UNITED BANKSHARES INC/WV
Form 10-Q
August 05, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2015

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	**55-0641179**
(State or other jurisdiction of	**(I.R.S. Employer**
incorporation or organization)	**Identification No.)**
300 United Center	**25301**
500 Virginia Street, East	

Charleston, West Virginia
(Address of principal executive offices) **Zip Code**
Registrant s telephone number, including area code: (304) 424-8716

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** x 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** x 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 x	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** x

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; **69,537,066** shares outstanding as of **July 31, 2015**.

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UNITED BANKSHARES, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)

The June 30, 2015 and December 31, 2014, 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, 2015 and 2014, the related consolidated statement of changes in shareholders equity for the six months ended June 30, 2015, the related condensed consolidated statements of cash flows for the six months ended June 30, 2015 and 2014, and the notes to consolidated financial statements appear on the following pages.

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CONSOLIDATED BALANCE SHEETS

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands, except par value)

	June 30 2015 (Unaudited)	December 31 2014 (Note 1)
Assets		
Cash and due from banks	$ 173,601	$ 175,713
Interest-bearing deposits with other banks	742,778	576,630
Federal funds sold	722	721
Total cash and cash equivalents	917,101	753,064
Securities available for sale at estimated fair value (amortized cost-$1,127,640 at June 30, 2015 and $1,180,016 at December 31, 2014)	1,126,809	1,180,386
Securities held to maturity (estimated fair value-$36,700 at June 30, 2015 and $36,784 at December 31, 2014)	39,050	39,310
Other investment securities	92,456	96,344
Loans held for sale	14,856	8,680
Loans	9,097,301	9,119,492
Less: Unearned income	(15,197)	(14,840)
Loans net of unearned income	9,082,104	9,104,652
Less: Allowance for loan losses	(75,215)	(75,529)
Net loans	9,006,889	9,029,123
Bank premises and equipment	74,430	77,520
Goodwill	710,252	709,794
Accrued interest receivable	33,264	32,334
Other assets	399,459	402,256
TOTAL ASSETS	$ 12,414,566	$ 12,328,811
Liabilities		
Deposits:		
Noninterest-bearing	$ 2,652,948	$ 2,591,619
Interest-bearing	6,629,478	6,453,866
Total deposits	9,282,426	9,045,485
Borrowings:		
Federal funds purchased	51,425	53,840
Securities sold under agreements to repurchase	384,006	434,155
Federal Home Loan Bank borrowings	704,940	830,335
Other long-term borrowings	223,071	222,636
Reserve for lending-related commitments	1,380	1,518
Accrued expenses and other liabilities	79,305	84,682
TOTAL LIABILITIES	10,726,553	10,672,651
Shareholders Equity		
Preferred stock, $1.00 par value; Authorized-50,000,000 shares, none issued		
	173,787	173,286

Common stock, $2.50 par value; Authorized-100,000,000 shares; issued-69,514,897 and 69,314,407 at June 30, 2015 and December 31, 2014, respectively, including 21,024 and 18,548 shares in treasury at June 30, 2015 and December 31, 2014, respectively		
Surplus	748,630	742,960
Retained earnings	801,307	776,311
Accumulated other comprehensive loss	(34,991)	(35,764)
Treasury stock, at cost	(720)	(633)
TOTAL SHAREHOLDERS EQUITY	1,688,013	1,656,160
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 12,414,566	$ 12,328,811

See notes to consolidated unaudited financial statements.

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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	
	2015	**2014**	**2015**	**2014**
Interest income				
Interest and fees on loans	$ 96,704	$ 96,175	$ 191,853	$ 183,789
Interest on federal funds sold and other short-term investments	350	248	681	415
Interest and dividends on securities:				
Taxable	7,582	7,467	15,771	13,996
Tax-exempt	896	909	1,776	1,763
Total interest income	105,532	104,799	210,081	199,963
Interest expense				
Interest on deposits	6,796	7,015	13,681	13,416
Interest on short-term borrowings	209	324	440	677
Interest on long-term borrowings	2,625	3,528	5,309	6,636
Total interest expense	9,630	10,867	19,430	20,729
Net interest income	95,902	93,932	190,651	179,234
Provision for loan losses	5,716	6,201	11,070	10,880
Net interest income after provision for loan losses	90,186	87,731	179,581	168,354
Other income				
Fees from trust and brokerage services	4,931	4,641	9,823	9,234
Fees from deposit services	10,434	10,902	20,207	20,461
Bankcard fees and merchant discounts	1,231	1,127	2,045	1,873
Other service charges, commissions, and fees	639	602	1,117	1,029
Income from bank-owned life insurance	1,258	1,445	2,531	2,696
Income from mortgage banking	663	438	1,208	697
Net gain on the sale of bank premises	0	0	0	8,976
Other income	339	259	743	650
Total other-than-temporary impairment losses	0	0	(100)	1,046
Portion of loss recognized in other comprehensive income	0	(421)	66	(2,106)
Net other-than-temporary impairment losses	0	(421)	(34)	(1,060)
Net gains on sales/calls of investment securities	3	1	49	825
Net investment securities gains (losses)	3	(420)	15	(235)
Total other income	19,498	18,994	37,689	45,381
Other expense				
Employee compensation	20,724	21,546	40,992	46,553
Employee benefits	6,588	5,190	13,391	10,814
Net occupancy expense	6,542	6,514	13,071	12,949
Other real estate owned (OREO) expense	1,121	1,037	2,234	3,150
Equipment expense	2,020	2,241	4,144	4,142

Data processing expense	3,867	3,589	7,610	6,826
Bankcard processing expense	353	348	702	672
FDIC insurance expense	2,061	2,071	4,155	3,578
Other expense	14,454	14,567	29,086	29,445
Total other expense	57,730	57,103	115,385	118,129
Income before income taxes	51,954	49,622	101,885	95,606
Income taxes	17,145	16,375	32,449	32,235
Net income	$ 34,809	$ 33,247	$ 69,436	$ 63,371

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CONSOLIDATED STATEMENTS OF INCOME (Unaudited) - continued

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands, except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	2015	**2014**	**2015**	**2014**
Earnings per common share:				
Basic	$ 0.50	$ 0.48	$ 1.00	$ 0.96
Diluted	$ 0.50	$ 0.48	$ 1.00	$ 0.96
Dividends per common share	$ 0.32	$ 0.32	$ 0.64	$ 0.64
Average outstanding shares:				
Basic	69,305,612	68,956,123	69,256,831	65,713,854
Diluted	69,587,417	69,154,032	69,531,839	65,949,455

See notes to consolidated unaudited financial statements

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands)

	Three Months Ended June 30		Six Months Ended June 30	
	2015	**2014**	**2015**	**2014**
Net income	$ 34,809	$ 33,247	$ 69,436	$ 63,371
Change in net unrealized gain (loss) on available-for-sale (AFS) securities, net of tax	(6,100)	8,415	(766)	16,810
Accretion of the net unrealized loss on the transfer of AFS securities to held-to-maturity (HTM) securities, net of tax	2	1	3	2
Change in pension plan assets, net of tax	768	310	1,536	619
Comprehensive income, net of tax	$ 29,479	$ 41,973	$ 70,209	$ 80,802

