

UNITED COMMUNITY BANKS INC
Form 10-Q/A
February 10, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

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

For the Quarterly Period Ended September 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.

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(Exact name of registrant as specified in its charter)

Georgia
(State of Incorporation)

58-1807304
(I.R.S. Employer Identification No.)

125 Highway 515 East
Blairsville, Georgia
Address of Principal Executive Offices

30512
(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 (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

Common stock, par value \$1 per share 41,611,596 shares voting and 15,914,209 shares non-voting outstanding as of October 31, 2011

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Explanatory Note

This Amendment to the Form 10-Q (this Amendment) of United Community Banks, Inc. (United) amends and restates United's Form 10-Q for the quarter ended September 30, 2011 that was originally filed with the Securities and Exchange Commission on November 8, 2011 (collectively with Amendment, this Form 10-Q).

This Amendment is filed to reflect United's establishment of a full deferred tax asset valuation allowance as of December 31, 2010 and the effects thereof on certain related disclosures contained in this Form 10-Q, including (i) United's previously reported income tax expense, other comprehensive income in shareholders' equity and net loss for the first, second and third quarters of 2011 and full year 2010, tangible book value, tangible equity and tangible common equity to asset ratios, and regulatory capital ratios as of September 30, 2011, June 30, 2011, March 31, 2011 and December 31, 2010, and (ii) United's disclosure in Item 4 Controls and Procedures.

Unless otherwise indicated, this Amendment does not reflect events occurring after November 8, 2011.

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(in thousands, except per share data)	September 30, Three Months Ended September 30, (As restated) 2011	September 30, Three Months Ended September 30, 2010	September 30, Nine Months Ended September 30, (As restated) 2011	September 30, Nine Months Ended September 30, 2010
Interest revenue:				
Loans, including fees	\$ 59,294	\$ 68,419	\$ 181,359	\$ 211,245
Investment securities, including tax exempt of \$244, \$279, \$754 and \$886	14,568	14,711	42,964	46,743
Federal funds sold, commercial paper and deposits in banks	261	719	1,832	2,416
Total interest revenue	74,123	83,849	226,155	260,404
Interest expense:				
Deposits:				
NOW	831	1,705	3,191	5,304
Money market	1,129	1,930	4,656	5,516
Savings	52	83	193	250
Time	9,086	16,099	31,813	54,015
Total deposit interest expense	11,098	19,817	39,853	65,085
Federal funds purchased, repurchase agreements and other short-term borrowings	1,081	1,068	3,197	3,162
Federal Home Loan Bank advances	441	796	1,601	2,747
Long-term debt	2,642	2,665	8,169	7,994
Total interest expense	15,262	24,346	52,820	78,988
Net interest revenue	58,861	59,503	173,335	181,416
Provision for loan losses	36,000	50,500	237,000	187,000
Net interest revenue after provision for loan losses	22,861	9,003	(63,665)	(5,584)
Fee revenue:				
Service charges and fees	7,534	7,648	21,862	23,088
Mortgage loan and other related fees	1,148	2,071	3,594	5,151
Brokerage fees	836	731	2,204	1,884
Securities gains, net		2,491	838	2,552
Loss from prepayment of debt		(2,233)	(791)	(2,233)
Other	1,980	2,153	9,534	5,664
Total fee revenue	11,498	12,861	37,241	36,106
Total revenue	34,359	21,864	(26,424)	30,522

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Operating expenses:				
Salaries and employee benefits	25,262	24,891	76,622	72,841
Communications and equipment	3,284	3,620	10,006	10,404
Occupancy	3,794	3,720	11,673	11,370
Advertising and public relations	1,052	1,128	3,347	3,523
Postage, printing and supplies	1,036	1,019	3,239	3,009
Professional fees	2,051	2,117	7,731	6,238
Foreclosed property	2,813	19,752	69,603	45,105
FDIC assessments and other regulatory charges	2,603	3,256	11,660	10,448
Amortization of intangibles	748	793	2,270	2,389
Other	3,877	4,610	14,368	12,707
Goodwill impairment		210,590		210,590
Loss on sale of nonperforming assets				45,349
Total operating expenses	46,520	275,496	210,519	433,973
Loss from continuing operations before income taxes	(12,161)	(253,632)	(236,943)	(403,451)
Income tax benefit	(822)	(17,217)	(296)	(73,046)
Net loss from continuing operations	(11,339)	(236,415)	(236,647)	(330,405)
Loss from discontinued operations, net of income taxes				(101)
Gain from sale of subsidiary, net of income taxes and selling costs				1,266
Net loss	(11,339)	(236,415)	(236,647)	(329,240)
Preferred stock dividends and discount accretion	3,019	2,581	8,813	7,730
Net loss available to common shareholders	\$ (14,358)	\$ (238,996)	\$ (245,460)	\$ (336,970)
Loss from continuing operations per common share Basic	\$ (.25)	\$ (12.62)	\$ (7.23)	\$ (17.89)
Loss from continuing operations per common share Diluted	(.25)	(12.62)	(7.23)	(17.89)
Loss per common share Basic	(.25)	(12.62)	(7.23)	(17.82)
Loss per common share Diluted	(.25)	(12.62)	(7.23)	(17.82)
Weighted average common shares outstanding Basic	57,599	18,936	33,973	18,905
Weighted average common shares outstanding Diluted	57,599	18,936	33,973	&nbs