VALLEY NATIONAL BANCORP
Form 11-K
June 29, 2005
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT

PURSUANT TO SECTION 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

(Mark One):

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED).**

For the fiscal years ended December 31, 2004 and 2003.

¨ **TRANSACTION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED).**

For the transaction period from ______ to ______.

Commission file number: 1-11277

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Valley National Bank Employee Savings and Investment Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Valley National Bancorp

1455 Valley Road

Wayne, New Jersey 07470

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FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Valley National Bank

Employee Savings and Investment Plan

Years ended December 31, 2004 and 2003

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Valley National Bank Employee

Savings and Investment Plan

Financial Statements and Supplemental Schedule

Years ended December 31, 2004 and 2003

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Report of Independent Registered Accounting Firm

We have audited the accompanying statements of net assets available for benefits of Valley National Bank Employee Savings and Investment Plan (the Plan) as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2004 and 2003, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2004 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

New York, New York

June 28, 2005

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Valley National Bank Employee

Savings and Investment Plan

Statements of Net Assets Available for Benefits

December 31, 2004 and 2003

	2004	2003
Assets:		
Investments:		
Mutual funds at fair value	$ 41,155,161	$ 35,612,868
Valley Common Stock Fund at fair value	5,491,480	4,386,227
Employee Stock Ownership Fund		
Unallocated shares at fair value	770,182	1,673,778
Allocated shares at fair value	11,011,960	10,078,739
Guaranteed investment contract at contract value		694,808
Total investments	58,428,783	52,446,420
Participant loans	81,229	141,443
Total assets	58,510,012	52,587,863
Liabilities:		
Note payable to Valley National Bank	178,511	357,022
Total liabilities	178,511	357,022
Net assets available for benefits	$ 58,331,501	$ 52,230,841

See accompanying notes.

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Valley National Bank Employee

Savings and Investment Plan

Statement of Changes in Net Assets

Available for Benefits

Year ended December 31, 2004

	Mutual funds	Valley Common Stock Fund	Employee Stock Ownership Fund Unallocated	Employee Stock Ownership Fund Allocated	Guaranteed investment contract	Participant loans	Plan total
Employer contributions, net of forfeitures	$	$	$ 163,544	$	$	$	$ 163,544
Employee contributions	5,216,391	585,000					5,801,391
Total contributions	5,216,391	585,000	163,544				5,964,935
Allocation of 29,496 shares, at fair market value				689,123			689,123
Investment income (loss):							
Dividends and interest	771,819	138,682	38,029	328,793	1,833		1,279,156
Net investment (loss) gain	1,275,164	603,927	(214,473)	337,585			2,002,203
Net investment (loss) income	2,046,983	742,609	(176,444)	666,378	1,833		3,281,359
Allocation of 29,496 shares, at fair market value			(689,123)				(689,123)
Transfer among funds	473,914	158,613		64,015	(696,542)		
Loan repayments	20,270	2,108				(60,214)	(37,836)
Interest expense on ESOP loan			(23,062)				(23,062)
Distributions	(2,215,265)	(383,077)		(486,295)	(99)		(3,084,736)
Net (decrease) increase in net assets available for benefits	5,542,293	1,105,253	(725,085)	933,221	(694,808)	(60,214)	6,100,660
Net assets available for benefits at beginning of year	35,612,868	$ 4,386,227	$ 1,316,756	$ 10,078,739	$ 694,808	$ 141,443	$ 52,230,841
Net assets available for benefits at end of year	$ 41,155,161	$ 5,491,480	$ 591,671	$ 11,011,960	$	$ 81,229	$ 58,331,501

See accompanying notes.

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Valley National Bank Employee

Savings and Investment Plan

Statement of Changes in Net Assets

Available for Benefits

Year ended December 31, 2003

	Mutual funds	Valley Common Stock Fund	Employee Stock Ownership Fund Unallocated	Employee Stock Ownership Fund Allocated	Guaranteed investment contract	Participant loans	Plan total
Employer contributions, net of forfeitures	$	$	$ 520,571	$	$	$	$ 520,571
Employee contributions	3,590,469	590,020					4,180,489
Total contributions	3,590,469	590,020	520,571				4,701,060
Allocation of 29,064 shares, at fair market value				1,132,715			1,132,715
Investment income (loss):							
Dividends and interest	521,774	60,728	63,753	215,846	34,193		896,294
Net investment (loss) gain	4,871,779	584,700	277,270	1,500,234			7,233,983
Net investment (loss) income	5,393,553	645,428	341,023	1,716,080	34,193		8,130,277
Allocation of 29,064 shares, at fair market value			(1,132,715)				(1,132,715)
Transfer of assets from	1,255,442					54,867	1,310,309