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands, except per share data)

	Six Months Ended June 30, 2015						
	Common Stock				Accumulated Other Comprehensive Income		Total Shareholders
	Shares	Par Value	Surplus	Retained Earnings	(Loss)	Treasury Stock	Equity
Balance at January 1, 2015	69,314,407	$ 173,286	$ 742,960	$ 776,311	($ 35,764)	($ 633)	$ 1,656,160
Comprehensive income:							
Net income	0	0	0	69,436	0	0	69,436
Other comprehensive income, net of tax:	0	0	0	0	773	0	773
Total comprehensive income, net of tax							70,209
Stock based compensation expense	0	0	1,388	0	0	0	1,388
Purchase of treasury stock (8 shares)	0	0	0	0	0	0	0
Cash dividends ($0.64 per share)	0	0	0	(44,440)	0	0	(44,440)
Grant of restricted stock (53,071 shares)	53,071	132	(132)	0	0	0	0
Forfeiture of restricted stock (2,468 shares)	0	0	87	0	0	(87)	0
Common stock options exercised (147,419 shares)	147,419	369	4,327	0	0	0	4,696
Balance at June 30, 2015	69,514,897	$ 173,787	$ 748,630	$ 801,307	($ 34,991)	($ 720)	$ 1,688,013

See notes to consolidated unaudited financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands)

	Six Months Ended June 30 2015	Six Months Ended June 30 2014
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 72,371	$ 57,520
INVESTING ACTIVITIES		
Proceeds from maturities and calls of securities held to maturity	184	176
Proceeds from sales of securities available for sale	3,436	81,194
Proceeds from maturities and calls of securities available for sale	84,031	354,689
Purchases of securities available for sale	(36,057)	(311,575)
Purchases of bank premises and equipment	(2,279)	(4,263)
Proceeds from sales of bank premises and equipment	994	11,426
Redemption of bank-owned life insurance policies	0	135
Purchases of other investment securities	(10,561)	(49,758)
Proceeds from sales and redemptions of other investment securities	14,449	33,329
Acquisition of Virginia Commerce Bancorp, Inc., net of cash paid	0	97,298
Net change in loans	15,687	(161,656)
NET CASH PROVIDED BY INVESTING ACTIVITIES	69,884	50,995
FINANCING ACTIVITIES		
Cash dividends paid	(44,374)	(38,224)
Excess tax benefits from stock-based compensation arrangements	635	431
Acquisition of treasury stock	0	(1)
Proceeds from exercise of stock options	4,558	6,272
Repayment of long-term Federal Home Loan Bank borrowings	(790,395)	(420,732)
Proceeds from issuance of long-term Federal Home Loan Bank borrowings	665,000	700,000
Distribution of treasury stock for deferred compensation plan	0	79
Changes in:		
Deposits	238,182	101,892
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	(51,824)	(159,473)
NET CASH PROVIDED BY FINANCING ACTIVITIES	21,782	190,244
Increase in cash and cash equivalents	164,037	298,759
Cash and cash equivalents at beginning of year	753,064	416,617
Cash and cash equivalents at end of period	$ 917,101	$ 715,376

See notes to consolidated unaudited financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

1. GENERAL

The accompanying unaudited consolidated interim financial statements of United Bankshares, Inc. and Subsidiaries (United or the Company) have been prepared in accordance with accounting principles for interim financial information generally accepted in the United States and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, the financial statements do not contain all of the information and footnotes required by accounting principles generally accepted in the United States. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements presented as of June 30, 2015 and 2014 and for the three-month and six-month periods then ended have not been audited. The consolidated balance sheet as of December 31, 2014 has been extracted from the audited financial statements included in United s 2014 Annual Report to Shareholders. The accounting and reporting policies followed in the presentation of these financial statements are consistent with those applied in the preparation of the 2014 Annual Report of United on Form 10-K. To conform to the 2015 presentation, certain reclassifications have been made to prior period amounts, which had no impact on net income, comprehensive income or stockholders equity. In the opinion of management, all adjustments necessary for a fair presentation of financial position and results of operations for the interim periods have been made. Such adjustments are of a normal and recurring nature.

The accompanying consolidated interim financial statements include the accounts of United and its wholly owned subsidiaries. United considers all of its principal business activities to be bank related. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. Dollars are in thousands, except per share or unless otherwise noted.

New Accounting Standards

In May 2015, the FASB issued ASU 2015-07, Disclosures for Investment in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), a consensus of the FASB Emerging Issues Task Force. ASU 2015-07 modifies certain provision of FASB Accounting Standards Codification Topic 820, Fair Value Measurement (ASC 820). ASU 2015-07 eliminates the requirement to categorize investments in the fair value hierarchy if an investment s fair value is measured based on net asset value (NAV) per share (or its equivalent) using the practical expedient. The reporting entities will no longer be required to provide the related fair value disclosures for these securities but instead, will be required to disclose information to help users understand the nature of the investments as well as risks, including whether it is probable that the amount realized on the sale of the investments would differ from net asset value. ASU 2015-07 is effective for United on January 1, 2016. Management is currently evaluating this guidance to determine the impact on the Company s financial condition or results of operation.

In April 2015, the FASB issued ASU 2015-04, Compensation Retirement Benefits: Practical Expedient for the Measurement Date of an Employer s Defined Benefit Obligation and Plan Assets. ASU 2015-04 gives an employer whose fiscal year-end does not coincide with a calendar month-end the ability, as a practical expedient, to measure defined benefit retirement obligations and related plan assets as of the month-end that is closest to its fiscal year-end. ASU 2015-04 also provides guidance on accounting for contributions to the plan and significant events that require a remeasurement that occur during the period between a month-end measurement and the employer s fiscal year-end. ASU 2015-04 is effective for United on January 1, 2016. Management is currently evaluating this guidance to determine the impact on the Company s financial condition or results of operation.

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs. Under ASU 2015-03, debt issuance costs are required to be presented as a direct deduction of debt balances on the statement of financial condition, similar to the presentation of debt discounts. ASU 2015-03 is limited to simplifying the presentation of debt issuance costs and does not change the recognition and measurement guidance for debt issuance costs. ASU 2015-03 is effective for United on January 1, 2016. Management is currently evaluating this guidance to determine the impact on the Company s financial condition or results of operation.

In February 2015, the FASB issued ASU 2015-02, Amendments to the Consolidation Analysis. ASU 2015-02 improves targeted areas of the consolidation guidance and reduces the number of consolidation models. The new consolidation standard eliminates the deferral of FAS 167 and makes changes to both the variable interest model and the voting model in ASC 810. ASU 2015-02 affects all entities, could change consolidation conclusions and may trigger additional disclosures. ASU 2015-02 is effective for United on January 1, 2016. Management is currently evaluating this guidance to determine the impact on the Company s financial condition or results of operation.

