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, 2017

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 ☐

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, a 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; **104,847,283** shares outstanding as of **April 30, 2017** .

UNITED BANKSHARES, INC. AND SUBSIDIARIES

FORM 10-Q

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)

The March 31, 2017 and December 31, 2016, consolidated balance sheets of United Bankshares, Inc. and Subsidiaries ("United" or the "Company"), consolidated statements of income, comprehensive income, consolidated statement of changes in shareholders' equity and the condensed consolidated statements of cash flows for the three months ended March 31, 2017 and 2016, and the notes to consolidated financial statements appear on the following pages.

CONSOLIDATED BALANCE SHEETS

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands, except par value)

	March 31 2017 (Unaudited)	December 31 2016 (Note 1)
Assets		
Cash and due from banks	$ 184,570	$ 175,468
Interest-bearing deposits with other banks	1,482,031	1,258,334
Federal funds sold	727	725
Total cash and cash equivalents	1,667,328	1,434,527
Securities available for sale at estimated fair value (amortized cost-$1,242,426 at March 31, 2017 and $1,277,639 at December 31, 2016)	1,229,363	1,259,214
Securities held to maturity (estimated fair value-$28,671 at March 31, 2017 and $31,178 at December 31, 2016)	30,350	33,258
Other investment securities	113,698	111,166
Loans held for sale	3,581	8,445
Loans	10,424,856	10,356,719
Less: Unearned income	(15,815)	(15,582)
Loans net of unearned income	10,409,041	10,341,137
Less: Allowance for loan losses	(72,875)	(72,771)
Net loans	10,336,166	10,268,366
Bank premises and equipment	75,817	75,909
Goodwill	863,767	863,767
Accrued interest receivable	39,321	39,400
Other assets	402,924	414,840
TOTAL ASSETS	$14,762,315	$14,508,892
Liabilities		
Deposits:		
Noninterest-bearing	$ 3,339,935	$ 3,171,841
Interest-bearing	7,722,394	7,625,026
Total deposits	11,062,329	10,796,867
Borrowings:		
Federal funds purchased	18,100	22,235
Securities sold under agreements to repurchase	210,883	237,316
Federal Home Loan Bank borrowings	887,459	897,707
Other long-term borrowings	224,508	224,319
Reserve for lending-related commitments	902	1,044
Accrued expenses and other liabilities	105,275	93,657
TOTAL LIABILITIES	12,509,456	12,273,145
Shareholders' Equity		
Preferred stock, $1.00 par value; Authorized-50,000,000 shares, none issued	0	0
Common stock, $2.50 par value; Authorized-100,000,000 shares; issued-81,179,746 and 81,068,252 at March 31, 2017 and December 31, 2016, respectively, including 28,489 and 28,278 shares in treasury at March 31, 2017 and December 31, 2016, respectively	202,949	202,671
Surplus	1,206,516	1,205,778
Retained earnings	885,022	872,990
Accumulated other comprehensive loss	(40,643)	(44,717)
Treasury stock, at cost	(985)	(975)
TOTAL SHAREHOLDERS' EQUITY	2,252,859	2,235,747
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$14,762,315	$14,508,892

See notes to consolidated unaudited financial statements.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands, except per share data)

	Three Months Ended March 31 2017	Three Months Ended March 31 2016
Interest income		
Interest and fees on loans	$108,942	$ 99,334
Interest on federal funds sold and other short-term investments	2,686	622
Interest and dividends on securities:		
Taxable	8,011	7,707
Tax-exempt	1,119	833
Total interest income	120,758	108,496
Interest expense		
Interest on deposits	8,468	6,885
Interest on short-term borrowings	304	214
Interest on long-term borrowings	4,366	3,113
Total interest expense	13,138	10,212
Net interest income	107,620	98,284
Provision for loan losses	5,899	4,035
Net interest income after provision for loan losses	101,721	94,249
Other income		
Fees from trust and brokerage services	4,886	4,869
Fees from deposit services	7,706	7,973
Bankcard fees and merchant discounts	884	838
Other service charges, commissions, and fees	477	429
Income from bank-owned life insurance	1,217	1,180
Income from mortgage banking	675	728
Other income	361	371
Total other-than-temporary impairments	(44)	0
Portion of loss recognized in other comprehensive income	0	0
Net other-than-temporary impairment losses	(44)	0
Net gains on sales/calls of investment securities	3,984	4
Net investment securities gains	3,940	4
Total other income	20,146	16,392
Other expense		
Employee compensation	23,471	22,279
Employee benefits	7,465	6,603
Net occupancy expense	6,784	6,253
Other real estate owned (OREO) expense	1,414	649
Equipment expense	1,965	2,007
Data processing expense	4,043	3,551
Bankcard processing expense	465	368
FDIC insurance expense	1,751	2,120
Other expense	15,484	14,226
Total other expense	62,842	58,056
Income before income taxes	59,025	52,585
Income taxes	20,216	17,879
Net income	$ 38,809	$ 34,706

CONSOLIDATED STATEMENTS OF INCOME (Unaudited) — continued

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands, except per share data)

	Three Months Ended March 31	
	2017	2016
Earnings per common share:		
Basic	$ 0.48	$ 0.50
Diluted	$ 0.48	$ 0.50
Dividends per common share	$ 0.33	$ 0.33
Average outstanding shares:		
Basic	80,902,368	69,497,489
Diluted	81,306,540	69,714,121

See notes to consolidated unaudited financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands)

	Three Months Ended March 31	
	2017	2016
Net income	$38,809	$34,706
Change in net unrealized gain on available-for-sale (AFS) securities, net of tax	3,378	8,493
Accretion of the net unrealized loss on the transfer of AFS securities to held-to-maturity (HTM) securities, net of tax	1	1
Change in defined benefit pension plan, net of tax	695	729
Comprehensive income, net of tax	$42,883	$43,929

