

UNITED BANKSHARES INC/WV
Form 10-Q
August 09, 2013
Table of Contents

FORM 10-Q
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the quarterly period ended June 30, 2013

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: 0-13322

United Bankshares, Inc.

(Exact name of registrant as specified in its charter)

West Virginia
(State or other jurisdiction of
incorporation or organization)

55-0641179
(I.R.S. Employer
Identification No.)

300 United Center
500 Virginia Street, East

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Charleston, West Virginia
(Address of principal executive offices)

25301
Zip Code

Registrant's telephone number, including area code: (304) 424-8704

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 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 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 (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 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.

Class - Common Stock, \$2.50 Par Value; **50,366,874** shares outstanding as of **July 31, 2013**.

Table of Contents

UNITED BANKSHARES, INC. AND SUBSIDIARIES

FORM 10-Q

TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements</u>	
<u>Consolidated Balance Sheets (Unaudited) June 30, 2013 and December 31, 2012</u>	4
<u>Consolidated Statements of Income (Unaudited) for the Three and Six Months Ended June 30, 2013 and 2012</u>	5
<u>Consolidated Statements of Comprehensive Income (Unaudited) for the Three and Six Months Ended June 30, 2013 and 2012</u>	7
<u>Consolidated Statement of Changes in Shareholders' Equity (Unaudited) for the Six Months Ended June 30, 2013</u>	8
<u>Condensed Consolidated Statements of Cash Flows (Unaudited) for the Six Months Ended June 30, 2013 and 2012</u>	9
<u>Notes to Consolidated Financial Statements</u>	10
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	50
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	71
Item 4. <u>Controls and Procedures</u>	74
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	75
Item 1A. <u>Risk Factors</u>	75
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	76
Item 3. <u>Defaults Upon Senior Securities</u>	76
Item 4. <u>Mine Safety Disclosures</u>	76
Item 5. <u>Other Information</u>	76
Item 6. <u>Exhibits</u>	77
<u>Signatures</u>	78
<u>Exhibits Index</u>	79

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)

The June 30, 2013 and December 31, 2012, consolidated balance sheets of United Bankshares, Inc. and Subsidiaries (United or the Company), consolidated statements of income and comprehensive income for the three and six months ended June 30, 2013 and 2012, the related consolidated statement of changes in shareholders' equity for the six months ended June 30, 2013, the related condensed consolidated statements of cash flows for the six months ended June 30, 2013 and 2012, and the notes to consolidated financial statements appear on the following pages.

Table of Contents**CONSOLIDATED BALANCE SHEETS****UNITED BANKSHARES, INC. AND SUBSIDIARIES****(Dollars in thousands, except par value)**

	June 30 2013 (Unaudited)	December 31 2012 (Note 1)
Assets		
Cash and due from banks	\$ 137,800	\$ 157,539
Interest-bearing deposits with other banks	240,523	273,517
Federal funds sold	718	1,021
Total cash and cash equivalents	379,041	432,077
Securities available for sale at estimated fair value (amortized cost-\$754,612 at June 30, 2013 and \$673,315 at December 31, 2012)	704,202	625,625
Securities held to maturity (estimated fair value-\$41,280 at June 30, 2013 and \$42,695 at December 31, 2012)	42,485	43,467
Other investment securities	67,073	60,310
Loans held for sale	8,364	17,762
Loans	6,574,850	6,517,780
Less: Unearned income	(7,672)	(6,364)
Loans net of unearned income	6,567,178	6,511,416
Less: Allowance for loan losses	(74,574)	(73,901)
Net loans	6,492,604	6,437,515
Bank premises and equipment	69,837	72,170
Goodwill	375,583	375,583
Accrued interest receivable	26,154	26,302
Other assets	314,925	329,202
TOTAL ASSETS	\$ 8,480,268	\$ 8,420,013
Liabilities		
Deposits:		
Noninterest-bearing	\$ 1,743,233	\$ 1,824,411
Interest-bearing	4,834,603	4,928,575
Total deposits	6,577,836	6,752,986
Borrowings:		
Federal funds purchased	7,545	5,446
Securities sold under agreements to repurchase	189,016	209,516
Federal Home Loan Bank borrowings	438,201	186,411
Other long-term borrowings	198,572	198,515
Reserve for lending-related commitments	2,045	1,656
Accrued expenses and other liabilities	60,995	73,232
TOTAL LIABILITIES	7,474,210	7,427,762
Shareholders Equity		
Preferred stock, \$1.00 par value; Authorized-50,000,000 shares, none issued	0	0
Common stock, \$2.50 par value; Authorized-100,000,000 shares; issued-50,867,630 at June 30, 2013 and December 31, 2012, including 507,257 and 591,057 shares in treasury at June 30, 2013 and December 31,	127,169	127,169

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2012, respectively		
Surplus	237,451	238,739
Retained earnings	724,879	712,299
Accumulated other comprehensive loss	(66,030)	(65,748)
Treasury stock, at cost	(17,411)	(20,208)
TOTAL SHAREHOLDERS EQUITY	1,006,058	992,251
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 8,480,268	\$ 8,420,013

See notes to consolidated unaudited financial statements.

Table of Contents**CONSOLIDATED STATEMENTS OF INCOME (Unaudited)****UNITED BANKSHARES, INC. AND SUBSIDIARIES**

(Dollars in thousands, except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	2013	2012	2013	2012
Interest income				
Interest and fees on loans	\$ 70,822	\$ 75,670	\$ 142,645	\$ 151,328
Interest on federal funds sold and other short-term investments	160	415	289	758
Interest and dividends on securities:				
Taxable	3,776	4,134	7,388	8,998
Tax-exempt	727	886	1,488	1,809
Total interest income	75,485	81,105	151,810	162,893
Interest expense				
Interest on deposits	6,857	8,315	13,834	16,932
Interest on short-term borrowings	218	66	418	125
Interest on long-term borrowings	2,207	3,669	4,533	7,815
Total interest expense	9,282	12,050	18,785	24,872
Net interest income	66,203	69,055	133,025	138,021
Provision for loan losses	4,960	3,436	10,147	7,569
Net interest income after provision for loan losses	61,243	65,619	122,878	130,452
Other income				
Fees from trust and brokerage services	4,370	4,013	8,200	7,997
Fees from deposit services	10,208	10,393	19,832	20,705
Bankcard fees and merchant discounts	899	738	1,696	1,385
Other service charges, commissions, and fees	626	600	1,187	1,177
Income from bank-owned life insurance	1,185	1,255	3,574	2,544
Income from mortgage banking	739	483	1,704	801
Other income	861	648	1,737	1,306
Total other-than-temporary impairment losses	(137)	(2,639)	285	(3,385)
Portion of loss recognized in other comprehensive income	0	897	(1,256)	266
Net other-than-temporary impairment losses	(137)	(1,742)	(971)	(3,119)
Net gains on sales/calls of investment securities	348	199	488	117
Net investment securities gains (losses)	211	(1,543)	(483)	(3,002)
Total other income	19,099	16,587	37,447	32,913
Other expense				
Employee compensation	16,957	17,965	33,561	35,872
Employee benefits	5,675	5,823	11,668	11,015
Net occupancy expense	4,821	5,321	10,012	