

WEBSTER FINANCIAL CORP

Form 10-Q

August 06, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 10-Q

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Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2014

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 001-31486

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WEBSTER FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware

(State or other jurisdiction of incorporation or organization)

06-1187536

(I.R.S. Employer Identification No.)

145 Bank Street (Webster Plaza), Waterbury, Connecticut 06702

(Address and zip code of principal executive offices)

(203) 578-2202

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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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 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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 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.

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 Exchange Act Rule

12b-2).  Yes  No

The number of shares of common stock, par value \$.01 per share, outstanding as of July 31, 2014 was 90,265,020



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## PART I. – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2014	December 31, 2013
(In thousands, except share data)	(Unaudited)	
Assets:		
Cash and due from banks	\$287,917	\$223,616
Interest-bearing deposits	18,620	23,674
Securities available-for-sale, at fair value	2,980,031	3,106,931
Securities held-to-maturity (fair value of \$3,552,498 and \$3,370,912)	3,478,803	3,358,721
Federal Home Loan Bank and Federal Reserve Bank stock	168,595	158,878
Loans held for sale	31,671	20,802
Loans and leases	13,275,380	12,699,776
Allowance for loan and lease losses	(154,868	) (152,573
Loans and leases, net	13,120,512	12,547,203
Deferred tax asset, net	57,671	65,109
Premises and equipment, net	119,840	121,605
Goodwill	529,887	529,887
Other intangible assets, net	3,515	5,351
Cash surrender value of life insurance policies	436,445	430,535
Accrued interest receivable and other assets	290,830	260,687
Total assets	\$21,524,337	\$20,852,999
Liabilities and shareholders' equity:		
Deposits:		
Non-interest-bearing	\$3,249,996	\$3,128,152
Interest-bearing	11,952,849	11,726,268
Total deposits	15,202,845	14,854,420
Securities sold under agreements to repurchase and other borrowings	1,401,259	1,331,662
Federal Home Loan Bank advances	2,217,324	2,052,421
Long-term debt	226,178	228,365
Accrued expenses and other liabilities	192,253	176,943
Total liabilities	19,239,859	18,643,811
Shareholders' equity:		
Preferred stock, \$.01 par value; Authorized - 3,000,000 shares:		
Series A issued and outstanding - 28,939 shares	28,939	28,939
Series E issued and outstanding - 5,060 shares	122,710	122,710
Common stock, \$.01 par value; Authorized - 200,000,000 shares:		
Issued - 93,381,269 and 93,366,673 shares	934	934
Paid-in capital	1,128,300	1,125,584
Retained earnings	1,143,189	1,080,488
Treasury stock, at cost (3,316,513 and 3,407,256 shares)	(109,599	) (100,918
Accumulated other comprehensive loss	(29,995	) (48,549
Total shareholders' equity	2,284,478	2,209,188
Total liabilities and shareholders' equity	\$21,524,337	\$20,852,999
See accompanying Notes to Condensed Consolidated Financial Statements.		



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## WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share data)	Three months ended June		Six months ended June	
	30, 2014	2013	30, 2014	2013
Interest Income:				
Interest and fees on loans and leases	\$125,771	\$121,313	\$249,781	\$242,005
Taxable interest and dividends on securities	47,252	42,770	96,093	85,598
Non-taxable interest on securities	4,259	5,459	9,010	11,385
Loans held for sale	215	551	392	1,188
Total interest income	177,497	170,093	355,276	340,176
Interest Expense:				
Deposits	10,851	12,024	21,495	24,874
Securities sold under agreements to repurchase and other borrowings	5,082	5,184	10,287	10,239
Federal Home Loan Bank advances	4,002	4,007	7,849	8,546
Long-term debt	2,440	1,817	5,222	3,660
Total interest expense	22,375	23,032	44,853	47,319
Net interest income	155,122	147,061	310,423	292,857