See notes to consolidated unaudited financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands, except per share data)

	Three Months Ended March 31, 2017						
	Common Stock						
	Shares	Par Value	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Equity
Balance at January 1, 2017	81,068,252	$202,671	$1,205,778	$872,990	($ 44,717)	($ 975)	$ 2,235,747
Comprehensive income:							
Net income	0	0	0	38,809	0	0	38,809
Other comprehensive income, net of tax:	0	0	0	0	4,074	0	4,074
Total comprehensive income, net of tax							42,883
Stock based compensation expense	0	0	682	0	0	0	682
Purchase of treasury stock (4 shares)	0	0	0	0	0	0	0
Cash dividends ($0.33 per share)	0		0	(26,777)	0	0	(26,777)
Grant of restricted stock (88,971 shares)	88,971	222	(222)	0	0	0	0
Forfeiture of restricted stock (210 shares)	0	0	10	0	0	(10)	0
Common stock options exercised (22,523 shares)	22,523	56	268	0	0	0	324
Balance at March 31, 2017	81,179,746	$202,949	$1,206,516	$885,022	($ 40,643)	($ 985)	$ 2,252,859

See notes to consolidated unaudited financial statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

(Dollars in thousands)

	Three Months Ended March 31	
	2017	**2016**
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 64,973	$ 55,821
INVESTING ACTIVITIES		
Proceeds from maturities and calls of securities held to maturity	2,886	2
Proceeds from sales of securities available for sale	7,376	33
Proceeds from maturities and calls of securities available for sale	91,422	34,966
Purchases of securities available for sale	(64,335)	(23,813)
Purchases of bank premises and equipment	(1,680)	(789)
Proceeds from sales and redemptions of other investment securities	7,465	6,519
Purchases of other investment securities	(6,227)	(7,770)
Proceeds from the sales of OREO properties	1,558	9,910
Net change in loans	(70,415)	(2,295)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(31,950)	16,763
FINANCING ACTIVITIES		
Cash dividends paid	(25,311)	(22,968)
Proceeds from exercise of stock options	324	820
Repayment of long-term Federal Home Loan Bank borrowings	(805,176)	(705,025)
Proceeds from issuance of long-term Federal Home Loan Bank borrowings	795,000	725,000
Changes in:		
Deposits	265,509	(16,959)
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	(30,568)	(5,946)
NET PROVIDED BY (USED IN) FINANCING ACTIVITIES	199,778	(25,078)
Increase in cash and cash equivalents	232,801	47,506
Cash and cash equivalents at beginning of year	1,434,527	857,335
Cash and cash equivalents at end of period	$1,667,328	$ 904,841
Supplemental information		
Noncash investing activities:		
Transfers of loans to OREO	$ 951	$ 6,966

See notes to consolidated unaudited financial statements **.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

UNITED BANKSHARES, INC. AND SUBSIDIARIES

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated interim financial statements of United Bankshares, Inc. and Subsidiaries ("United" or "the Company") have been prepared in accordance with accounting principles for interim financial information generally accepted in the United States (GAAP) and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, the financial statements do not contain all of the information and footnotes required by accounting principles generally accepted in the United States. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements presented as of March 31, 2017 and 2016 and for the three-month periods then ended have not been audited. The consolidated balance sheet as of December 31, 2016, has been extracted from the audited financial statements included in United's 2016 Annual Report to Shareholders. The accounting and reporting policies followed in the presentation of these financial statements are consistent with those applied in the preparation of the 2016 Annual Report of United on Form 10-K. To conform to the 2017 presentation, certain reclassifications have been made to prior period amounts, which had no impact on net income, comprehensive income, or stockholders' equity. In the opinion of management, all adjustments necessary for a fair presentation of financial position and results of operations for the interim periods have been made. Such adjustments are of a normal and recurring nature.

The accompanying consolidated interim financial statements include the accounts of United and its wholly owned subsidiaries. United considers all of its principal business activities to be bank related. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. Dollars are in thousands, except per share or unless otherwise noted.

New Accounting Standards

In March 2017, the FASB issued ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." ASU 2017-07 amends ASC 715, "Compensation – Retirement Benefits" and will change how employers that sponsor defined benefit pension and/or other postretirement benefit plans present the net periodic benefit cost in the income statement. Employers will present the service cost component of net periodic benefit cost in the same income statement line item as other employee compensation costs arising from services rendered during the period. Only the service cost component will be eligible for capitalization in assets. Employers will present the other components of the net periodic benefit cost separately from the line item that includes the service cost and outside of any subtotal of operating income, if one is presented. These components will not be eligible for capitalization in assets. ASU 2017-07 is effective for United on January 1, 2018, with early adoption permitted. Management is currently evaluating the possible impact this standard may have on the Company's financial condition or results of operations.

In January 2017, the FASB issued ASU 2017-04, "Intangibles – Goodwill and Other (topic 350)." ASU 2017-04 eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. ASU 2017-04 is effective for United on January 1, 2020, with early adoption permitted, and management is currently evaluating the possible impact this standard may have on the Company's financial condition or results of operations.

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business." ASU 2017-01 changes the definition of a business to assist entities with evaluation when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. The guidance also requires a business to include at least one substantive process and narrows the definition of outputs by more closely aligning it with how outputs are described in ASC 606. ASU 2017-01 is effective for United on January 1, 2018, with early adoption permitted, and management is currently evaluating the possible impact this standard may have on the Company's financial condition or results of operations.