In January 2015, the FASB issued ASU 2015-01, Income Statement, Extraordinary and Unusual Items (Subtopic 225-20). ASU 2015-01 eliminates the separate presentation of extraordinary items but does not change the requirement to disclose material items that are unusual or infrequent in nature. Eliminating the concept of extraordinary items will allow entities to no longer have to assess whether a particular event or transaction is both unusual in nature and infrequent in occurrence. ASU 2015-01 is effective for United on January 1, 2016 and is not expected to have a significant impact on the Company s financial condition or results of operation.

In June 2014, the FASB issued ASU 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. ASU 2014-12 amends the guidance in FASB ASC 718, Compensation-Stock Compensation , to bring consistency to the accounting for share-based payment awards that require a specific performance target to be achieved in order for employees to become eligible to vest in the awards. The amendments affect all entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. ASU 2014-12 is effective for United on January 1, 2016, and is not expected to have a significant impact on the Company s financial condition or results of operation.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 supersedes the revenue recognition requirements in Accounting Standards Codification Topic 605, Revenue Recognition , and most industry-specific guidance throughout the Accounting Standards Codification. The amendments require an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The new revenue recognition standard sets forth a five step principle-based approach for determining revenue recognition. In April 2015, the FASB voted to defer the effective date of ASU 2014-09 by one-year for both public and private companies, and gave both public and private companies the option to early adopt using the original effective dates. ASU 2014-09 now will be effective for United on January 1, 2018 with early adoption permitted on January 1, 2017. Management is currently evaluating this guidance to determine the impact on the Company s financial condition or results of operation.

2. MERGERS AND ACQUISITIONS

At the close of business on January 31, 2014 (Acquisition Date), United acquired 100% of the outstanding common stock of Virginia Commerce Bancorp, Inc. (Virginia Commerce), a Virginia corporation headquartered in Arlington, Virginia. The acquisition of Virginia Commerce significantly enhances United s existing footprint in the Washington, D.C. Metropolitan Statistical Area. The results of operations of Virginia Commerce are included in the consolidated results of operations from the date of acquisition.

At consummation, Virginia Commerce had assets of $2,769,716, loans of $2,065,490 and deposits of $2,018,962. The transaction was accounted for under the purchase acquisition method of accounting and accordingly, assets acquired, liabilities assumed and consideration exchanged were recorded at estimated fair value on the Acquisition Date.

The aggregate purchase price was $585,533 including common stock issued valued at $547,894, stock options exchanged valued at $4,368, cash paid of $33,263 to redeem the warrant held by the U.S. Department of the Treasury (the Treasury) issued by Virginia Commerce in connection with the TARP Capital Purchase Program and $8 paid in cash to holders of Virginia Commerce common stock and restricted stock in lieu of fractional shares of United common stock. The cash portion of the purchase price was funded by cash on hand. The purchase price of the warrant was based on its fair market as agreed upon by United and the Treasury. As a result of the purchase by United, the warrant has been canceled. The number of shares issued in the transaction was 18,330,347, which were valued based on the closing market price of $29.89 for United s common shares on January 31, 2014. The purchase price has been allocated to the identifiable tangible and intangible assets resulting in additions to goodwill and core deposit intangibles of $336,102 and $17,143, respectively. The core deposit intangibles are being amortized over ten years. Because the consideration paid was greater than the net fair value of the acquired assets and liabilities, the Company recorded goodwill as part of the acquisition. None of the goodwill from the Virginia Commerce acquisition is deductible for tax purposes. As a result of the merger, United recorded a downward fair value adjustment of $88,129 on the loans acquired from Virginia Commerce, a downward fair value adjustment of $1,708 on certain other real estate owned properties, a premium on interest-bearing deposits of $6,007, a premium on term securities sold under agreements to repurchase of $3,700 and a discount of $16,384 on junior subordinated debt securities. The discount and premium amounts are being amortized or accreted on an accelerated basis over each asset s or liability s estimated remaining life at the time of acquisition. At June 30, 2015, the premium on the interest-bearing deposits and the securities sold under agreements to repurchase has an estimated remaining life of six months and 1.08 years, respectively, while the discount on the junior subordinated debt securities has an estimated remaining life of 19.08 years. United assumed $109 of liabilities to provide severance benefits to terminated employees of Virginia Commerce which has no remaining balance as of June 30, 2015.

In many cases, determining the estimated fair value of the acquired assets and assumed liabilities required United to estimate cash flows expected to result from those assets and liabilities and to discount those cash flows at appropriate rates of interest. The most significant of those determinations related to the fair valuation of acquired loans. The fair value of the acquired loans was based on the present value of the expected cash flows. Periodic principal and interest cash flows were adjusted for expected losses and prepayments, then discounted to determine the present value and summed to arrive at the estimated fair value. For such loans, the excess of cash flows expected at acquisition over the estimated fair value is recognized as interest income over the remaining lives of the loans. The difference between contractually required payments at acquisition and the cash flows expected to be collected at acquisition reflects the impact of estimated credit losses and other factors, such as prepayments. In accordance with GAAP, there was no carry-over of Virginia Commerce s previously established allowance for loan losses. As a result, standard industry coverage ratios with regard to the allowance for credit losses are less meaningful after the acquisition of Virginia Commerce.

The acquired loans were divided into loans with evidence of credit quality deterioration, which are accounted for under ASC topic 310-30 (acquired impaired) and loans that do not meet this criteria, which are accounted for under ASC topic 310-20 (acquired performing). Acquired impaired loans have experienced a deterioration of credit quality from origination to acquisition for which it is probable that United will be unable to collect all contractually required payments receivable, including both principal and interest. Subsequent decreases in the expected cash flows require United to evaluate the need for additions to the Company s allowance for credit losses. Subsequent improvements in expected cash flows generally result in the recognition of additional interest income over the then remaining lives of the loans.

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In conjunction with the Virginia Commerce merger, the acquired loan portfolio was accounted for at fair value as follows:

	January 31, 2014
Contractually required principal and interest at acquisition	$ 2,685,339
Contractual cash flows not expected to be collected	(396,024)
Expected cash flows at acquisition	2,289,315
Interest component of expected cash flows	(274,539)
Basis in acquired loans at acquisition estimated fair value	$ 2,014,776

Included in the above table is information related to acquired impaired loans. Specifically, contractually required principal and interest, cash flows expected to be collected and estimated fair value of acquired impaired loans were $427,858, $189,277, and $179,199, respectively.

The following table shows the consideration paid for Virginia Commerce s common equity and the amounts of acquired identifiable assets and liabilities assumed as of the Acquisition Date.

