

VALLEY NATIONAL BANCORP

Form 10-Q

May 09, 2011

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended March 31, 2011

OR

Transition Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 1-11277

VALLEY NATIONAL BANCORP

(Exact name of registrant as specified in its charter)

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New Jersey
(State or other jurisdiction of
Incorporation or Organization)

22-2477875
(I.R.S. Employer
Identification Number)

1455 Valley Road

Wayne, NJ
(Address of principal executive office)

07470
(Zip code)

973-305-8800

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Common Stock (no par value), of which 169,848,898 shares were outstanding as of May 4, 2011.

Table of Contents

TABLE OF CONTENTS

	Page Number
PART I	FINANCIAL INFORMATION
Item 1.	<u>Financial Statements (Unaudited)</u>
	3
	<u>Consolidated Statements of Financial Condition as of March 31, 2011 and December 31, 2010</u>
	3
	<u>Consolidated Statements of Income for the Three Months Ended March 31, 2011 and 2010</u>
	4
	<u>Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2011 and 2010</u>
	5
	<u>Notes to Consolidated Financial Statements</u>
	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
	42
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
	70
Item 4.	<u>Controls and Procedures</u>
	70
PART II	OTHER INFORMATION
Item 1.	<u>Legal Proceedings</u>
	70
Item 1A.	<u>Risk Factors</u>
	70
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
	71
Item 6.	<u>Exhibits</u>
	71
<u>SIGNATURES</u>	72

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****VALLEY NATIONAL BANCORP****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)**

(in thousands, except for share data)

	March 31, 2011	December 31, 2010
Assets		
Cash and due from banks	\$ 319,495	\$ 302,629
Interest bearing deposits with banks	6,002	63,657
Investment securities:		
Held to maturity, fair value of \$1,856,720 at March 31, 2011 and \$1,898,872 at December 31, 2010	1,881,589	1,923,993
Available for sale	1,093,635	1,035,282
Trading securities	32,387	31,894
Total investment securities	3,007,611	2,991,169
Loans held for sale, at fair value	14,608	58,958
Non-covered loans	9,209,593	9,009,140
Covered loans	336,576	356,655
Less: Allowance for loan losses	(139,847)	(124,704)
Net loans	9,406,322	9,241,091
Premises and equipment, net	264,215	265,570
Bank owned life insurance	306,662	304,956
Accrued interest receivable	63,403	59,126
Due from customers on acceptances outstanding	6,476	6,028
FDIC loss-share receivable	90,642	89,359
Goodwill	317,891	317,891
Other intangible assets, net	25,323	25,650
Other assets	535,189	417,742
Total Assets	\$ 14,363,839	\$ 14,143,826
Liabilities		
Deposits:		
Non-interest bearing	\$ 2,538,534	\$ 2,524,299
Interest bearing:		
Savings, NOW and money market	4,391,600	4,106,464
Time	2,792,241	2,732,851
Total deposits	9,722,375	9,363,614

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Short-term borrowings	178,814	192,318
Long-term borrowings	2,817,670	2,933,858
Junior subordinated debentures issued to capital trusts (includes fair value of \$158,845 at March 31, 2011 and \$161,734 at December 31, 2010 for VNB Capital Trust I)	184,016	186,922
Bank acceptances outstanding	6,476	6,028
Accrued expenses and other liabilities	146,964	165,881
Total Liabilities	13,056,315	12,848,621
Shareholders Equity*		
Preferred stock, no par value, authorized 30,000,000 shares; none issued		
Common stock, no par value, authorized 220,974,508 shares; issued 170,137,971 shares at March 31, 2011 and 170,131,085 shares at December 31, 2010	57,053	57,041
Surplus	1,179,023	1,178,325
Retained earnings	85,926	79,803
Accumulated other comprehensive loss	(3,606)	(5,719)
Treasury stock, at cost (459,744 common shares at March 31, 2011 and 597,459 common shares at December 31, 2010)	(10,872)	(14,245)
Total Shareholders Equity	1,307,524	1,295,205
Total Liabilities and Shareholders Equity	\$ 14,363,839	\$ 14,143,826

* Share data reflects the five percent common stock dividend declared on April 13, 2011, to be issued May 20, 2011 to shareholders of record on May 6, 2011.

See accompanying notes to consolidated financial statements.

