

PROVIDENT FINANCIAL SERVICES INC
Form 10-Q
May 10, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

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: 001-31566

PROVIDENT FINANCIAL SERVICES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

42-1547151
(I.R.S. Employer Identification No.)

239 Washington Street, Jersey City, New Jersey
(Address of Principal Executive Offices)

07302
(Zip Code)

(732) 590-9200

(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 twelve months (or for 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 twelve months (or for such shorter period that the Registrant was required to submit and post such files). YES NO

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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 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

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

As of May 2, 2012 there were 83,209,293 shares issued and 60,182,973 shares outstanding of the Registrant's Common Stock, par value \$0.01 per share, including 421,403 shares held by the First Savings Bank Directors' Deferred Fee Plan not otherwise considered outstanding under U.S. generally accepted accounting principles.

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Consolidated Statements of Financial Condition

March 31, 2012 (Unaudited) and December 31, 2011

(Dollars in thousands)

	March 31, 2012	December 31, 2011
<u>ASSETS</u>		
Cash and due from banks	\$ 68,243	\$ 68,553
Short-term investments	1,012	1,079
Total cash and cash equivalents	69,255	69,632
Securities available for sale, at fair value	1,399,961	1,376,119
Investment securities held to maturity (fair value of \$368,016 at March 31, 2012 (unaudited) and \$366,296 at December 31, 2011)	351,669	348,318
Federal Home Loan Bank Stock	38,684	38,927
Loans	4,658,802	4,653,509
Less allowance for loan losses	73,996	74,351
Net loans	4,584,806	4,579,158
Foreclosed assets, net	14,440	12,802
Banking premises and equipment, net	65,508	66,260
Accrued interest receivable	22,701	24,653
Intangible assets	360,029	360,714
Bank-owned life insurance	143,372	142,010
Other assets	70,637	78,810
Total assets	\$ 7,121,062	\$ 7,097,403
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Deposits:		
Demand deposits	\$ 3,199,643	\$ 3,136,129
Savings deposits	905,440	891,742
Certificates of deposit of \$100,000 or more	372,759	383,174
Other time deposits	717,032	745,552
Total deposits	5,194,874	5,156,597
Mortgage escrow deposits	23,370	20,955
Borrowed funds	893,066	920,180
Other liabilities	44,277	47,194

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Total liabilities	6,155,587	6,144,926
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, none issued		
Common stock, \$0.01 par value, 200,000,000 shares authorized, 83,209,293 shares issued and 60,182,973 shares outstanding at March 31, 2012 and 59,968,195 outstanding at December 31, 2011	832	832
Additional paid-in capital	1,019,425	1,019,253
Retained earnings	374,109	363,011
Accumulated other comprehensive income	9,316	9,571
Treasury stock	(383,442)	(384,725)
Unallocated common stock held by the Employee Stock Ownership Plan	(54,765)	(55,465)
Common stock acquired by the Directors' Deferred Fee Plan	(7,367)	(7,390)
Deferred compensation - Directors' Deferred Fee Plan	7,367	7,390
Total stockholders' equity	965,475	952,477
Total liabilities and stockholders' equity	\$ 7,121,062	\$ 7,097,403

See accompanying notes to unaudited consolidated financial statements.

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Consolidated Statements of Income

Three months ended March 31, 2012 and 2011 (Unaudited)

(Dollars in thousands, except per share data)

	Three months ended March 31,	
	2012	2011
Interest income:		
Real estate secured loans	\$ 38,959	\$ 40,290
Commercial loans	10,370	10,082
Consumer loans	6,289	6,519
Securities available for sale and Federal Home Loan Bank Stock	8,332	9,494
Investment securities	2,918	3,093
Deposits, Federal funds sold and other short-term investments	12	9
Total interest income	66,880	69,487
Interest expense:		
Deposits	7,002	9,830
Borrowed funds	5,041	6,210
Total interest expense	12,043	16,040
Net interest income	54,837	53,447
Provision for loan losses	5,000	7,900
Net interest income after provision for loan losses	49,837	45,547
Non-interest income:		
Fees	8,075	5,562
Net gain on securities transactions	2,183	14
Bank-owned life insurance	1,362	1,408
Other income	1,108	188
Total non-interest income	12,728	7,172
Non-interest expense:		
Compensation and employee benefits	20,508	18,483
Net occupancy expense	5,026	5,274
Data processing expense	2,588	2,264
FDIC insurance	1,390	1,880
Amortization of intangibles	739	840
Impairment of premises and equipment		807
Advertising and promotion expense	685	598
Other operating expenses	5,855	5,205
Total non-interest expense	36,791	35,351

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Income before income tax expense	25,774	17,368
Income tax expense	7,346	4,437
Net income	\$ 18,428	\$ 12,931
Basic earnings per share	\$ 0.32	\$ 0.23
Average basic shares outstanding	57,051,827	56,771,307
Diluted earnings per share	\$ 0.32	\$ 0.23
Average diluted shares outstanding	57,082,631	56,771,307

See accompanying notes to unaudited consolidated financial statements.

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Consolidated Statements of Comprehensive Income

Three months ended March 31, 2012 and 2011 (Unaudited)

(Dollars in thousands,)

	Three months ended	
	March 31,	
	2012	2011
Net income	\$ 18,428	\$ 12,931
Other comprehensive (loss) income, net of tax:		
Unrealized gains and losses on securities available for sale:		
Net unrealized gains (losses) arising during the period	1,424	(1,230)
Reclassification adjustment for (gains) losses included in net income	(1,291)	
Total	133	(1,230)
Amortization related to post retirement obligations	(388)	(1,937)
Total other comprehensive (loss) income	(255)	(3,167)
Total comprehensive income	\$ 18,173	\$ 9,764

See accompanying notes to unaudited consolidated financial statements.

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PROVIDENT FINANCIAL SERVICES, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Stockholders' Equity for the Three Months Ended March 31, 2012 and 2011 (Unaudited)

(Dollars in thousands)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TREASURY STOCK	UNALLOCATED ESOP SHARES	COMMON STOCK ACQUIRED	DEFERRED BY COMPENSATION	DEFERRED DDFP	TOTAL STOCKHOLDERS EQUITY
Balance at December 31, 2010	\$ 832	\$ 1,017,315	\$ 332,472	\$ 14,754	\$ (385,094)					