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments." ASU 2016-15 amends ASC topic 230 to add and clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows as a result of diversity in practice and in certain circumstances, financial statement restatements. Entities should apply ASU 2016-15 using a retrospective transition method to each period presented. ASU 2016-15 is effective for United on January 1, 2018, with early adoption permitted, and management is currently evaluating the possible impact this standard may have on the Company's financial condition or results of operations.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses." ASU 2016-13 changes the impairment model for most financial assets and certain other instruments that aren't measured at fair value through net income. The standard will replace today's "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost and require entities to record allowances for available-for-sale debt securities rather than reduce the carrying amount under the current other-than-temporary impairment (OTTI) model. ASU 2016-13 also simplifies the accounting model for purchased credit-impaired debt securities and loans. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. ASU 2016-13 is effective for United on January 1, 2020, with early adoption permitted, and management is currently evaluating the possible impact this standard may have on the Company's financial condition or results of operations.

In March 2016, the FASB issued ASU 2016-09, "Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting." United adopted ASU 2016-09 on January 1, 2017 utilizing the modified retrospective method. ASU 2016-09 changes certain aspects of accounting for share-based payments to employees. The new guidance, amongst other things, requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled. The requirement to report those income tax effects in earnings was applied to settlements occurring on or after January 1, 2017 and the impact of applying that guidance reduced reporting income tax expense by $97 for the first quarter of 2017. ASU 2016-09 also allows an employer to repurchase more of an employee's shares than it could previously for tax withholding purposes without triggering liability accounting and make a policy election to account for forfeitures as they occur. The Company will continue to estimate the number of awards expected to be forfeited and adjust the estimate when it is no longer probable that the employee will fulfill the service condition, as was previously required. ASU 2016-09 also requires that all income tax-related cash flows resulting from share-based payments be reported as operating activities in the statement of cash flows. Previously, income tax benefits at settlement of an award were reported as a reduction to operating cash flows and an increase to financing cash flows to the extent that those benefits exceeded the income tax benefits reported in earnings during the award's vesting period. United elected to apply that change in cash flow classification on a retrospective basis, which resulted in an $831 increase to net cash from operating activities and a corresponding decrease to net cash from financing activities in the accompanying Consolidated Statement of Cash Flows for the first three months of 2016. The recognition of excess tax benefits and deficiencies in the income statement was adopted prospectively. The adoption of ASU 2016-09 did not have a material impact on the Company's financial condition or results of operations.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)". ASU 2016-02 includes a lessee accounting model that recognizes two types of leases, finance leases and operating leases, while lessor accounting will remain largely unchanged from the current GAAP. ASU 2016-02 requires, amongst other things, that a lessee recognize on the balance sheet a right-of-use asset and a lease liability for leases with terms of more than twelve months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will depend on its classification as a finance or operating lease. ASU 2016-02 is effective for United on January 1, 2019 and management is currently evaluating the possible impact this standard may have on the Company's financial condition or results of operations.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments Overall: Recognition and Measurement of Financial Assets and Financial Liabilities." ASU 2016-01 makes changes to the classification and measurement of investments in equity securities, the presentation of certain fair value changes for financial liabilities measured at fair value under the fair value option and disclosure of fair value of instruments. In addition, ASU 2016-01 clarifies guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. ASU 2016-01 is effective for United on January 1, 2018 and is not expected to have a significant impact on the Company's financial condition or results of operations.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 supersedes the revenue recognition requirements in ASC topic 605, "Revenue Recognition", and most industry-specific guidance throughout the ASC. The amendments require an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The new revenue recognition standard sets forth a five step principle-based approach for determining revenue recognition. ASU 2014-09 will be effective for United on January 1, 2018. The Company intends to adopt the amendments of ASU 2014-09 beginning January 1, 2018 through the modified-retrospective transition method with a cumulative effect adjustment to opening retained earnings. The Company's revenue is comprised of net interest income and noninterest income. As the standard does not apply to revenue associated with financial instruments, net interest income and gains and losses from securities are not impacted by the standard. Our implementation efforts to date include identification of revenue streams within the scope of the guidance and analyzing those revenue streams to determine the impact of the standard. We are in the process of reviewing and evaluating revenue contracts to determine the impact the new recognition methods will have on revenue recognition. Based on this review, ASU 2014-09 may require the Company to change how it recognizes certain recurring revenue streams related to noninterest income including fees from trust and brokerage services. Although we currently do not expect this standard to have a material impact on the timing or amount of revenue, we are still assessing the potential impact on the Company's consolidated financial statements.

2. MERGERS AND ACQUISITIONS

Cardinal Financial Corporation

On April 21, 2017 (Cardinal Acquisition Date), United completed its acquisition of Cardinal Financial Corporation (Cardinal). Cardinal was merged with and into UBV Holding Company, LLC (UBV), a wholly-owned subsidiary of United, pursuant to the terms of the Agreement and Plan of Reorganization, dated August 17, 2016, by and among United, UBV and Cardinal (the Merger Agreement). The merger was accounted for under the acquisition method of accounting. The results of operations of Cardinal were not reflected in United's results of operations for the first quarter of 2017, but will be included in the consolidated results of operations from the Cardinal Acquisition Date.

Under the terms of the Merger Agreement, each outstanding share of common stock of Cardinal, par value $1.00 per share (other than shares held by United or its subsidiaries, in each case except for shares held by them in a fiduciary capacity or in satisfaction of a debt previously contracted) were converted into the right to receive 0.71 shares of United common stock, par value $2.50 per share (United Common Stock), plus cash in lieu of fractional shares. Restricted shares of Cardinal common stock that were outstanding immediately prior to the Merger converted into the right to receive 0.71 shares of United Common Stock, plus cash in lieu of fractional shares. Also under the terms of the Merger Agreement, outstanding Cardinal stock options, whether vested or unvested, converted into fully vested and exercisable stock options with respect to shares of United Common Stock, with appropriate adjustments to reflect the exchange ratio of 0.71.

Immediately following the Merger, Cardinal's banking subsidiary, Cardinal Bank, was merged with and into United Bank, a wholly-owned Virginia banking subsidiary of UBV (the Bank Merger) pursuant to an Agreement and Plan of Reorganization (the Bank Plan of Merger) dated October 12, 2016.