Table of Contents**VALLEY NATIONAL BANCORP****CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

(in thousands, except for share data)

	Three Months Ended March 31,	
	2011	2010
Interest Income		
Interest and fees on loans	\$ 133,623	\$ 135,369
Interest and dividends on investment securities:		
Taxable	29,580	29,687
Tax-exempt	2,505	2,546
Dividends	2,056	2,193
Interest on federal funds sold and other short-term investments	55	154
Total interest income	167,819	169,949
Interest Expense		
Interest on deposits:		
Savings, NOW, and money market	4,679	4,860
Time	12,166	15,598
Interest on short-term borrowings	341	331
Interest on long-term borrowings and junior subordinated debentures	33,741	34,309
Total interest expense	50,927	55,098
Net Interest Income	116,892	114,851
Provision for credit losses	24,162	12,611
Net Interest Income After Provision for Credit Losses	92,730	102,240
Non-Interest Income		
Trust and investment services	2,023	1,875
Insurance commissions	4,423	3,196
Service charges on deposit accounts	5,650	6,274
Gains on securities transactions, net	2,679	863
Other-than-temporary impairment losses on securities		(1,393)
Portion recognized in other comprehensive income (before taxes)	(825)	(1,200)
Net impairment losses on securities recognized in earnings	(825)	(2,593)
Trading gains (losses), net	3,382	(3,030)
Fees from loan servicing	1,197	1,236
Gains on sales of loans, net	3,609	2,520
Gains on sales of assets, net	57	86
Bank owned life insurance	1,706	1,543
Change in FDIC loss-share receivable	16,235	
Other	4,651	3,707
Total non-interest income	44,787	15,677
Non-Interest Expense		

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Salary and employee benefits expense	44,125	44,273
Net occupancy and equipment expense	17,186	15,941
FDIC insurance assessment	3,329	3,433
Amortization of other intangible assets	1,962	1,700
Professional and legal fees	3,773	2,119
Advertising	1,482	912
Other	11,972	9,976
Total non-interest expense	83,829	78,354
Income Before Income Taxes	53,688	39,563
Income tax expense	17,103	12,200
Net Income	\$ 36,585	\$ 27,363
Earnings Per Common Share*:		
Basic	\$ 0.22	\$ 0.16
Diluted	0.22	0.16
Cash Dividends Declared per Common Share*	0.17	0.17
Weighted Average Number of Common Shares Outstanding*:		
Basic	169,671,128	168,831,733
Diluted	169,678,846	168,834,400

* Share data reflects the five percent common stock dividend declared on April 13, 2011, to be issued May 20, 2011 to shareholders of record on May 6, 2011.

See accompanying notes to consolidated financial statements.

Table of Contents

VALLEY NATIONAL BANCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(in thousands)

	2011	Three Months Ended March 31, 2010
Cash flows from operating activities:		
Net income	\$ 36,585	\$ 27,363
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,022	3,942
Stock-based compensation	682	1,034
Provision for credit losses	24,162	12,611
Net amortization of premiums and accretion of discounts on securities and borrowings	2,876	3,;

companies registered under the Investment Company Act of 1940 and other managed accounts, have the right to receive or power to direct the receipt of dividends from, and the proceeds from the sale of, the securities reported herein.

Item 7. Identification and Classification of the
 Subsidiary Which Acquired the
 Security Being Reported on By the Parent Holding
 Company

See Attached Exhibit C

Item 8. Identification and Classification of Members of
the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

CUSIP NO. G02604117

13G Page 10
of 14

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

By signing below I certify that, to the best of my knowledge and belief, the foreign regulatory scheme applicable to is substantially comparable to the regulatory scheme applicable to the functionally equivalent U.S. institution(s). I also undertake to furnish to the Commission staff, upon request, information that would otherwise be disclosed in a Schedule 13D.

This report shall not be construed as an admission by the persons filing the report that they are the beneficial owner of any securities covered by this report.

Exhibits.

Exhibit A Joint Filing Agreement

Exhibit B Limited Powers of Attorney for Section 13 Reporting Obligations

Exhibit C Item 7 Identification and Classification of Subsidiaries

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 1, 2017

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

Franklin Templeton Institutional, LLC

By: /s/MARIA GRAY

Maria Gray

Vice President and Secretary of Franklin
Resources, Inc.

Attorney in Fact for Charles B. Johnson pursuant to
Power of Attorney

attached to this Schedule 13G

Attorney in Fact for Rupert H. Johnson, Jr. pursuant
to Power of Attorney

attached to this Schedule 13G

Secretary of Franklin Templeton Institutional,
LLC

CUSIP NO. G02604117

13G Page 11
of 14

EXHIBIT A

JOINT FILING AGREEMENT

In accordance with Rule 13d 1(k) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with each other of the attached statement on Schedule 13G and to all amendments to such statement and that such statement and all amendments to such statement are made on behalf of each of them.

IN WITNESS WHEREOF, the undersigned have executed this agreement on February 1, 2017.

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

Franklin Templeton Institutional, LLC

By: /s/MARIA GRAY

Maria Gray

Vice President and Secretary of Franklin
Resources, Inc.

