

UNITED BANKSHARES INC/WV
Form 10-Q
November 06, 2015
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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 September 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
(State or other jurisdiction of
incorporation or organization)

300 United Center
500 Virginia Street, East

55-0641179
(I.R.S. Employer

Identification No.)

25301

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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** **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; **69,573,186** shares outstanding as of **October 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 September 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 nine months ended September 30, 2015 and 2014, the related consolidated statement of changes in shareholders equity for the nine months ended September 30, 2015, the related condensed consolidated statements of cash flows for the nine months ended September 30, 2015 and 2014, 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)**

	September 30 2015 (Unaudited)	December 31 2014 (Note 1)
Assets		
Cash and due from banks	\$ 143,276	\$ 175,713
Interest-bearing deposits with other banks	864,460	576,630
Federal funds sold	722	721
Total cash and cash equivalents	1,008,458	753,064
Securities available for sale at estimated fair value (amortized cost- \$1,099,646 at September 30, 2015 and \$1,180,016 at December 31, 2014)	1,107,410	1,180,386
Securities held to maturity (estimated fair value-\$36,232 at September 30, 2015 and \$36,784 at December 31, 2014)	38,795	39,310
Other investment securities	90,387	96,344
Loans held for sale	11,602	8,680
Loans	9,187,949	9,119,492
Less: Unearned income	(14,292)	(14,840)
Loans net of unearned income	9,173,657	9,104,652
Less: Allowance for loan losses	(75,480)	(75,529)
Net loans	9,098,177	9,029,123
Bank premises and equipment	73,915	77,520
Goodwill	710,252	709,794
Accrued interest receivable	35,424	32,334
Other assets	382,509	402,256
TOTAL ASSETS	\$ 12,556,929	\$ 12,328,811
Liabilities		
Deposits:		
Noninterest-bearing	\$ 2,703,433	\$ 2,591,619
Interest-bearing	6,801,463	6,453,866
Total deposits	9,504,896	9,045,485
Borrowings:		
Federal funds purchased	32,250	53,840
Securities sold under agreements to repurchase	341,694	434,155
Federal Home Loan Bank borrowings	664,880	830,335
Other long-term borrowings	223,288	222,636
Reserve for lending-related commitments	1,178	1,518
Accrued expenses and other liabilities	78,902	84,682
TOTAL LIABILITIES	10,847,088	10,672,651
Shareholders Equity		
Preferred stock, \$1.00 par value; Authorized-50,000,000 shares, none issued	173,959	173,286

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Common stock, \$2.50 par value; Authorized-100,000,000 shares; issued-69,583,445 and 69,314,407 at September 30, 2015 and December 31, 2014, respectively, including 21,397 and 18,548 shares in treasury at September 30, 2015 and December 31, 2014, respectively		
Surplus	751,261	742,960
Retained earnings	814,094	776,311
Accumulated other comprehensive loss	(28,740)	(35,764)
Treasury stock, at cost	(733)	(633)
TOTAL SHAREHOLDERS EQUITY	1,709,841	1,656,160
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 12,556,929	\$ 12,328,811

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 September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Interest income				
Interest and fees on loans	\$ 97,331	\$ 97,874	\$ 289,184	\$ 281,663
Interest on federal funds sold and other short-term investments	461	241	1,142	656
Interest and dividends on securities:				
Taxable	7,619	7,873	23,390	21,869
Tax-exempt	898	869	2,674	2,632
Total interest income	106,309	106,857	316,390	306,820
Interest expense				
Interest on deposits	7,145	7,077	20,826	20,493
Interest on short-term borrowings	213	234	653	911
Interest on long-term borrowings	2,633	3,628	7,942	10,264
Total interest expense	9,991	10,939	29,421	31,668
Net interest income	96,318	95,918	286,969	275,152
Provision for loan losses	5,182	4,748	16,252	15,628
Net interest income after provision for loan losses	91,136	91,170	270,717	259,524
Other income				
Fees from trust and brokerage services	4,737	4,474	14,560	13,708
Fees from deposit services	9,059	11,134	29,266	31,595
Bankcard fees and merchant discounts	1,243	1,101	3,288	2,974
Other service charges, commissions, and fees	527	512	1,644	1,541
Income from bank-owned life insurance	1,234	1,325	3,765	4,021
Income from mortgage banking	665	774	1,873	1,471
Net gain on the sale of bank premises	0	0	0	8,976
Other income	236	251	979	901
Total other-than-temporary impairment losses	0	(561)	(100)	485
Portion of loss recognized in other comprehensive income	0	(4,153)	66	(6,259)
Net other-than-temporary impairment losses	0	(4,714)	(34)	(5,774)
Net gains on sales/calls of investment securities	111	1,309	160	2,134
Net investment securities gains (losses)	111	(3,405)	126	(3,640)
Total other income	17,812	16,166	55,501	61,547
Other expense				
Employee compensation	22,700	22,173	63,692	68,726