The acquisition of Cardinal expands United's existing footprint in the Washington, D.C. Metropolitan Statistical Area. As of March 31, 2017, Cardinal had $4,299,131 in assets with 29 banking offices throughout the Washington D.C. Metropolitan region. Cardinal also operated George Mason Mortgage, LLC, a residential mortgage lending company based in Fairfax, Virginia with offices located in Virginia, Maryland, North Carolina, South Carolina and the District of Columbia; and Cardinal Wealth Services Inc.

Bank of Georgetown

After the close of business on June 3, 2016 (BOG Acquisition Date), United acquired 100% of the outstanding common stock of Bank of Georgetown, a privately held community bank headquartered in Washington, D.C. With this transaction, United continues to expand its existing footprint in the D.C. Metro Region. The results of operations of Bank of Georgetown are included in the consolidated results of operations from the BOG Acquisition Date.

At consummation, Bank of Georgetown had assets of $1,278,837, loans of $999,773, and deposits of $971,369. The transaction was accounted for under the acquisition method of accounting and accordingly, assets acquired, liabilities assumed and consideration exchanged were recorded at estimated fair value on the BOG Acquisition Date.

The aggregate purchase price was $264,505, including common stock valued at $253,799, stock options assumed valued at $10,696, and cash paid for fractional shares of $10. The number of shares issued in the transaction was 6,527,746, which were valued based on the closing market price of $38.88 for United's common shares on June 3, 2016. The purchase price has been allocated to the identifiable tangible and intangible assets resulting in additions to goodwill and core deposit intangibles of $152,845 and $9,058, respectively. The core deposit intangibles are being amortized over ten years.

Because the consideration paid was greater than the net fair value of the acquired assets and liabilities, the Company recorded goodwill as part of the acquisition. None of the goodwill from the Bank of Georgetown acquisition is expected to be deductible for tax purposes. United used an independent third party to help determine the fair values of the assets and liabilities acquired from the Bank of Georgetown. As a result of the merger, United recorded downward fair value adjustments of $41,745 on the loans acquired and $1,550 on leasehold improvements, respectively, a premium on interest-bearing deposits acquired of $316 and a premium on long-term FHLB advances of $2,659. The remaining discount and premium amounts are being amortized or accreted on an accelerated basis over each asset's or liability's estimated remaining life at the time of acquisition. At March 31, 2017, the premium on the interest-bearing deposits and the FHLB advances had an estimated remaining life of 0.83 years and 8.42 years, respectively. United assumed approximately $300 of liabilities to provide severance benefits to terminated employees of Bank of Georgetown, which has no remaining balance as of March 31, 2017. The estimated fair values of the acquired assets and assumed liabilities, including identifiable intangible assets are considered final as of March 31, 2017. However, they are still subject to refinement as additional information relative to closing date fair values becomes available. Any subsequent adjustments to the fair values of acquired assets and liabilities assumed, identifiable intangible assets, or other purchase accounting adjustments will result in adjustments to goodwill within the first 12 months following the date of acquisition.

In many cases, determining the estimated fair value of the acquired assets and assumed liabilities required United to estimate cash flows expected to result from those assets and liabilities and to discount those cash flows at appropriate rates of interest. The most significant of those determinations related to the fair valuation of acquired loans. The fair value of the acquired loans was based on the present value of the expected cash flows. Periodic principal and interest cash flows were adjusted for expected losses and prepayments, then discounted to determine the present value and summed to arrive at the estimated fair value. For such loans, the excess of cash flows expected at acquisition over the estimated fair value is recognized as interest income over the remaining lives of the loans. The difference between contractually required payments at acquisition and the cash flows expected to be collected at acquisition reflects the impact of estimated credit losses and other factors, such as prepayments. In accordance with GAAP, there was no carry-over of Bank of Georgetown's previously established allowance for loan losses.

The acquired loans were divided into loans with evidence of credit quality deterioration, which are accounted for under ASC topic 310-30 (acquired impaired) and loans that do not meet this criteria, which are accounted for under ASC topic 310-20 (acquired performing). Acquired impaired loans have experienced a deterioration of credit quality from origination to acquisition for which it is probable that United will be unable to collect all contractually required payments receivable, including both principal and interest. Subsequent decreases in the expected cash flows require United to evaluate the need for additions to the Company's allowance for credit losses. Subsequent improvements in expected cash flows generally result in the recognition of additional interest income over the then remaining lives of the loans.

In conjunction with the Bank of Georgetown merger, the acquired loan portfolio was accounted for at fair value as follows:

	June 3, 2016
Contractually required principal and interest at acquisition	$1,275,398
Contractual cash flows not expected to be collected	(33,713)
Expected cash flows at acquisition	1,241,685
Interest component of expected cash flows	(273,488)
Basis in acquired loans at acquisition – estimated fair value	$ 968,197

Included in the above table is information related to acquired impaired loans. Specifically, contractually required principal and interest, cash flows expected to be collected and estimated fair value of acquired impaired loans were $138,125, $117,564, and $95,570, respectively.

The consideration paid for Bank of Georgetown's common equity and the fair value of acquired identifiable assets and liabilities assumed as of the BOG Acquisition Date were as follows:

Purchase price:	
Value of common shares issued (6,527,746 shares)	$ 253,799
Fair value of stock options assumed	10,696
Cash for fractional shares	10
Total purchase price	264,505
Identifiable assets:	
Cash and cash equivalents	29,340
Investment securities	219,783
Loans	968,197
Premises and equipment	5,574
Core deposit intangibles	9,058
Other assets	31,605
Total identifiable assets	$1,263,557
Identifiable liabilities:	
Deposits	$ 971,685
Short-term borrowings	101,021
Long-term borrowings	67,659
Other liabilities	11,532
Total identifiable liabilities	1,151,897
Fair value of net assets acquired including identifiable intangible assets	111,660
Resulting goodwill	$ 152,845

The operating results of United for the three months ended March 31, 2017 include operating results of acquired assets and assumed liabilities subsequent to the Acquisition Date. The operations of United's metropolitan Washington D.C. geographic area, which primarily includes the acquired operations of Bank of Georgetown, has provided $171,303 in total revenues, which represents net interest income plus other income, and $61,253 in net income from the period from the BOG Acquisition Date to March 31, 2017. Bank of Georgetown's results of operations prior to the BOG Acquisition Date are not included in United's consolidated financial statements.