Attorney in Fact for Charles B. Johnson pursuant to
Power of Attorney

attached to this Schedule 13G

Attorney in Fact for Rupert H. Johnson, Jr. pursuant
to Power of Attorney

attached to this Schedule 13G

Secretary of Franklin Templeton Institutional,
LLC

CUSIP NO. G02604117

13G Page 12
of 14

EXHIBIT B

LIMITED POWER OF ATTORNEY

FOR

SECTION 13 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes and appoints each of Robert Rosselot and Maria Gray, each acting individually, as the undersigned's true and lawful attorney in fact, with full power and authority as hereinafter described on behalf of and in the name, place and stead of the undersigned

to:

(1) prepare, execute, acknowledge, deliver and file Schedules 13D and 13G

(including any amendments thereto or any related documentation) with the United States

Securities and Exchange Commission, any national securities exchanges and Franklin

Resources, Inc., a Delaware corporation (the "Reporting Entity"), as considered

necessary or advisable under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time (the "Exchange Act"); and

- (2) perform any and all other acts which in the discretion of such attorney in fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

- (1) this Limited Power of Attorney authorizes, but does not require, each such attorney in fact to act in their discretion on information provided to such attorney in fact without independent verification of such information;

- (2) any documents prepared and/or executed by either such attorney in fact on behalf of the undersigned pursuant to this Limited Power of Attorney will be in such form and will contain such information and disclosure as such attorney in fact, in his or her discretion, deems necessary or desirable;

- (3) neither the Reporting Entity nor either of such attorneys in fact assumes
 - (i) any liability for the undersigned's responsibility to comply with the requirements

of the Exchange Act or (ii) any liability of the undersigned for any failure to comply

with such requirements; and

(4) this Limited Power of Attorney does not relieve the undersigned from

responsibility for compliance with the undersigned's obligations under the Exchange

Act, including without limitation the reporting requirements under Section 13 of the

Exchange Act.

The undersigned hereby gives and grants each of the foregoing

attorneys in fact full power and authority to do and perform all and every act and

thing whatsoever requisite, necessary or appropriate to be done in and about the

foregoing matters as fully to all intents and purposes as the undersigned might or

could do if present, hereby ratifying all that each such attorney in fact of, for and

on behalf of the undersigned, shall lawfully do or cause to be done by virtue of this

Limited Power of Attorney.

This Limited Power of Attorney shall remain in full force and effect until

revoked by the undersigned in a signed writing delivered to each such

attorney in fact.

IN WITNESS WHEREOF, the undersigned has caused this Limited Power of Attorney to be

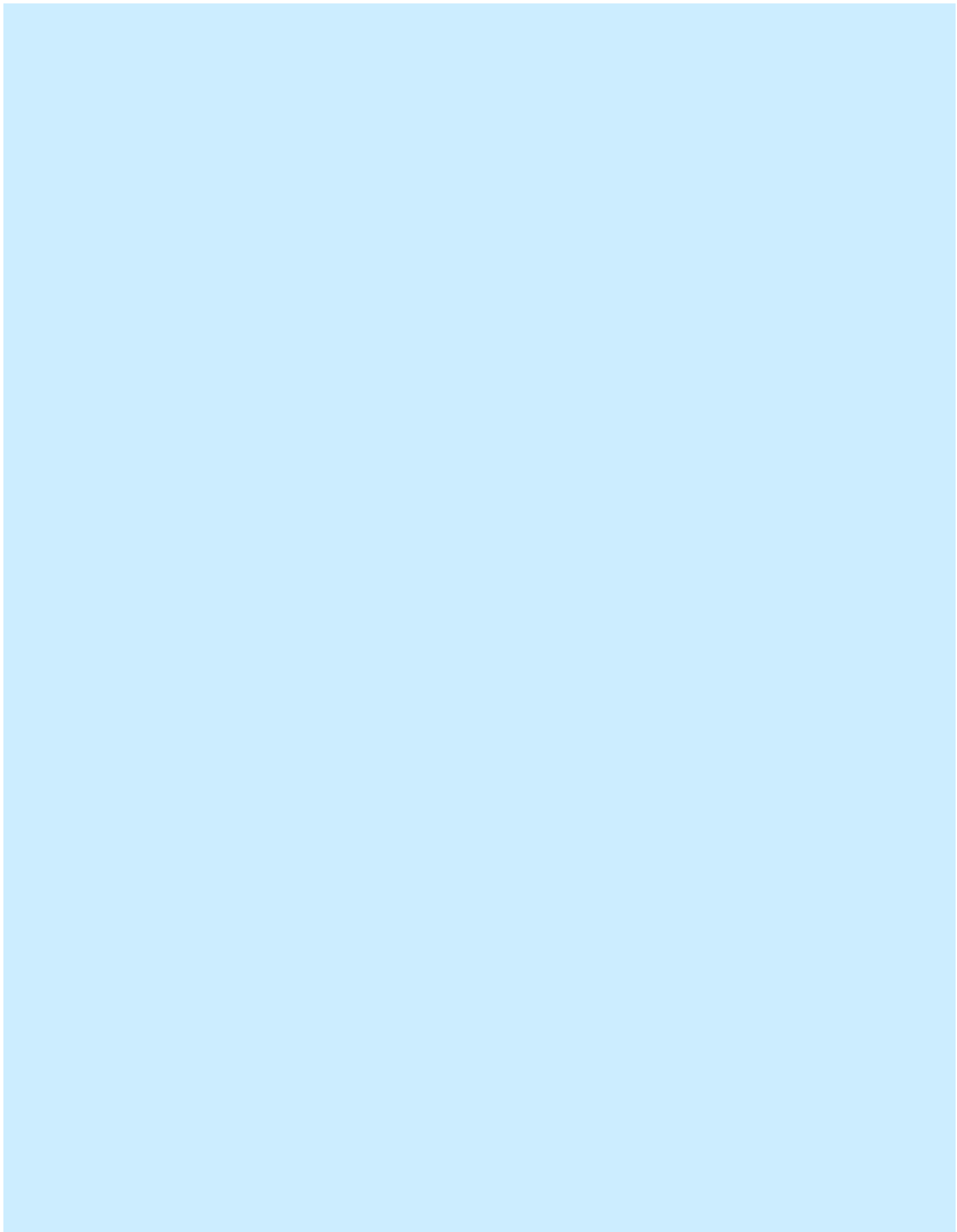
executed as of this 30th day of April, 2007