Glen Rauch Securities Inc. 401k		
Transfer among funds	(30,642)	59,541

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Net Appreciation / (Depreciation) in Fair Value of Investments - Realised and unrealised appreciation / (depreciation) in fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realised appreciation / (depreciation), or on the last day of the year for unrealised appreciation / (depreciation).

Administrative Expenses — Brokerage commissions, fees, and other investment transaction costs are paid by participants as part of the purchase and sale of the Company's common stock. Costs relating to the administration of the Plan are paid by the Company. In 2013, the decision was taken to display the Administrative Expenses and the reimbursement from the Company on the face of the Statements of changes in net assets available for benefits rather than through the Notes to the Financial Statements. There is no overall impact to the Net Assets available for benefits for the current year or the comparison years.

Payment of Benefits — Benefits are recorded when paid.

Fair Value Measurements and Disclosures - In May 2011, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") no. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which amends Accounting Standards Codification ("ASC") 820. ASU 2011-04 also required the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The Plan adopted this guidance on July 1, 2012. The effect of the adoption of ASU 2011-04 had no impact on the Plan's statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

3. FAIR VALUE MEASUREMENTS

ASC 820, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	Inputs to the valuation methodology include • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All investments are measured following a Level 1 valuation technique, as of December 31, 2013 and 2012.

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4. INVESTMENTS

The Plan's investment in Company common stock experienced a net appreciation/ (depreciation) in value as follows for the years ended December 31, 2013, 2012 and 2011:

	2013 $	2012 $	2011 $
The Procter & Gamble Company common stock:			
Net appreciation/(depreciation)*	161,148	(144,110)	(67,482)

*Excludes unrealized appreciation/ (depreciation) on transferred stock.

The realized gain on sales of Company common stock for the years ended December 31, 2013, 2012 and 2011, was determined using an average cost method as follows:

	2013 $	2012 $	2011 $
Proceeds on sales of shares	561,862	521,327	479,330
Cost	(320,961)	(341,043)	(322,381)
Realized gain on sales	240,901	180,284	156,949

5. FEDERAL INCOME TAX STATUS

The Plan is not qualified under Section 401(a) of the Internal Revenue Code and is exempt from the provisions of Title I of ERISA pursuant to Section 4(b) (4) thereof. The Company believes that the fiduciary should be viewed as a directed custodian and that, for U.S. tax purposes, the participating employees should be treated as the owners of the shares of the Company's common stock held for their account under the Plan.

GAAP requires plan administrators to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or the Department of Labor. The Plan administrators have analyzed the tax positions taken by the Plan, and have concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan administrators believe it is no longer subject to income tax examinations for years prior to 2010.

The Company has received a private letter ruling from the Internal Revenue Service confirming that the participating employees should be treated as the beneficial owners of the shares of the Company's common stock held for their account under the Plan for U.S. tax purposes and that, subject to certain procedural conditions, the information provided by the employees may be relied upon in determining the applicable U.S. tax withholding rate on dividends paid by the Company with respect to these shares.

6. RELATED PARTY TRANSACTIONS

At December 31, 2013 and 2012, the Plan held 25,168 and 31,736 shares, respectively, of Company common stock with a cost basis of $1,137,609 and $1,404,387, respectively. Contributions to the Plan were frozen effective January 1, 2008.

During the years ended December 31, 2013, 2012 and 2011, the Plan recorded dividend income from Company common stock of $55,597, $66,022, and $72,443, respectively.

During the year ended December 31, 2013 the Plan incurred administrative expenses of approximately $11,000. This compares to $12,000 per annum in 2012 and $16,000 in 2011. The higher costs in 2011 were related to informing members about the activation of an electronic share portal. The costs were paid by companies within the group, headed by the sponsoring company, and not reimbursed by the Plan.

7. PLAN TERMINATION

Although they have not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in the Plan agreement.

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