The following table presents certain unaudited pro forma information for the results of operations for the three months ended March 31, 2016, as if the Bank of Georgetown merger had occurred on January 1, 2016. These results combine the historical results of Bank of Georgetown into United's consolidated statement of income and, while certain adjustments were made for the estimated impact of certain fair value adjustments, they are not indicative of what would have occurred had the acquisition taken place on the indicated date nor are they intended to represent or be indicative of future results of operations. In particular, no adjustments have been made to eliminate the amount of Bank of Georgetown's provision for credit losses for the first three months of 2016 that may not have been necessary had the acquired loans been recorded at fair value as of the beginning of 2016. Additionally, United expects to achieve operating cost savings and other business synergies as a result of the acquisition which are not reflected in the pro forma amounts.

	Proforma Three Months Ended March 31, 2016
Total Revenues [1]	$ 128,095
Net Income	37,333

(1) Represents net interest income plus other income

3. INVESTMENT SECURITIES

Securities held for indefinite periods of time and all marketable equity securities are classified as available for sale and carried at estimated fair value. The amortized cost and estimated fair values of securities available for sale are summarized as follows:

	March 31, 2017				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cumulative OTTI in AOCI [1]
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 71,972	$ 674	$ 161	$ 72,485	$ 0
State and political subdivisions	196,253	1,862	4,293	193,822	0
Residential mortgage-backed securities					
Agency	592,229	3,986	4,836	591,379	0
Non-agency	6,141	404	0	6,545	86
Commercial mortgage-backed securities					
Agency	293,660	1,828	1,089	294,399	0
Asset-backed securities	0	0	0	0	0
Trust preferred collateralized debt obligations	48,098	1,224	12,425	36,897	25,952
Single issue trust preferred securities	13,378	268	1,953	11,693	0
Other corporate securities	14,997	138	0	15,135	0
Marketable equity securities	5,698	1,317	7	7,008	0
Total	$1,242,426	$ 11,701	$ 24,764	$1,229,363	$ 26,038

	December 31, 2016				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cumulative OTTI in AOCI (1)
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 95,247	$ 698	$ 159	$ 95,786	$ 0
State and political subdivisions	196,350	1,364	4,902	192,812	0
Residential mortgage-backed securities					
Agency	585,208	3,999	5,111	584,096	0
Non-agency	6,629	426	12	7,043	86
Commercial mortgage-backed securities					
Agency	304,635	1,948	1,242	305,341	0
Asset-backed securities	217	0	0	217	0
Trust preferred collateralized debt obligations	48,558	729	15,735	33,552	25,952
Single issue trust preferred securities	13,363	284	2,170	11,477	0
Other corporate securities	14,996	66	0	15,062	0
Marketable equity securities	12,436	1,398	6	13,828	0
Total	$1,277,639	$ 10,912	$ 29,337	$1,259,214	$ 26,038

(1) Other-than-temporary impairment in accumulated other comprehensive income. Amounts are before tax.

The following is a summary of securities available-for-sale which were in an unrealized loss position at March 31, 2017 and December 31, 2016.

	Less than 12 months		12 months or longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
March 31, 2017				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 32,765	$ 161	$ 0	$ 0
State and political subdivisions	106,137	4,293	0	0
Residential mortgage-backed securities				
Agency	316,534	4,790	2,870	46
Non-agency	0	0	0	0
Commercial mortgage-backed securities				
Agency	142,214	1,089	0	0
Asset-backed securities	0	0	0	0
Trust preferred collateralized debt obligations	0	0	30,539	12,425
Single issue trust preferred securities	0	0	8,413	1,953
Marketable equity securities	0	0	356	7
Total	$597,650	$ 10,333	$54,882	$ 14,431

	Less than 12 months		12 months or longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2016				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 24,101	$ 159	$ 0	$ 0
State and political subdivisions	116,300	4,902	0	0
Residential mortgage-backed securities				
Agency	309,376	5,111	0	0
Non-agency	0	0	218	12
Commercial mortgage-backed securities				
Agency	162,479	1,242	0	0
Asset-backed securities	0	0	0	0
Trust preferred collateralized debt obligations	0	0	28,579	15,735
Single issue trust preferred securities	0	0	8,185	2,170
Marketable equity securities	357	6	0	0
Total	$612,613	$ 11,420	$36,982	$ 17,917

Marketable equity securities consist mainly of equity securities of financial institutions and mutual funds within a rabbi trust for the payment of benefits under a deferred compensation plan for certain key officers of United and its subsidiaries. The following table shows the proceeds from maturities, sales and calls of available for sale securities and the gross realized gains and losses on sales and calls of those securities that have been included in earnings as a result of those sales and calls. Gains or losses on sales and calls of available for sale securities were recognized by the specific identification method. The realized losses relate to sales of securities within a rabbi trust for the payment of benefits under a deferred compensation plan for certain key officers of United and its subsidiaries.