Purchase price:	
Value of common shares issued (18,330,347 shares)	$ 547,894
Fair value of stock options assumed	4,368
Cash to redeem the Treasury warrant	33,263
Cash for fractional shares	8
Total purchase price	585,533
Identifiable assets:	
Cash and cash equivalents	130,569
Investment securities	476,541
Loans	2,014,776
Premises and equipment	10,786
Core deposit intangibles	17,143
Other assets	104,131
Total identifiable assets	$ 2,753,946
Identifiable liabilities:	
Deposits	$ 2,024,969
Short-term borrowings	263,816
Long-term borrowings	204,335
Other liabilities	11,395
Total identifiable liabilities	2,504,515
Net assets acquired including identifiable intangible assets	249,431
Resulting goodwill	$ 336,102

The following table provides a reconciliation of goodwill:

Goodwill at December 31, 2014	$ 709,794
Addition to goodwill from Virginia Commerce acquisition	458
Goodwill at June 30, 2015	$ 710,252

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3. INVESTMENT SECURITIES

Securities held for indefinite periods of time and all marketable equity securities are classified as available for sale and carried at estimated fair value. The amortized cost and estimated fair values of securities available for sale are summarized as follows.

	June 30, 2015				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cumulative OTTI in AOCI (1)
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 78,742	$ 1,850	$ 1	$ 80,591	$ 0
State and political subdivisions	135,206	2,194	464	136,936	0
Residential mortgage-backed securities					
Agency	512,276	8,621	467	520,430	0
Non-agency	10,249	557	0	10,806	458
Commercial mortgage-backed securities					
Agency	309,385	2,673	1,441	310,617	0
Asset-backed securities	8,003	0	3	8,000	0
Trust preferred collateralized debt obligations	50,014	673	14,046	36,641	25,952
Single issue trust preferred securities	13,785	217	1,928	12,074	0
Other corporate securities	4,998	88	0	5,086	0
Marketable equity securities	4,982	653	7	5,628	0
Total	$ 1,127,640	$ 17,526	$ 18,357	$ 1,126,809	$ 26,410

	December 31, 2014				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cumulative OTTI in AOCI (1)
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 88,559	$ 1,425	$ 3	$ 89,981	$ 0
State and political subdivisions	133,730	3,165	32	136,863	0
Residential mortgage-backed securities					
Agency	547,825	8,407	547	555,685	0
Non-agency	11,474	544	0	12,018	458
Commercial mortgage-backed securities					
Agency	316,707	2,393	2,001	317,099	0
Asset-backed securities	8,004	23	0	8,027	0
Trust preferred collateralized debt obligations	51,328	922	12,692	39,558	25,886
Single issue trust preferred securities	13,760	173	2,189	11,744	0
Other corporate securities	4,998	137	0	5,135	0
Marketable equity securities	3,631	648	3	4,276	0
Total	$ 1,180,016	$ 17,837	$ 17,467	$ 1,180,386	$ 26,344

(1) Other-than-temporary impairment in accumulated other comprehensive income. Amounts are before-tax.

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The following is a summary of securities available-for-sale which were in an unrealized loss position at June 30, 2015 and December 31, 2014.

	Less than 12 months		12 months or longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
June 30, 2015				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 0	$ 0	$ 69	$ 1
State and political subdivisions	26,805	464	0	0
Residential mortgage-backed securities				
Agency	66,915	467	0	0
Commercial mortgage-backed securities				
Agency	100,274	881	44,707	560
Asset-backed securities	8,000	3	0	0
Trust preferred collateralized debt obligations	0	0	30,352	14,046
Single issue trust preferred securities	0	0	8,361	1,928
Marketable equity securities	20	7	0	0
Total	$ 202,014	$ 1,822	$ 83,489	$ 16,535
December 31, 2014				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 7,142	$ 3	$ 0	$ 0
State and political subdivisions	11,637	32	0	0
Residential mortgage-backed securities				
Agency	96,550	547	0	0
Commercial mortgage-backed securities				
Agency	21,674	56	146,897	1,945
Asset-backed securities	0	0	0	0
Trust preferred collateralized debt obligations	0	0	32,241	12,692
Single issue trust preferred securities	0	0	8,080	2,189
Marketable equity securities	23	3	0	0
Total	$ 137,026	$ 641	$ 187,218	$ 16,826

Marketable equity securities consist mainly of equity securities of financial institutions and mutual funds within a rabbi trust for the payment of benefits under a deferred compensation plan for certain key officers of United and its subsidiaries. The following table shows the proceeds from maturities, sales and calls of available for sale securities and the gross realized gains and losses on sales and calls of those securities that have been included in earnings as a result of those sales and calls. Gains or losses on sales and calls of available for sale securities were recognized by the specific identification method. The realized losses relate to sales of securities within a rabbi trust for the payment of benefits under a deferred compensation plan for certain key officers of United and its subsidiaries.

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Proceeds from sales and calls	$ 51,381	$ 175,451	$ 87,468	$ 435,883
Gross realized gains	4	3	54	1,052
Gross realized losses	1	2	5	227

At June 30, 2015, gross unrealized losses on available for sale securities were $18,357 on 90 securities of a total portfolio of 446 available for sale securities. Securities in an unrealized loss position at June 30, 2015 consisted primarily of pooled trust preferred collateralized debt obligations (Trup Cdos), single issue trust preferred securities and agency commercial mortgage-backed securities. The Trup Cdos and the single issue trust preferred securities relate mainly to securities of financial institutions. The agency commercial mortgage-backed securities relate to income-producing multifamily properties and provide a guaranty of full and timely payments of principal and interest by the issuing agency. In determining whether or not a security is other-than-temporarily impaired (OTTI), management considered the severity and the duration of the loss in conjunction with United s positive intent and the more likely than not ability to hold these securities to recovery of their cost basis or maturity.

Agency mortgage-backed securities

United s agency mortgage-backed securities portfolio relates to securities issued by Fannie Mae, Freddie Mac, and Ginnie Mae. The total amortized cost of available for sale agency mortgage securities was $821,661 at June 30, 2015. Of the $821,661, $309,385 was related to agency commercial mortgage securities and $512,276 was related to agency residential mortgage securities. Each of the agency mortgage securities provides a guarantee of full and timely payments of principal and interest by the issuing agency. Based upon management s analysis and judgment, it was determined that none of the agency mortgage-backed securities were other-than-temporarily impaired at June 30, 2015.

Non-agency residential mortgage-backed securities

United s non-agency residential mortgage-backed securities portfolio relates to securities of various private label issuers. The Company has no exposure to real estate investment trusts (REITS) in its investment portfolio. The total amortized cost of available for sale non-agency residential mortgage securities was $10,249 at June 30, 2015. Of the $10,249, $2,338 was rated above investment grade and $7,911 was rated below investment grade. Approximately 31% of the portfolio includes collateral that was originated during the year of 2005 or before. The remaining 69% includes collateral that was originated in the years of 2006 and 2007. The entire portfolio of the non-agency residential mortgage securities are either the senior or super-senior tranches of their respective structure. In determining whether or not the non-agency mortgage-backed securities are other-than-temporarily impaired, management performs an in-depth analysis on each non-agency residential mortgage-backed security on a quarterly basis. The analysis includes a review of the following factors: weighted average loan to value, weighted average maturity, average FICO scores, historical collateral performance, geographic concentration, credit subordination, cross-collateralization, coverage ratios, origination year, full documentation percentage, event risk (repricing), and collateral type. Management completes a quarterly stress test to determine the level of loss protection remaining in each individual security and compares the protection remaining to the future expected performance of the underlying collateral. Additionally, management utilizes a third-party cash flow model to perform a cash flow test for each bond below investment grade. The model produces a bond specific set of cash flows based upon assumptions input by management. The input assumptions that are incorporated include the projected constant default rate (CDR) of the underlying mortgages, the loss severity upon default, and the prepayment rate on the underlying mortgage collateral. CDR and loss severities are forecasted by management after full evaluation of the underlying collateral including recent performance statistics. Therefore, based upon management s analysis and judgment, there was no additional credit-related or noncredit-related other-than-temporary impairment recognized on the non-agency residential mortgage-backed securities at June 30, 2015.

