

UNITED COMMUNITY BANKS INC

Form 10-Q/A

August 09, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q/A
Amendment No. 1**

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

For the Quarterly Period Ended June 30, 2011

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 001-35095

UNITED COMMUNITY BANKS, INC.

(Exact name of registrant as specified in its charter)

Georgia

58-1807304

(State of Incorporation)

(I.R.S. Employer Identification No.)

**125 Highway 515 East
Blairsville, Georgia**

30512

Address of Principal Executive Offices

(Zip Code)

(706) 781-2265

(Telephone Number)

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, or 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 Smaller Reporting Company
(Do not check if a 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

**Common stock, par value \$1 per share 41,568,707 shares voting and 15,914,209 shares non-voting outstanding
as of July 31, 2011**

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EXPLANATORY NOTE

United Community Banks, Inc. is filing this amendment on Form 10-Q/A for the quarter ended June 30, 2011 to submit electronically Interactive Data Files that were erroneously and inadvertently omitted. There have been no other changes made to the original filing, which is repeated in its entirety in this amendment.

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EX-101 INSTANCE DOCUMENT

EX-101 SCHEMA DOCUMENT

EX-101 CALCULATION LINKBASE DOCUMENT

EX-101 LABELS LINKBASE DOCUMENT

EX-101 PRESENTATION LINKBASE DOCUMENT

EX-101 DEFINITION LINKBASE DOCUMENT

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<i>(in thousands, except per share data)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Interest revenue:				
Loans, including fees	\$ 60,958	\$ 70,611	\$ 122,065	\$ 142,826
Investment securities, including tax exempt of \$251, \$295, \$510 and \$606	14,792	15,829	28,396	32,032
Federal funds sold, commercial paper and deposits in banks	752	759	1,571	1,697
Total interest revenue	76,502	87,199	152,032	176,555
Interest expense:				
Deposits:				
NOW	1,036	1,745	2,360	3,599
Money market	1,499	1,829	3,527	3,586
Savings	64	83	141	167
Time	10,995	17,718	22,727	37,916
Total deposit interest expense	13,594	21,375	28,755	45,268
Federal funds purchased, repurchase agreements and other short-term borrowings	1,074	1,056	2,116	2,094
Federal Home Loan Bank advances	570	974	1,160	1,951
Long-term debt	2,747	2,667	5,527	5,329
Total interest expense	17,985	26,072	37,558	54,642
Net interest revenue	58,517	61,127	114,474	121,913
Provision for loan losses	11,000	61,500	201,000	136,500
Net interest revenue after provision for loan losses	47,517	(373)	(86,526)	(14,587)
Fee revenue:				
Service charges and fees	7,608	7,993	14,328	15,440
Mortgage loan and other related fees	952	1,601	2,446	3,080
Brokerage fees	691	586	1,368	1,153
Securities gains, net	783		838	61
Loss from prepayment of debt	(791)		(791)	
Other	4,662	1,399	7,554	3,511
Total fee revenue	13,905	11,579	25,743	23,245
Total revenue	61,422	11,206	(60,783)	8,658

Operating expenses:

Salaries and employee benefits	26,436	23,590	51,360	47,950
Communications and equipment	3,378	3,511	6,722	6,784
Occupancy	3,805	3,836	7,879	7,650
Advertising and public relations	1,317	1,352	2,295	2,395
Postage, printing and supplies	1,085	765	2,203	1,990
Professional fees	2,350	2,178	5,680	4,121
Foreclosed property	1,891	14,540	66,790	25,353
FDIC assessments and other regulatory charges	3,644	3,566	9,057	7,192
Amortization of intangibles	760	794	1,522	1,596
Other	4,062	4,176	10,491	8,097
Loss on sale of nonperforming assets		45,349		45,349
Total operating expenses	48,728	103,657	163,999	158,477
Income (loss) from continuing operations before income taxes	12,694	(92,451)	(224,782)	(149,819)
Income tax expense (benefit)	5,077	(32,919)	(89,913)	(55,829)
Net income (loss) from continuing operations	7,617	(59,532)	(134,869)	(93,990)
Loss from discontinued operations, net of income taxes				(101)
Gain from sale of subsidiary, net of income taxes and selling costs				1,266
Net income (loss)	7,617	(59,532)	(134,869)	(92,825)
Preferred stock dividends and discount accretion	3,016	2,577	5,794	5,149
Net income (loss) available to common shareholders	\$ 4,601	\$ (62,109)	\$ (140,663)	\$ (97,974)
Earnings (loss) from continuing operations per common share Basic	\$.18	\$ (3.29)	\$ (6.40)	\$ (5.25)
Earnings (loss) from continuing operations per common share Diluted	.08	(3.29)	(6.40)	(5.25)
Earnings (loss) per common share Basic	.18	(3.29)	(6.40)	(5.19)
Earnings (loss) per common share Diluted	.08	(3.29)	(6.40)	(5.19)
Weighted average common shares outstanding Basic	25,427	18,905	21,965	18,891
Weighted average common shares outstanding Diluted	57,543	18,905	21,965	18,891

See accompanying notes to consolidated financial statements.