	Three Months Ended March 31	
	2017	2016
Proceeds from sales and calls	$98,798	$34,999
Gross realized gains	214	6
Gross realized losses	0	2

At March 31, 2017, gross unrealized losses on available for sale securities were $24,764 on 335 securities of a total portfolio of 639 available for sale securities. Securities in an unrealized loss position at March 31, 2017 consisted primarily of pooled trust preferred collateralized debt obligations (Trup Cdos), state and political subdivision securities, single issue trust preferred securities and agency residential mortgage-backed securities. The Trup Cdos and the single issue trust preferred securities relate mainly to securities of financial institutions. The state and political subdivisions securities relate to securities issued by various municipalities The agency residential mortgage-backed securities relate to residential properties and provide a guaranty of full and timely payments of principal and interest by the issuing agency. In determining whether or not a security is other-than-temporarily impaired (OTTI), management considered the severity and the duration of the loss in conjunction with United's positive intent and the more likely than not ability to hold these securities to recovery of their cost basis or maturity.

State and political subdivisions

United's state and political subdivisions portfolio relates to securities issued by various municipalities located throughout the United States. The total amortized cost of available for sale state and political subdivision securities was $196,253 at March 31, 2017. As of March 31, 2017, approximately 80% of the portfolio was supported by the general obligation of the issuing municipality, which allows for the securities to be repaid by any means available to the municipality. The majority of the portfolio was rated AA or higher, and less than one percent of the portfolio was rated below investment grade as of March 31, 2017. In addition to monitoring the credit ratings of these securities, management also evaluates the financial performance of the underlying issuers on an ongoing basis. Based upon management's analysis and judgment, it was determined that none of the state and political subdivision securities were other-than-temporarily impaired at March 31, 2017.

Agency mortgage-backed securities

United's agency mortgage-backed securities portfolio relates to securities issued by Fannie Mae, Freddie Mac, and Ginnie Mae. The total amortized cost of available for sale agency mortgage-backed securities was $885,889 at March 31, 2017. Of the $885,889, $293,660 was related to agency commercial mortgage-backed securities and $592,229 was related to agency residential mortgage-backed securities. Each of the agency mortgage-backed securities provides a guarantee of full and timely payments of principal and interest by the issuing agency. Based upon management's analysis and judgment, it was determined that none of the agency mortgage-backed securities were other-than-temporarily impaired at March 31, 2017.

Non-agency residential mortgage-backed securities

United's non-agency residential mortgage-backed securities portfolio relates to securities of various private label issuers. The total amortized cost of available for sale non-agency residential mortgage securities was $6,141 at March 31, 2017. Of the $6,141, $915 was rated above investment grade and $5,226 was rated below investment grade. Approximately 22% of the portfolio includes collateral that was originated during the year of 2005 or before. The remaining 78% includes collateral that was originated in the years of 2006 and 2007. The entire portfolio of the non-agency residential mortgage securities are either the senior or super-senior tranches of their respective structure. Based upon management's analysis and judgment, it was determined that one of the non-agency mortgage-backed securities was other-than-temporarily impaired at March 31, 2017. The credit-related other-than-temporary impairment recognized in earnings for the first quarter of 2017 on this non-agency residential mortgage-backed security, which is not expected to be sold, was $44. There was no non-credit related other-than-temporary impairment recognized during the first quarter of 2017.

Single issue trust preferred securities

The majority of United's single-issue trust preferred portfolio consists of obligations from large cap banks (i.e. banks with market capitalization in excess of $10 billion). Management reviews each issuer's current and projected earnings trends, asset quality, capitalization levels, and other key factors. Upon completing the review for the first quarter of 2017, it was determined that none of the single issue securities were other-than-temporarily impaired. All single-issue trust preferred securities are currently receiving interest payments. The available for sale single issue trust preferred securities' ratings ranged from a low of Ba1 to a high of BBB-. The amortized cost of available for sale single issue trust preferred securities as of March 31, 2017 consisted of $3,012 in investment grade bonds, $4,666 in split-rated bonds and $5,700 in unrated bonds. All of the unrated bonds were in an unrealized loss position for twelve months or longer as of March 31, 2017.

Trust preferred collateralized debt obligations (Trup Cdos)

In order to determine how and when the Company recognizes OTTI, the Company first assesses its intentions regarding any sale of securities as well as the likelihood that it would be required to sell prior to recovery of the amortized cost. As of March 31, 2017, the Company has determined that it does not intend to sell any pooled trust preferred security and that it is not more likely than not that the Company will be required to sell such securities before recovery of their amortized cost.

To determine a net realizable value and assess whether other-than-temporary impairment existed, management performed detailed cash flow analysis to determine whether, in management's judgment, it was more likely that

United would not recover the entire amortized cost basis of the security. The Company discounts the security-specific cash flow projection at the security-specific interest rate and compares the present value to the amortized cost. Management's cash flow analysis was performed for each security and considered the current deferrals and defaults within the underlying collateral, the likelihood that current deferrals would cure or ultimately default, potential future deferrals and defaults, potential prepayments, cash reserves, excess interest spread, credit analysis of the underlying collateral and the priority of payments in the cash flow structure. The underlying collateral analysis for each issuer took into consideration multiple factors including capital adequacy, earnings trends and asset quality. After completing its analysis of estimated cash flows, management determined that none of the Trup Cdos experienced an adverse change in cash flows during the first quarter of 2017, as the expected discounted cash flows from these particular securities were greater than or equal to the discounted cash flows originally expected at purchase or from the previous date of other-than-temporary impairment (cash flows are discounted at the contractual coupon rate for purposes of assessing OTTI).

There was no credit-related other-than-temporary impairment recognized in earnings for the first quarter of 2017 or 2016 related to these securities. The balance of noncredit-related other-than-temporary impairment recognized on United's Trup Cdo portfolio was $25,952 at March 31, 2017 and December 31, 2016.

The amortized cost of available for sale Trup Cdos in an unrealized loss position for twelve months or longer as of March 31, 2017 consisted of $3,767 in investment grade bonds, $2,779 in split rated bonds, and $36,417 in below investment grade bonds.