Single issue trust preferred securities

The majority of United s single-issue trust preferred portfolio consists of obligations from large cap banks (i.e. banks with market capitalization in excess of $10 billion). Management reviews each issuer s current and projected earnings trends, asset quality, capitalization levels, TARP participation status, and other key factors. Upon completing the review for the second quarter of 2015, it was determined that none of the single issue securities were other-than-temporarily impaired. All single-issue trust preferred securities are currently receiving interest payments. The available for sale

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single issue trust preferred securities   ratings ranged from a low of B+ to a high of BBB-. The amortized cost of available for sale single issue trust preferred securities as of June 30, 2015 consisted of $8,109 in split-rated bonds and $5,676 in below investment grade bonds. The amortized cost of available for sale single issue trust preferred securities included $10,290 that was in an unrealized loss position for twelve months or longer as of June 30, 2015.

Trust preferred collateralized debt obligations (Trup Cdos)

In order to determine how and when the Company recognizes OTTI, the Company first assesses its intentions regarding any sale of securities as well as the likelihood that it would be required to sell prior to recovery of the amortized cost. As of June 30, 2015, the Company has determined that it does not intend to sell any pooled trust preferred security and that it is not more likely than not that the Company will be required to sell such securities before recovery of their amortized cost.

To determine a net realizable value and assess whether other-than-temporary impairment existed, management performed detailed cash flow analysis to determine whether, in management   s judgment, it was more likely that United would not recover the entire amortized cost basis of the security. The Company discounts the security-specific cash flow projection at the security-specific interest rate and compares the present value to the amortized cost. Management   s cash flow analysis was performed for each security and considered the current deferrals and defaults within the underlying collateral, the likelihood that current deferrals would cure or ultimately default, potential future deferrals and defaults, potential prepayments, cash reserves, excess interest spread, credit analysis of the underlying collateral and the priority of payments in the cash flow structure. The underlying collateral analysis for each issuer took into consideration multiple factors including TARP participation, capital adequacy, earnings trends and asset quality. After completing its analysis of estimated cash flows, management determined that none of the Trup Cdos experienced an adverse change in cash flow during the second quarter of 2015, as the expected discounted cash flows from these securities were greater than or equal to the discounted cash flow originally expected at purchase or from the previous date of other-than-temporary impairment (cash flows are discounted at the contractual coupon rate for purposes of assessing OTTI).

There was no credit-related other-than-temporary impairment recognized in earnings for the second quarter of 2015 related to these securities. At June 30, 2015, the balance of the noncredit-related other-than-temporary impairment recognized on United   s Trup Cdo portfolio was $25,952 as compared to $25,886 at December 31, 2014.

The amortized cost of available for sale Trup Cdos in an unrealized loss position for twelve months or longer as of June 30, 2015 consisted of $4,667 in investment grade bonds and $39,731 in below investment grade bonds.

The following is a summary of the available for sale Trup Cdos as of June 30, 2015:

				Amortized Cost		
Class	**Amortized Cost**	**Fair Value**	**Unrealized Loss**	**Investment Grade**	**Split Rated**	**Below Investment Grade**
Senior Bank	$ 6,879	$ 5,968	$ 911	$ 4,667	$ 0	$ 2,212
Mezzanine Bank (now in senior position)	11,864	9,212	2,652	0	0	11,864
Mezzanine Bank	26,090	17,585	8,505	0	0	26,090
Mezzanine Bank & Insurance (combination)	5,181	3,876	1,305	0	0	5,181
Totals	$ 50,014	$ 36,641	$ 13,373	$ 4,667	$ 0	$ 45,347

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While a large difference remains between the fair value and amortized cost, the Company believes the remaining unrealized losses are related to the illiquid market for Trup Cdos rather than an adverse change in expected cash flows. The expected future cash flow substantiates the return of the remaining amortized cost of the security. The Company believes the following evidence supports the position that the remaining unrealized loss is related to the illiquid market for Trup Cdos:

The market for new issuance of Trup Cdos was robust from 2000 to 2007 with an estimated $60 billion in new issuance. The new market issuances came to an abrupt halt in 2007.

The secondary market for Trup Cdos ultimately became illiquid and although the market has improved, trading activity remains limited on these securities. In making this determination, the Company holds discussions with institutional traders to identify trends in the number and type of transactions related to the Trup Cdos.

The presence of a below-investment grade rating severely limits the pool of available buyers and contributes to the illiquidity of the market.

Trup Cdos have a more complex structure than most debt instruments, making projections of tranche returns difficult for non-specialists in the product. Deferral features available to the underlying issuers within each pool are unique to these securities. Additionally, it can be difficult for market participants to predict whether deferrals will ultimately cure or ultimately default. Due to the lack of transparency, market participants will require a higher risk premium, thus resulting in higher required discount rates.

The variability of cash flows at the time the securities were originated was expected to be very limited. Due to the financial crisis, Trup Cdos have experienced more substantive variability of cash flows compared to expectations, resulting in a higher risk premium when evaluating discount rates.

The limited, yet relevant, observable inputs indicate that market yield requirements for Trup Cdos, on a credit-adjusted basis, remained very high relative to discount rates at purchase and compared to other similarly rated debt securities.

Overall, the Company believes the lack of new issuances, illiquid secondary market, limited pool of buyers, below investment grade ratings, complex structures and high market discount rates are the key drivers of the remaining unrealized losses in the Company s Trup Cdos and the robust expected cash flow analysis substantiates the return of the remaining amortized cost under ASC 320.

Management also considered the ratings of the Company s bonds in its portfolio and the extent of downgrades in United s impairment analysis. However, management considered it imperative to independently perform its own credit analysis based on cash flows as described. The ratings of the investment grade Trup Cdos in the table above range from a low of BBB- to a high of Aaa. The below investment grade Trup Cdos range from a low of Ca to a high of Ba1.

On the Trup Cdos that have not been deemed to be other-than-temporarily impaired, the collateralization ratios range from a low of 97.7% to a high of 305.5%, with a median of 144.5%, and a weighted average of 205.0%. The collateralization ratio is defined as the current performing collateral in a security, divided by the current balance of the specific tranche the Company owns, plus any debt which is senior or pari passu with the Company s security s priority level. Performing collateral excludes the balance of any issuer that has either defaulted or has deferred its interest payment. It is not uncommon for the collateralization of a security that is not other-than-temporarily impaired to be less than 100% due to the excess spread built into the securitization structure.