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Consolidated Balance Sheet**

<i>(in thousands, except share and per share data)</i>	June 30, 2011 <i>(unaudited)</i>	December 31, 2010 <i>(audited)</i>	June 30, 2010 <i>(unaudited)</i>
ASSETS			
Cash and due from banks	\$ 163,331	\$ 95,994	\$ 115,088
Interest-bearing deposits in banks	41,863	111,901	105,183
Federal funds sold, commercial paper and short-term investments	174,996	441,562	148,227
Cash and cash equivalents	380,190	649,457	368,498
Securities available for sale	1,816,613	1,224,417	1,165,776
Securities held to maturity (fair value \$379,231, 267,988 and \$327,497)	371,578	265,807	322,148
Mortgage loans held for sale	19,406	35,908	22,705
Loans, net of unearned income	4,163,447	4,604,126	4,873,030
Less allowance for loan losses	127,638	174,695	174,111
Loans, net	4,035,809	4,429,431	4,698,919
Assets covered by loss sharing agreements with the FDIC	95,726	131,887	156,611
Premises and equipment, net	178,208	178,239	180,125
Accrued interest receivable	21,291	24,299	29,650
Goodwill and other intangible assets	9,922	11,446	223,600
Foreclosed property	47,584	142,208	123,910
Net deferred tax asset	261,268	166,937	111,485
Other assets	172,074	183,160	249,057
Total assets	\$ 7,409,669	\$ 7,443,196	\$ 7,652,484
LIABILITIES AND SHAREHOLDERS EQUITY			
Liabilities:			
Deposits:			
Demand	\$ 899,017	\$ 793,414	\$ 779,934
NOW	1,306,109	1,424,781	1,326,861
Money market	989,600	891,252	756,370
Savings	197,927	183,894	185,176
Time:			
Less than \$100,000	1,508,444	1,496,700	1,575,211
Greater than \$100,000	981,154	1,002,359	1,093,975
Brokered	300,964	676,772	611,985
Total deposits	6,183,215	6,469,172	6,329,512
Federal funds purchased, repurchase agreements, and other short-term borrowings	103,666	101,067	104,127
Federal Home Loan Bank advances	40,625	55,125	104,138
Long-term debt	150,186	150,146	150,106
Unsettled securities purchases	35,634		20,941
Accrued expenses and other liabilities	36,368	32,171	39,243

Total liabilities	6,549,694	6,807,681	6,748,067
Shareholders' equity:			
Preferred stock, \$1 par value; 10,000,000 shares authorized; Series A; \$10 stated value; 21,700 shares issued and outstanding	217	217	217
Series B; \$1,000 stated value; 180,000 shares issued and outstanding	176,392	175,711	175,050
Series D; \$1,000 stated value; 16,613 shares issued and outstanding	16,613		
Common stock, \$1 par value; 100,000,000 shares authorized; 41,554,874, 18,937,001 and 18,856,185 shares issued and outstanding	41,555	18,937	18,856
Common stock, non-voting, \$1 par value; 30,000,000 shares authorized; 15,914,209 shares issued and outstanding	15,914		
Common stock issuable; 83,575, 67,287 and 56,954 shares	3,574	3,894	3,898
Capital surplus	1,051,607	741,244	739,261
Accumulated deficit	(476,230)	(335,567)	(77,590)
Accumulated other comprehensive income	30,333	31,079	44,725
Total shareholders' equity	859,975	635,515	904,417
Total liabilities and shareholders' equity	\$ 7,409,669	\$ 7,443,196	\$ 7,652,484

See accompanying notes to consolidated financial statements.

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UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Changes in Shareholders' Equity (Unaudited)

For the Six Months Ended June 30,

Thousands, except share and per share data)	Preferred Stock					Non-Voting Common Stock		Common Stock Issuable	Capital Surplus	(Accumulated)	(Accumulated)	Total
	Series A	Series B	Series D	Series F	Series G	Stock	Stock			Retained Earnings	Other Comprehensive Income	
December 31, 2009	\$ 217	\$ 174,408	\$	\$	\$	\$ 18,809	\$	\$ 3,597	\$ 697,271	\$ 20,384	\$ 47,635	\$ 900,000
Comprehensive income:										(92,825)		(92,825)
Comprehensive loss:												
Realized holding gains on available for sale securities, net of deferred tax expense and reclassification adjustment											2,750	2,750
Realized losses on derivative financial instruments qualifying as cash flow hedges, net of deferred tax benefit											(5,660)	(5,660)
Comprehensive loss										(92,825)	(2,910)	(95,735)
Issuance of equity instruments in private equity financing									39,813			39,813
Common stock issued to dividend Reinvestment Plan and employee benefit plans (41,818 shares)						42			898			940
Conversion of stock option and restricted stock of restricted stock (2,112 shares issued, 1,112 shares deferred)						2	607	(609)				1
Deferred compensation plan, net, including restricted stock equivalents								162				162
Shares issued from deferred compensation plan (1,112 shares)						3	(468)	460				1
Dividends on Series A preferred stock										(7)		(7)
Dividends on Series B preferred stock		642								(5,142)		(4,500)
June 30, 2010	\$ 217	\$ 175,050	\$	\$	\$	\$ 18,856	\$	\$ 3,898	\$ 739,261	\$ (77,590)	\$ 44,725	\$ 900,000
December 31, 2010	\$ 217	\$ 175,711	\$	\$	\$	\$ 18,937	\$	\$ 3,894	\$ 741,244	\$ (335,567)	\$ 31,079	\$ 600,000
Comprehensive loss:										(134,869)		(134,869)