The following is a summary of the available for sale Trup Cdos as of March 31, 2017:

				Amortized Cost		
Class	Amortized Cost	Fair Value	Unrealized Loss	Investment Grade	Split Rated	Below Investment Grade
Senior – Bank	$ 5,565	$ 5,399	$ 166	$ 3,767	$ 0	$ 1,798
Mezzanine – Bank (now in senior position)	11,306	9,583	1,723	0	2,779	8,527
Mezzanine – Bank	26,095	17,838	8,257	0	0	26,095
Mezzanine – Bank & Insurance (combination)	5,132	4,077	1,055	0	0	5,132
Totals	$ 48,098	$36,897	$ 11,201	$ 3,767	$2,779	$ 41,552

While a large difference remains between the fair value and amortized cost, the Company believes the remaining unrealized losses are related to the illiquid market for Trup Cdos rather than an adverse change in expected cash flows. The expected future cash flow substantiates the return of the remaining amortized cost of the security. The Company believes the following evidence supports the position that the remaining unrealized loss is related to the illiquid market for Trup Cdos:

- The market for new issuance of Trup Cdos was robust from 2000 to 2007 with an estimated $60 billion in new issuance. The new market issuances came to an abrupt halt in 2007.
- The secondary market for Trup Cdos ultimately became illiquid and although the market has improved, trading activity remains limited on these securities. In making this determination, the Company holds discussions with institutional traders to identify trends in the number and type of transactions related to the Trup Cdos.
- The presence of a below-investment grade rating severely limits the pool of available buyers and contributes to the illiquidity of the market.
- Trup Cdos have a more complex structure than most debt instruments, making projections of tranche returns difficult for non-specialists in the product. Deferral features available to the underlying issuers within each pool are unique to these securities. Additionally, it can be difficult for market participants to predict whether deferrals will ultimately cure or ultimately default. Due to the lack of transparency, market participants will require a higher risk premium, thus resulting in higher required discount rates.

- The variability of cash flows at the time the securities were originated was expected to be very limited. Due to the financial crisis, Trup Cdos have experienced more substantive variability of cash flows compared to expectations, resulting in a higher risk premium when evaluating discount rates.
- The limited, yet relevant, observable inputs indicate that market yield requirements for Trup Cdos, on a credit-adjusted basis, remained very high relative to discount rates at purchase and compared to other similarly rated debt securities.

Overall, the Company believes the lack of new issuances, illiquid secondary market, limited pool of buyers, below investment grade ratings, and complex structures are the key drivers of the remaining unrealized losses in the Company's Trup Cdos and the robust expected cash flow analysis substantiates the return of the remaining amortized cost under ASC topic 320.

Management also considered the ratings of the Company's bonds in its portfolio and the extent of downgrades in United's impairment analysis. However, management considered it imperative to independently perform its own credit analysis based on cash flows as described. The ratings of the investment grade Trup Cdos in the table above range from a low of AA to a high of Aaa. The split-rated Trup Cdos range from a low of Ba1 to a high of BBB. The below investment grade Trup Cdos range from a low of C to a high of Ba2.

On the Trup Cdos that have not been deemed to be other-than-temporarily impaired, the collateralization ratios range from a low of 104.2% to a high of 375.2%, with a median of 160.7%, and a weighted average of 234.4%. The collateralization ratio is defined as the current performing collateral in a security, divided by the current balance of the specific tranche the Company owns, plus any debt which is senior or pari passu with the Company's security's priority level. Performing collateral excludes the balance of any issuer that has either defaulted or has deferred its interest payment. It is not uncommon for the collateralization of a security that is not other-than-temporarily impaired to be less than 100% due to the excess spread built into the securitization structure.

Except for the debt securities that have already been deemed to be other-than-temporarily impaired, management does not believe any other individual security with an unrealized loss as of March 31, 2017 is other-than-temporarily impaired. For these securities, United believes the decline in value resulted from changes in market interest rates, credit spreads and liquidity, not a change in the expected contractual cash flows. Based on a review of each of the securities in the investment portfolio, management concluded that it expected to recover the amortized cost basis of the investment in such securities.

Equity securities

The amortized cost of United's equity securities was $5,698 at March 31, 2017. For equity securities, management has evaluated the near-term prospects of the investment in relation to the severity and duration of any impairment and based on that evaluation, management determined that no equity securities were other-than-temporarily impaired at March 31, 2017.

Other investment securities (cost method)

During the first quarter of 2017, United also evaluated all of its cost method investments to determine if certain events or changes in circumstances during the first quarter of 2017 had a significant adverse effect on the fair value of any of its cost method securities. United determined that there were no events or changes in circumstances during the first quarter which would have an adverse effect on the fair value of any of its cost method securities. Therefore, no impairment was recorded. However, United did recognize a net gain of $3,770 during the first quarter of 2017 on proceeds received from the redemption of a cost method security.

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Below is a progression of the credit losses on securities which United has recorded other-than-temporary charges. These charges were recorded through earnings and other comprehensive income.

	Three Months Ended March 31	
	2017	2016
Balance of cumulative credit losses at beginning of period	$22,162	$23,773
Additions for credit losses recognized in earnings during the period:		
Additional credit losses on securities for which OTTI was previously recognized	0	0
Reductions for securities sold or paid off during the period	0	0
Balance of cumulative credit losses at end of period	$22,162	$23,773

The amortized cost and estimated fair value of securities available for sale at March 31, 2017 and December 31, 2016 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because the issuers may have the right to call or prepay obligations without penalties.