Management does not believe any individual security with an unrealized loss as of June 30, 2015 is other-than-temporarily impaired. For these securities, United believes the decline in value resulted from changes in market interest rates, credit spreads and liquidity, not a change in the expected contractual cash flows. Based on a review of each of the securities in the investment portfolio, management concluded that it expected to recover the amortized cost basis of the investment in such securities.

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Equity securities

The amortized cost of United s equity securities was $4,982 at June 30, 2015. For equity securities, management has evaluated the near-term prospects of the investment in relation to the severity and duration of any impairment and based on that evaluation, management determined that no equity securities were other-than-temporarily impaired at June 30, 2015. These securities were in an unrealized net gain position of $646 at June 30, 2015.

Other investment securities (cost method)

During the second quarter of 2015, United also evaluated all of its cost method investments to determine if certain events or changes in circumstances during the second quarter of 2015 had a significant adverse effect on the fair value of any of its cost method securities. United determined that there were no events or changes in circumstances during the second quarter which would have an adverse effect on the fair value of any of its cost method securities. Therefore, no impairment was recorded.

Below is a progression of the credit losses on securities which United has recorded other-than-temporary charges. These charges were recorded through earnings and other comprehensive income.

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Balance of cumulative credit losses at beginning of period	$ 23,773	$ 33,661	$ 23,739	$ 40,663
Addition for credit losses recognized in earnings during the period:				
Additional credit losses on securities for which OTTI was previously recognized	0	421	34	1,024
Reductions for securities sold or paid off during the period	0	0	0	(7,605)
Balance of cumulative credit losses at end of period	$ 23,773	$ 34,082	$ 23,773	$ 34,082

The amortized cost and estimated fair value of securities available for sale at June 30, 2015 and December 31, 2014 by contractual maturity are shown as follows. Expected maturities may differ from contractual maturities because the issuers may have the right to call or prepay obligations without penalties.

	June 30, 2015		December 31, 2014	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 19,750	$ 19,867	$ 38,358	$ 38,727
Due after one year through five years	266,710	267,853	180,821	181,930
Due after five years through ten years	222,314	226,797	313,863	317,663
Due after ten years	613,884	606,664	643,343	637,790
Marketable equity securities	4,982	5,628	3,631	4,276
Total	$ 1,127,640	$ 1,126,809	$ 1,180,016	$ 1,180,386

The amortized cost and estimated fair values of securities held to maturity are summarized as follows:

	June 30, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 10,514	$ 1,137	$ 0	$ 11,651
State and political subdivisions	9,190	24	310	8,904
Residential mortgage-backed securities				
Agency	37	7	0	44
Single issue trust preferred securities	19,289	0	3,208	16,081
Other corporate securities	20	0	0	20
Total	$ 39,050	$ 1,168	$ 3,518	$ 36,700

	December 31, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 10,599	$ 1,329	$ 0	$ 11,928
State and political subdivisions	9,369	32	294	9,107
Residential mortgage-backed securities				
Agency	41	7	0	48
Single issue trust preferred securities	19,281	0	3,600	15,681
Other corporate securities	20	0	0	20
Total	$ 39,310	$ 1,368	$ 3,894	$ 36,784

Even though the market value of the held-to-maturity investment portfolio is less than its cost, the unrealized loss has no impact on the net worth or regulatory capital requirements of United. As of June 30, 2015, the Company s two largest held-to-maturity single-issue trust preferred exposures were to Wells Fargo ($9,911) and SunTrust Bank ($7,405). The two held-to-maturity single-issue trust preferred exposures with at least one rating below investment grade included SunTrust Bank ($7,405) and Royal Bank of Scotland ($973). Other corporate securities consist mainly of bonds of corporations.

The amortized cost and estimated fair value of debt securities held to maturity at June 30, 2015 and December 31, 2014 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because the issuers may have the right to call or prepay obligations without penalties.

	June 30, 2015		December 31, 2014	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 5,248	$ 5,480	$ 360	$ 361
Due after one year through five years	9,347	10,266	14,499	15,848
Due after five years through ten years	4,293	3,991	4,293	4,007
Due after ten years	20,162	16,963	20,158	16,568
Total	$ 39,050	$ 36,700	$ 39,310	$ 36,784

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The carrying value of securities pledged to secure public deposits, securities sold under agreements to repurchase, and for other purposes as required or permitted by law, approximated $1,059,960 and $1,081,299 at June 30, 2015 and December 31, 2014, respectively.

4. LOANS

Major classes of loans are as follows:

	June 30, 2015	December 31, 2014
Commercial, financial and agricultural:		
Owner-occupied commercial real estate	$ 962,615	$ 1,016,364
Nonowner-occupied commercial real estate	2,719,910	2,760,189
Other commercial loans	1,607,719	1,577,438
Total commercial, financial & agricultural	5,290,244	5,353,991
Residential real estate	2,248,037	2,263,354
Construction & land development	1,162,742	1,133,251
Consumer:		
Bankcard	10,428	10,437
Other consumer	385,850	358,459
Total gross loans	$ 9,097,301	$ 9,119,492

The table above does not include loans held for sale of $14,856 and $8,680 at June 30, 2015 and December 31, 2014, respectively. Loans held for sale consist of single-family residential real estate loans originated for sale in the secondary market.

The outstanding balances in the table above include acquired impaired loans with a recorded investment of $162,073 or 1.78% of total gross loans at June 30, 2015 and $176,339 or 1.93% of total gross loans at December 31, 2014. The contractual principal in these acquired impaired loans was $227,560 and $252,759 at June 30, 2015 and December 31, 2014, respectively. The balances above do not include future accretable net interest (i.e. the difference between the undiscounted expected cash flows and the recorded investment in the loan) on the acquired impaired loans.

Activity for the accretable yield for the first six months of 2015 follows:

Accretable yield at the beginning of the period	$ 11,339
Accretion (including cash recoveries)	(5,872)
Net reclassifications to accretable from non-accretable	7,549
Disposals (including maturities, foreclosures, and charge-offs)	(580)
Accretable yield at the end of the period	$ 12,436

United s subsidiary banks have made loans to the directors and officers of United and its subsidiaries, and to their affiliates. The aggregate dollar amount of these loans was $186,027 and $188,516 at June 30, 2015 and December 31, 2014, respectively.

5. CREDIT QUALITY

Management monitors the credit quality of its loans on an ongoing basis. Measurement of delinquency and past due status are based on the contractual terms of each loan.

