

UNITED BANKSHARES INC/WV
Form 10-Q
May 09, 2018
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FORM 10-Q
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended March 31, 2018

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	
Charleston, West Virginia (Address of principal executive offices)	25301 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**

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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, smaller reporting company or an emerging growth company. See definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth 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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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; **105,141,385** shares outstanding as of **April 30, 2018**.

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UNITED BANKSHARES, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)

The March 31, 2018 and December 31, 2017, consolidated balance sheets of United Bankshares, Inc. and Subsidiaries (United or the Company), consolidated statements of income and comprehensive income for the three months ended March 31, 2018 and 2017, the related consolidated statement of changes in shareholders equity for the three months ended March 31, 2018, the related condensed consolidated statements of cash flows for the three months ended March 31, 2018 and 2017, 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)**

	March 31 2018 (Unaudited)	December 31 2017 (Note 1)
Assets		
Cash and due from banks	\$ 178,071	\$ 196,742
Interest-bearing deposits with other banks	960,308	1,468,636
Federal funds sold	791	789
Total cash and cash equivalents	1,139,170	1,666,167
Securities available for sale at estimated fair value (amortized cost-\$2,119,071 at March 31, 2018 and \$1,900,684 at December 31, 2017)	2,085,111	1,888,756
Securities held to maturity (estimated fair value-\$20,006 at March 31, 2018 and \$20,018 at December 31, 2017)	20,405	20,428
Equity securities at estimated fair value	11,160	0
Other investment securities	152,287	162,461
Loans held for sale (at fair value-\$192,673 at March 31, 2018 and \$263,308 at December 31, 2017)	193,915	265,955
Loans	12,998,435	13,027,337
Less: Unearned income	(14,018)	(15,916)
Loans net of unearned income	12,984,417	13,011,421
Less: Allowance for loan losses	(76,653)	(76,627)
Net loans	12,907,764	12,934,794
Bank premises and equipment	103,009	104,894
Goodwill	1,478,580	1,478,380
Accrued interest receivable	54,815	52,815
Other assets	473,486	484,309
TOTAL ASSETS	\$ 18,619,702	\$ 19,058,959
Liabilities		
Deposits:		
Noninterest-bearing	\$ 4,344,203	\$ 4,294,687
Interest-bearing	9,301,965	9,535,904
Total deposits	13,646,168	13,830,591
Borrowings:		
Federal funds purchased	17,615	16,235
Securities sold under agreements to repurchase	250,771	311,352
Federal Home Loan Bank borrowings	1,060,948	1,271,531
Other long-term borrowings	233,961	242,446
Reserve for lending-related commitments	755	679
Accrued expenses and other liabilities	158,171	145,595
TOTAL LIABILITIES	15,368,389	15,818,429
Shareholders Equity		

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Preferred stock, \$1.00 par value; Authorized-50,000,000 shares, none issued	0	0
Common stock, \$2.50 par value; Authorized-200,000,000 shares; issued-105,181,868 and 105,069,821 at March 31, 2018 and December 31, 2017, respectively, including 40,698 and 29,173 shares in treasury at March 31, 2018 and December 31, 2017, respectively	262,955	262,675
Surplus	2,130,092	2,129,077
Retained earnings	924,263	891,816
Accumulated other comprehensive loss	(64,553)	(42,025)
Treasury stock, at cost	(1,444)	(1,013)
TOTAL SHAREHOLDERS EQUITY	3,251,313	3,240,530
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 18,619,702	\$ 19,058,959

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 March 31	
	2018	2017
Interest income		
Interest and fees on loans	\$ 148,928	\$ 108,942
Interest on federal funds sold and other short-term investments	4,917	2,686
Interest and dividends on securities:		
Taxable	11,875	8,011
Tax-exempt	1,465	1,119
Total interest income	167,185	120,758
Interest expense		
Interest on deposits	15,657	8,468
Interest on short-term borrowings	421	304
Interest on long-term borrowings	7,064	4,366
Total interest expense	23,142	13,138
Net interest income	144,043	107,620
Provision for loan losses	5,178	5,899
Net interest income after provision for loan losses	138,865	101,721
Other income		
Fees from trust services	3,091	3,030
Fees from brokerage services	2,224	1,856
Fees from deposit services	8,230	7,706
Bankcard fees and merchant discounts	1,356	884
Other service charges, commissions, and fees	509	477
Income from bank-owned life insurance	1,254	1,217
Income from mortgage banking activities	14,570	675
Net investment securities (losses) gains	(485)	3,940
Other income	443	361
Total other income	31,192	20,146
Other expense		
Employee compensation	40,836	24,033
Employee benefits	9,571	6,903
Net occupancy expense	9,427	6,784
Other real estate owned (OREO) expense	946	1,414
Equipment expense	3,157	1,965
Data processing expense	5,850	4,043
Bankcard processing expense	466	465
FDIC insurance expense	1,848	1,751
Other expense	18,351	15,484
Total other expense	90,452	62,842

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Income before income taxes	79,605	59,025
Income taxes	17,899	20,216
Net income	\$ 61,706	\$ 38,809

Table of Contents**CONSOLIDATED STATEMENTS OF INCOME (Unaudited) - continued****UNITED BANKSHARES, INC. AND SUBSIDIARIES****(Dollars in thousands, except per share data)**

	Three Months Ended March 31	
	2018	2017
Earnings per common share:		
Basic	\$ 0.59	\$ 0.48
Diluted	\$ 0.59	\$ 0.48
 Dividends per common share	 \$ 0.34	 \$ 0.33
Average outstanding shares:		
Basic	104,859,427	80,902,368
Diluted	105,162,858	81,306,540

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	
	March 31	
	2018	2017
Net income	\$ 61,706	