

UNITED BANKSHARES INC/WV
Form 10-Q
August 05, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2010

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period _____

Commission File Number: 0-13322

United Bankshares, Inc.

(Exact name of registrant as specified in its charter)

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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) 424-8800

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. (Check one):

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 Exchange 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; **43,581,648** shares outstanding as of **July 31, 2010**.

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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, 2010 and December 31, 2009, consolidated balance sheets of United Bankshares, Inc. and Subsidiaries (United or the Company), consolidated statements of income for the three and six months ended June 30, 2010 and 2009, the related consolidated statement of changes in shareholders' equity for the six months ended June 30, 2010, the related condensed consolidated statements of cash flows for the six months ended June 30, 2010 and 2009, 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 2010 (Unaudited)	December 31 2009 (Note 1)
Assets		
Cash and due from banks	\$ 128,393	\$ 134,605
Interest-bearing deposits with other banks	321,199	314,445
Federal funds sold	717	717
Total cash and cash equivalents	450,309	449,767
Securities available for sale at estimated fair value (amortized cost-\$836,550 at June 30, 2010 and \$879,542 at December 31, 2009)	769,594	811,777
Securities held to maturity (estimated fair value-\$64,721 at June 30, 2010 and \$70,535 at December 31, 2009)	68,704	77,421
Other investment securities	79,793	77,722
Loans held for sale	879	5,284
Loans	5,466,958	5,740,778
Less: Unearned income	(3,411)	(3,969)
Loans net of unearned income	5,463,547	5,736,809
Less: Allowance for loan losses	(69,153)	(67,853)
Net loans	5,394,394	5,668,956
Bank premises and equipment	56,488	57,527
Goodwill	311,878	312,069
Accrued interest receivable	24,603	27,158
Other assets	306,718	317,420
TOTAL ASSETS	\$ 7,463,360	\$ 7,805,101
Liabilities		
Deposits:		
Noninterest-bearing	\$ 1,135,114	\$ 1,108,157
Interest-bearing	4,479,030	4,862,943
Total deposits	5,614,144	5,971,100
Borrowings:		
Federal funds purchased	9,845	7,835
Securities sold under agreements to repurchase	293,737	211,659
Federal Home Loan Bank borrowings	512,042	587,213
Other short-term borrowings	2,845	3,450
Other long-term borrowings	184,509	184,722
Allowance for lending-related commitments	2,208	2,157
Accrued expenses and other liabilities	66,455	75,415
TOTAL LIABILITIES	6,685,785	7,043,551
Shareholders Equity		
Preferred stock, \$1.00 par value; Authorized-50,000,000 shares, none issued		

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Common stock, \$2.50 par value; Authorized-100,000,000 shares; issued-44,319,157 at June 30, 2010 and December 31, 2009, including 737,323 and 881,419 shares in treasury at June 30, 2010 and December 31, 2009, respectively	110,798	110,798
Surplus	93,791	95,284
Retained earnings	662,825	653,613
Accumulated other comprehensive loss	(64,620)	(68,383)
Treasury stock, at cost	(25,219)	(29,762)
TOTAL SHAREHOLDERS EQUITY	777,575	761,550
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 7,463,360	\$ 7,805,101

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		Six Months Ended	
	June 30 2010	2009	June 30 2010	2009
Interest income				
Interest and fees on loans	\$ 71,682	\$ 77,902	\$ 144,459	\$ 156,487
Interest on federal funds sold and other short-term investments	267	9	563	46
Interest and dividends on securities:				
Taxable	9,047	12,307	18,760	26,105
Tax-exempt	1,193	2,314	2,503	4,599
Total interest income	82,189	92,532	166,285	187,237
Interest expense				
Interest on deposits	14,478	20,924	30,420	45,158
Interest on short-term borrowings	44	202	77	553
Interest on long-term borrowings	7,503	9,197	15,145	18,400
Total interest expense	22,025	30,323	45,642	64,111
Net interest income	60,164	62,209	120,643	123,126
Provision for credit losses	6,400	23,251	13,268	31,279
Net interest income after provision for credit losses	53,764	38,958	107,375	91,847
Other income				
Fees from trust and brokerage services	3,461	3,506	6,733	7,100
Fees from deposit services	10,117	10,255	19,341	19,558
Bankcard fees and merchant discounts	1,078	1,058	2,120	1,981
Other service charges, commissions, and fees	490	526	848	977
Income from bank-owned life insurance	1,185	1,340	2,213	1,238
Income from mortgage banking	129	167	241	304
Other income	1,424	2,293	2,339	3,308
Total other-than-temporary impairment losses	(10,673)	(1,137)	(13,983)	(1,232)
Portion of loss recognized in other comprehensive income	9,577		11,401	
Net other-than-temporary impairment losses	(1,096)	(1,137)	(2,582)	(1,232)
Net gains (losses) on sales/calls of investment securities	796	(158)	1,904	6
Net investment securities losses	(300)	(1,295)	(678)	(1,226)
Total other income	17,584	17,850	33,157	33,240
Other expense				
Employee compensation	14,848	14,751	29,749	29,698
Employee benefits	4,332	4,734	8,826	9,623
Net occupancy expense	4,274	4,154	8,945	8,706
Other real estate owned (OREO) expense	2,648	869	4,268	2,106
Equipment expense	1,443	1,386	2,818	