For all loan classes, past due loans are reviewed on a monthly basis to identify loans for nonaccrual status. Generally, when collection in full of the principal and interest is jeopardized, the loan is placed on nonaccrual status. The accrual of interest income on commercial and most consumer loans generally is discontinued when a loan becomes 90 to 120 days past due as to principal or interest. However, regardless of delinquency status, if a loan is fully secured and in the process of collection and resolution of collection is expected in the near term (generally less than 90 days), then the loan will not be placed on nonaccrual status. When interest accruals are discontinued, unpaid interest recognized in income in the current year is reversed, and unpaid interest accrued in prior years is charged to the allowance for loan losses. United s method of income recognition for loans that are classified as nonaccrual is to recognize interest income on a cash basis or apply the cash receipt to principal when the ultimate collectibility of principal is in doubt. Nonaccrual loans will not normally be returned to accrual status unless all past due principal and interest has been paid and the borrower has evidenced their ability to meet the contractual provisions of the note.

A loan is categorized as a troubled debt restructuring (TDR) if a concession is granted and there is deterioration in the financial condition of the borrower. TDRs can take the form of a reduction of the stated interest rate, splitting a loan into separate loans with market terms on one loan and concessionary terms on the other loan, receipts of assets from a debtor in partial or full satisfaction of a loan, the extension of the maturity date or dates at a stated interest rate lower than the current market rate for new debt with similar risk, the reduction of the face amount or maturity amount of the debt as stated in the instrument or other agreement, the reduction of accrued interest or any other concessionary type of renegotiated debt. As of June 30, 2015, United had TDRs of $21,992 as compared to $22,234 as of December 31, 2014. Of the $21,992 aggregate balance of TDRs at June 30, 2015, $9,837 was on nonaccrual status and included in the Loans on Nonaccrual Status on the following page. Of the $22,234 aggregate balance of TDRs at December 31, 2014, $4,194 was on nonaccrual status and included in the Loans on Nonaccrual Status on the following page. As of June 30, 2015, there were no commitments to lend additional funds to debtors owing receivables whose terms have been modified in TDRs. At June 30, 2015, United had restructured loans in the amount of $3,913 that were modified by a reduction in the interest rate, $8,017 that were modified by a combination of a reduction in the interest rate and the principal and $10,062 that was modified by a change in terms.

A loan acquired and accounted for under ASC topic 310-30 Loans and Debt Securities Acquired with Deteriorated Credit Quality is reported as an accruing loan and a performing asset.

The following table sets forth United s troubled debt restructurings that have been restructured during the three months ended June 30, 2015 and 2014, segregated by class of loans:

	Troubled Debt Restructurings For the Three Months Ended					
	June 30, 2015			June 30, 2014		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial real estate:						
Owner-occupied	0	$ 0	$ 0	0	$ 0	$ 0
Nonowner-occupied	1	669	669	0	0	0
Other commercial	0	0	0	2	5,630	5,630
Residential real estate	0	0	0	0	0	0
Construction & land development	0	0	0	0	0	0
Consumer:						
Bankcard	0	0	0	0	0	0
Other consumer	0	0	0	0	0	0
Total	1	$ 669	$ 669	2	$ 5,630	$ 5,630

The following table sets forth United s troubled debt restructurings that have been restructured during the six months ended June 30, 2015 and 2014, segregated by class of loans:

	Troubled Debt Restructurings For the Six Months Ended					
	June 30, 2015			June 30, 2014		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial real estate:						
Owner-occupied	0	$ 0	$ 0	0	$ 0	$ 0
Nonowner-occupied	1	669	669	0	0	0
Other commercial	1	240	240	2	5,630	5,630
Residential real estate	0	0	0	0	0	0
Construction & land development	0	0	0	0	0	0
Consumer:						
Bankcard	0	0	0	0	0	0
Other consumer	0	0	0	0	0	0
Total	2	$ 909	$ 909	2	$ 5,630	$ 5,630

During the second quarter and first six months of 2015, $669 and $909, respectively, of restructured loans were modified by a combination of a reduction in the interest rate and an extension of the maturity date. During the second quarter and first six months of 2014, $5,630 of restructured loans were modified by a combination of a reduction in the interest rate and an extension of the maturity date. In some instances, the post-modification balance on the restructured loans is larger than the pre-modification balance due to the advancement of monies for items such as delinquent taxes on real estate property. The loans were evaluated individually for allocation within United s allowance for loan losses. The modifications had an immaterial impact on the financial condition and results of operations for United.

No loans restructured during the twelve-month periods ended June 30, 2015 and 2014 subsequently defaulted, resulting in a principal charge-off during the first six months of 2015 and 2014, respectively.

The following table sets forth United s age analysis of its past due loans, segregated by class of loans:

Age Analysis of Past Due Loans

As of June 30, 2015

	30-89 Days Past Due	90 Days or more Past Due	Total Past Due	Current & Other (1)	Total Financing Receivables	Recorded Investment >90 Days & Accruing
Commercial real estate:						
Owner-occupied	$ 6,907	$ 13,228	$ 20,135	$ 942,480	$ 962,615	$ 585
Nonowner-occupied	33,582	22,233	55,815	2,664,095	2,719,910	3,414
Other commercial	22,238	25,266	47,504	1,560,215	1,607,719	3,453
Residential real estate	35,357	30,279	65,636	2,182,401	2,248,037	2,648
Construction & land	6,449	15,858	22,307	1,140,435	1,162,742	425

development						
Consumer:						
Bankcard	214	166	380	10,048	10,428	166
Other consumer	6,878	1,285	8,163	377,687	385,850	944
Total	$ 111,625	$ 108,315	$ 219,940	$ 8,877,361	$ 9,097,301	$ 11,635

(1) Other includes loans with a recorded investment of $162,073 acquired and accounted for under ASC topic 310-30 Loans and Debt Securities Acquired with Deteriorated Credit Quality .

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Age Analysis of Past Due Loans

As of December 31, 2014

	30-89 Days Past Due	90 Days or more Past Due	Total Past Due	Current & Other (1)	Total Financing Receivables	Recorded Investment >90 Days & Accruing
Commercial real estate:						
Owner-occupied	$ 4,158	$ 13,582	$ 17,740	$ 998,624	$ 1,016,364	$ 1,039
Nonowner-occupied	10,627	14,859	25,486	2,734,703	2,760,189	45
Other commercial	17,348	17,975	35,323	1,542,115	1,577,438	3,034
Residential real estate	40,793	25,544	66,337	2,197,017	2,263,354	5,417
Construction & land development	5,329	17,119	22,448	1,110,803	1,133,251	648
Consumer:						
Bankcard	471	114	585	9,852	10,437	114
Other consumer	8,992	1,727	10,719	347,740	358,459	1,378
Total	$ 87,718	$ 90,920	$ 178,638	$ 8,940,854	$ 9,119,492	$ 11,675

(1) Other includes loans with a recorded investment of $176,339 acquired and accounted for under ASC topic 310-30 Loans and Debt Securities Acquired with Deteriorated Credit Quality .

The following table sets forth United s nonaccrual loans, segregated by class of loans:

Loans on Nonaccrual Status

	June 30, 2015	December 31, 2014
Commercial real estate:		
Owner-occupied	$ 12,643	$ 12,543
Nonowner-occupied	18,819	14,814
Other commercial	21,813	14,941
Residential real estate	27,631	20,127
Construction & land development	15,433	16,471
Consumer:		
Bankcard	0	0
Other consumer	341	349
Total	$ 96,680	$ 79,245

United assigns credit quality indicators of pass, special mention, substandard and doubtful to its loans. For United s loans with a corporate credit exposure, United internally assigns a grade based on the creditworthiness of the borrower. For loans with a consumer credit exposure, United internally assigns a grade based upon an individual loan s delinquency status. United reviews and updates, as necessary, these grades on a quarterly basis.