/s/Charles B. Johnson

Signature

Charles B. Johnson

Print Name



CUSIP NO. G02604117

13G Page 13
of 14

LIMITED POWER OF ATTORNEY

FOR

SECTION 13 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes and appoints each of Robert Rosselot and Maria Gray, each acting individually, as the undersigned's true and lawful attorney in fact, with full power and authority as hereinafter described on behalf of and in the name, place and stead of the undersigned to:

(1) prepare, execute, acknowledge, deliver and file Schedules 13D and 13G (including any amendments thereto or any related documentation) with the United States Securities and Exchange Commission, any national securities exchanges and Franklin Resources, Inc., a Delaware corporation (the "Reporting Entity"), as considered necessary or advisable under Section 13 of the Securities Exchange Act of

1934 and the rules and regulations promulgated thereunder, as amended from time to

time (the "Exchange Act"); and

- (2) perform any and all other acts which in the discretion of such attorney in fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

- (1) this Limited Power of Attorney authorizes, but does not require, each such attorney in fact to act in their discretion on information provided to such attorney in fact without independent verification of such information;
- (2) any documents prepared and/or executed by either such attorney in fact on behalf of the undersigned pursuant to this Limited Power of Attorney will be in such form and will contain such information and disclosure as such attorney in fact, in his or her discretion, deems necessary or desirable;
- (3) neither the Reporting Entity nor either of such attorneys in fact assumes (i) any liability for the undersigned's responsibility to comply with the requirements of the Exchange Act or (ii) any liability of the undersigned for any failure to comply with such requirements; and

(4) this Limited Power of Attorney does not
relieve the undersigned from
responsibility for compliance with the undersigned's
obligations under the Exchange
Act, including without limitation the reporting
requirements under Section 13 of the
Exchange Act.

The undersigned hereby gives and grants each
of the foregoing
attorneys in fact full power and authority to do and
perform all and every act and
thing whatsoever requisite, necessary or appropriate to
be done in and about the
foregoing matters as fully to all intents and purposes as
the undersigned might or
could do if present, hereby ratifying all that each such
attorney in fact of, for and
on behalf of the undersigned, shall lawfully do or cause
to be done by virtue of this
Limited Power of Attorney.

This Limited Power of Attorney shall remain in
full force and effect
until revoked by the undersigned in a signed writing
delivered to each such
attorney in fact.

IN WITNESS WHEREOF, the undersigned has caused this
Limited Power of Attorney to be

executed as of this 25th day of
April, 2007

/s/
Rupert H. Johnson, Jr.

Signature

Rupert
H. Johnson, Jr.

Print
Name

CUSIP NO. G02604117

13G Page 14
of 14

EXHIBIT C

Inc.

Franklin Advisers,
Item 3
Classification: 3(e)

LLC

Franklin Templeton Institutional,
Item 3 Classification: 3(e)

Corp.

Franklin Templeton Investments
Item 3 Classification: 3(e)

International

Fiduciary Trust Company
Item 3 Classification:
3(b)