A, who told Mr. O Brien that he would like to meet with Mr. O Brien to discuss the Long Island market.

On January 27, 2011, Mr. O Brien met with Mr. Lipkin at Mr. Lipkin s request, who indicated that Valley and its advisors had discussed valuation and felt that they could propose a merger transaction with Valley s stock as consideration at an exchange ratio of up to .95 shares of Valley common stock for each share of State Bancorp common stock, assuming no problems were encountered in the due diligence process. Mr. O Brien discussed with Mr. Lipkin a list of key issues that Mr. O Brien felt were important for Valley to understand about State Bancorp prior to undergoing any further discussions, including State Bancorp s credit quality and its deferred tax asset, to ensure that these issues would not cause Valley to change its valuation at a later date, which Mr. O Brien emphasized was critical to State Bancorp s willingness to enter into any discussions. Mr. O Brien suggested a meeting with other members of Valley s management so he could answer questions regarding State Bancorp s history, business issues and credit profile and ask questions to allow him to understand Valley s similar characteristics.

On February 9, 2011, Mr. O Brien met with Valley s Chief Operating Officer and a representative of MG Advisors, Inc., Valley s financial advisor, to have a discussion regarding State Bancorp and Valley and their respective methods of operations, business, philosophy and related matters.

In the evening of February 9, 2011, Mr. O Brien met with the chief executive officer of Bank A for dinner at the invitation of Bank A. Also attending was a principal of Sandler O Neill. Following the dinner, the Sandler O Neill representative left and then Mr. O Brien and the chief executive officer of Bank A discussed their respective institutions generally, Bank A s desire to expand in the Long Island marketplace and Bank A s interest in the long term prospects of a combination of State Bancorp with Bank A. Bank A s chief executive officer indicated that Bank A was only interested in a cash transaction and that it was probably not in a position to proceed immediately. The chief executive officer of Bank A also indicated some concern that a transaction with State Bancorp could interfere with a larger, transformative deal for Bank A, should one arise. Mr. O Brien explained that State Bancorp was at a critically important juncture and that it needed to carefully evaluate its own future growth opportunities and finalize a strategy to redeem the State Bancorp TARP Preferred Stock that would be in the best interests of State Bancorp stockholders. The chief executive officer of Bank A suggested that he and Mr. O Brien take some time over the next few months to get to know each other and their institutions better. Mr. O Brien subsequently discussed the meeting with Sandler O Neill, noting the uncertainty of Bank A in interest and timing of any possible transactions with State Bancorp. Following the meetings of February 9th, Mr. O Brien determined that further active exploration with Valley was warranted.

On February 17, 2011, State Bancorp s Chief Credit Officer met with members of Valley s management to review State Bancorp s credit profile. Also on February 17, 2011, during a telephonic Board of Directors meeting, Mr. O Brien updated the Board of Directors on the status of his discussions with Mr. Lipkin and the chief executive officer of Bank A, noting in particular the need for Valley to understand State Bancorp s credit quality and deferred tax asset. The Board encouraged Mr. O Brien to continue to gather information regarding Valley and obtain any feedback from Valley regarding State Bancorp. The Board also encouraged Mr. O Brien to meet with Bank A should they continue to show any interest and to again report to the Board at its regularly scheduled March meeting. On February 18, 2011, Mr. Lipkin called Mr. O Brien and reported that, following that discussion and their further analysis, Valley was very satisfied with State Bancorp s credit posture, reserves, etc., and indicated that Valley was interested in moving forward with a business combination at an exchange ratio of .95 shares of Valley for each share of State Bancorp, indicating a value of between $12 and $13 per share of State Bancorp stock based on Valley s most recent trading levels at that time. Mr. O Brien advised Mr. Lipkin that he would be discussing State Bancorp s strategic alternatives with State Bancorp s Board of Directors at its next regularly scheduled meeting on March 22, 2011.

In the evening of February 18, 2011, the chief executive officer of Bank A called Mr. O Brien and told him that the limitations on Bank A s ability to complete a transaction in the near term that he had previously expressed to Mr. O Brien were no longer an issue, and that Bank A was interested and now in a position to move forward to explore a possible business combination. Mr. O Brien indicated that he would be discussing the matter with the Board of Directors at its March 22 meeting.

On March 21, 2011, Mr. O Brien met with the chief executive officer of a regional financial institution, Bank B, which is closer in asset size to State Bancorp, at Bank B s request. At this meeting, the chief executive officer of Bank B indicated that Bank B was interested in the possibility of a strategic combination between State Bancorp and Bank B. Mr. O Brien explained that State Bancorp was likely to either issue equity or consider a strategic combination in the near term as a means to build needed scale and to redeem the State Bancorp TARP Preferred Stock, which was a critical issue to the State Bancorp Board of Directors. They agreed that Sandler O Neill and Bank B s investment advisor would discuss potential valuations and possible deal structures. The chief executive officer of Bank B indicated that Bank B initially was looking at a deal structured near the current market prices of each institution. Subsequent conversations between the two financial advisors confirmed that the consideration contemplated by Bank B was at a level close to the then-current market price of State Bancorp.

At the March 22 Board of Directors meeting, representatives of Sandler O Neill made a comprehensive presentation to the Board of Directors. Sandler O Neill s presentation included a discussion of the banking industry, a capital markets overview (including a full discussion of the economic impact from an equity issuance), a mergers and acquisition overview, a franchise update on State Bancorp, and a discussion of potential acquisition targets and business combination partners. Sandler O Neill discussed the impact of increasing capital requirements on banks lending capacity and return on equity, and that, among other things, increased capital requirements make it more dilutive for banks to use equity infusions to redeem TARP preferred stock. Sandler O Neill noted that the new regulatory environment, which is imposing significantly greater compliance and capital costs, is having a significant adverse impact on the ability of smaller community banks such as State Bancorp to compete. Sandler O Neill discussed some of the metrics involved in recent bank M&A transactions and presented a comparative review of State Bancorp s recent stock and financial performance. Sandler O Neill reviewed the current independent equity analyst recommendations and their target prices for State Bancorp. Sandler O Neill also presented an analysis of the potential impact on State Bancorp s earnings, capital, stock

Table of Contents

price and other measures if State Bancorp were to redeem its outstanding $36