Special mention loans, with a corporate credit exposure, have potential weaknesses that deserve management s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loans or in the Company s credit position at some future date. Borrowers may be experiencing adverse operating trends (declining revenues or margins) or an ill proportioned balance sheet (e.g., increasing inventory without an increase in sales, high leverage, tight liquidity). Adverse economic or market conditions, such as interest rate increases or the entry of a new competitor, may also support a special mention rating. Nonfinancial reasons for rating a credit exposure special mention include management problems, pending litigation, an ineffective loan agreement or other material structural weakness, and any other significant deviation from prudent lending practices. For loans with a consumer credit exposure, loans that are past due 30-89 days are considered special mention.

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A substandard loan with a corporate credit exposure is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt by the borrower. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. They require more intensive supervision by management. Substandard loans are generally characterized by current or expected unprofitable operations, inadequate debt service coverage, inadequate liquidity, or marginal capitalization. Repayment may depend on collateral or other credit risk mitigants. For some substandard loans, the likelihood of full collection of interest and principal may be in doubt and thus, placed on nonaccrual. For loans with a consumer credit exposure, loans that are 90 days or more past due or that have been placed on nonaccrual are considered substandard.

A loan with corporate credit exposure is classified as doubtful if it has all the weaknesses inherent in one classified as substandard with the added characteristic that the weaknesses make collection in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. A doubtful loan has a high probability of total or substantial loss, but because of specific pending events that may strengthen the loan, its classification as loss is deferred. Doubtful borrowers are usually in default, lack adequate liquidity or capital, and lack the resources necessary to remain an operating entity. Pending events can include mergers, acquisitions, liquidations, capital injections, the perfection of liens on additional collateral, the valuation of collateral, and refinancing. Generally, there are not any loans with a consumer credit exposure that are classified as doubtful. Usually, they are charged-off prior to such a classification. Loans classified as doubtful are also considered impaired.

The following tables set forth United s credit quality indicators information, by class of loans:

Credit Quality Indicators

Corporate Credit Exposure

As of June 30, 2015

	Commercial Real Estate			Construction
	Owner-occupied	**Nonowner-occupied**	**Other Commercial**	**& Land Development**
Grade:				
Pass	$ 871,955	$ 2,547,470	$ 1,453,495	$ 993,568
Special mention	19,006	37,040	25,093	61,078
Substandard	71,654	135,400	123,302	108,096
Doubtful	0	0	5,829	0
Total	$ 962,615	$ 2,719,910	$ 1,607,719	$ 1,162,742

As of December 31, 2014

	Commercial Real Estate			Construction
	Owner-occupied	**Nonowner-occupied**	**Other Commercial**	**& Land Development**
Grade:				
Pass	$ 920,981	$ 2,592,783	$ 1,407,853	$ 966,335
Special mention	26,181	48,382	20,776	64,597
Substandard	69,202	119,024	147,494	102,319
Doubtful	0	0	1,315	0
Total	$ 1,016,364	$ 2,760,189	$ 1,577,438	$ 1,133,251

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Credit Quality Indicators

Consumer Credit Exposure

As of June 30, 2015

	Residential Real Estate	Bankcard	Other Consumer
Grade:			
Pass	$ 2,165,134	$ 10,047	$ 377,467
Special mention	16,609	215	6,988
Substandard	64,800	166	1,395
Doubtful	1,494	0	0
Total	$ 2,248,037	$ 10,428	$ 385,850

As of December 31, 2014

	Residential Real Estate	Bankcard	Other Consumer
Grade:			
Pass	$ 2,176,655	$ 9,852	$ 347,442
Special mention	18,254	471	9,113
Substandard	66,973	114	1,904
Doubtful	1,472	0	0
Total	$ 2,263,354	$ 10,437	$ 358,459

Loans are designated as impaired when, in the opinion of management, based on current information and events, the collection of principal and interest in accordance with the loan contract is doubtful. Typically, United does not consider loans for impairment unless a sustained period of delinquency (i.e. 90 days or more) is noted or there are subsequent events that impact repayment probability (i.e. negative financial trends, bankruptcy filings, eminent foreclosure proceedings, etc.). Impairment is evaluated in total for smaller-balance loans of a similar nature and on an individual loan basis for other loans. Consistent with United s existing method of income recognition for loans, interest on impaired loans, except those classified as nonaccrual, is recognized as income using the accrual method. Impaired loans, or portions thereof, are charged off when deemed uncollectible.

The following table sets forth United s impaired loans information, by class of loans:

Impaired Loans

	June 30, 2015			December 31, 2014		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded:						
Commercial real estate:						
Owner-occupied	$ 43,920	$ 44,133	$ 0	$ 37,811	$ 37,811	$ 0
Nonowner-occupied	71,073	71,538	0	48,126	48,462	0
Other commercial	35,676	37,389	0	38,521	40,329	0
Residential real estate	31,368	32,133	0	31,262	31,930	0
Construction & land development	33,500	37,481	0	64,945	68,799	0
Consumer:						
Bankcard	0	0	0	0	0	0

Other consumer	30	30	0	41	41	0
With an allowance recorded:						
Commercial real estate:						
Owner-occupied	$ 4,616	$ 4,616	$ 1,099	$ 5,014	$ 5,014	$ 776
Nonowner-occupied	6,727	6,727	1,347	6,994	6,994	797
Other commercial	19,692	23,193	11,887	17,554	20,554	7,168

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	Impaired Loans					
	June 30, 2015			December 31, 2014		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
Residential real estate	7,548	8,869	3,577	6,028	7,349	2,578
Construction & land development	11,686	15,415	3,859	10,779	14,189	3,627
Consumer:						
Bankcard	0	0	0	0	0	0
Other consumer	0	0	0	0	0	0
Total:						
Commercial real estate:						
Owner-occupied	$ 48,536	$ 48,749	$ 1,099	$ 42,825	$ 42,825	$ 776
Nonowner-occupied	77,800	78,265	1,347	55,120	55,456	797
Other commercial	55,368	60,582	11,887	56,075	60,883	7,168
Residential real estate	38,916	41,002	3,577	37,290	39,279	2,578
Construction & land development	45,186	52,896	3,859	75,724	82,988	3,627
Consumer:						
Bankcard	0	0	0	0	0	0
Other consumer	30	30	0	41	41	0

	Impaired Loans For the Three Months Ended			
	June 30, 2015		June 30, 2014	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:				
Commercial real estate:				
Owner-occupied	$ 43,898	$ 117	$ 37,654	$ 425
Nonowner-occupied	66,936	354	63,135	154
Other commercial	35,659	140	31,403	147
Residential real estate	30,867	97		