	March 31, 2017		December 31, 2016	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 38,981	$ 38,931	$ 53,286	$ 53,330
Due after one year through five years	266,494	267,488	296,181	297,385
Due after five years through ten years	238,725	240,268	213,094	213,791
Due after ten years	692,528	675,668	702,642	680,880
Marketable equity securities	5,698	7,008	12,436	13,828
Total	$1,242,426	$1,229,363	$1,277,639	$1,259,214

The amortized cost and estimated fair values of securities held-to-maturity are summarized as follows:

	March 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 5,269	$ 517	$ 0	$ 5,786
State and political subdivisions	5,714	13	0	5,727
Residential mortgage-backed securities				
Agency	28	5	0	33
Single issue trust preferred securities	19,319	0	2,214	17,105
Other corporate securities	20	0	0	20
Total	$ 30,350	$ 535	$ 2,214	$ 28,671

	December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 5,295	$ 570	$ 0	$ 5,865
State and political subdivisions	8,598	17	0	8,615
Residential mortgage-backed securities				
Agency	30	5	0	35
Single issue trust preferred securities	19,315	0	2,672	16,643
Other corporate securities	20	0	0	20
Total	$ 33,258	$ 592	$ 2,672	$ 31,178

Even though the market value of the held-to-maturity investment portfolio is less than its cost, the unrealized loss has no impact on the net worth or regulatory capital requirements of United. As of March 31, 2017, the Company's two largest held-to-maturity single-issue trust preferred exposures were to Wells Fargo ($9,924) and SunTrust Bank ($7,420). The two held-to-maturity single-issue trust preferred exposures with at least one rating below investment grade included SunTrust Bank ($7,420) and Royal Bank of Scotland ($976). Other corporate securities consist mainly of bonds of corporations.

There were no gross realized gains or losses on calls and sales of held to maturity securities included in earnings for the first quarter of 2017 and 2016.

The amortized cost and estimated fair value of debt securities held to maturity at March 31, 2017 and December 31, 2016 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because the issuers may have the right to call or prepay obligations without penalties.

	March 31, 2017		December 31, 2016	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 1,040	$ 1,040	$ 1,040	$ 1,041
Due after one year through five years	8,242	8,770	8,268	8,850
Due after five years through ten years	10,624	9,677	3,585	3,589
Due after ten years	10,444	9,184	20,365	17,698
Total	$ 30,350	$ 28,671	$ 33,258	$ 31,178

The carrying value of securities pledged to secure public deposits, securities sold under agreements to repurchase, and for other purposes as required or permitted by law, approximated $1,011,899 and $1,137,408 at March 31, 2017 and December 31, 2016, respectively.

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4. LOANS

Major classes of loans are as follows:

	March 31, 2017	December 31, 2016
Commercial, financial and agricultural:		
Owner-occupied commercial real estate	$ 1,048,362	$ 1,049,885
Nonowner-occupied commercial real estate	3,389,261	3,425,453
Other commercial loans	1,683,544	1,613,437
Total commercial, financial & agricultural	6,121,167	6,088,775
Residential real estate	2,389,647	2,403,437
Construction & land development	1,267,994	1,255,738
Consumer:		
Bankcard	12,452	14,187
Other consumer	633,596	594,582
Total gross loans	$ 10,424,856	$ 10,356,719

The table above does not include loans held for sale of $3,581 and $8,445 at March 31, 2017 and December 31, 2016, respectively. Loans held for sale consist of single-family residential real estate loans originated for sale in the secondary market.

The outstanding balances in the table above include acquired impaired loans with a recorded investment of $143,045 or 1.37% of total gross loans at March 31, 2017 and $171,596 or 1.66% of total gross loans at December 31, 2016. The contractual principal in these acquired impaired loans was $196,657 and $231,096 at March 31, 2017 and December 31, 2016, respectively. The balances above do not include future accretable net interest (i.e. the difference between the undiscounted expected cash flows and the recorded investment in the loan) on the acquired impaired loans.

Activity for the accretable yield for the first quarter of 2017 follows:

Accretable yield at the beginning of the period	$ 29,165
Accretion (including cash recoveries)	(2,744)
Net reclassifications to accretable from non-accretable	1,471
Disposals (including maturities, foreclosures, and charge-offs)	(418)
Accretable yield at the end of the period	$ 27,474

United's subsidiary banks have made loans to the directors and officers of United and its subsidiaries, and to their affiliates. The aggregate dollar amount of these loans was $280,687 and $255,476 at March 31, 2017 and December 31, 2016, respectively.

5. CREDIT QUALITY

Management monitors the credit quality of its loans on an ongoing basis. Measurement of delinquency and past due status are based on the contractual terms of each loan.

For all loan classes, past due loans are reviewed on a monthly basis to identify loans for nonaccrual status. Generally, when collection in full of the principal and interest is jeopardized, the loan is placed on nonaccrual status. The accrual of interest income on commercial and most consumer loans generally is discontinued when a loan becomes 90 to 120 days past due as to principal or interest. However, regardless of delinquency status, if a loan is fully secured and in the process of collection and resolution of collection is expected in the near term (generally less than 90 days), then the loan will not be placed on nonaccrual status. When interest accruals are discontinued, unpaid interest recognized in income in the current year is reversed, and unpaid interest accrued in prior years is charged to the allowance for loan losses. United's method of income recognition for loans that are classified as nonaccrual is to recognize interest income on a cash basis or apply the cash receipt to principal when the ultimate collectibility of principal is in doubt. Nonaccrual loans will not normally be returned to accrual status unless all past due principal and interest has been paid and the borrower has evidenced their ability to meet the contractual provisions of the note.

A loan is categorized as a troubled debt restructuring (TDR) if a concession is granted and there is deterioration in the financial condition of the borrower. TDRs can take the form of a reduction of the stated interest rate, splitting a loan into separate loans with market terms on one loan and concessionary terms on the other loan, receipts of assets from a debtor in partial or full satisfaction of a loan, the extension of the maturity date or dates at a stated interest rate lower than the current market rate for new debt with similar risk, the reduction of the face amount or maturity amount of the debt as stated in the instrument or other agreement, the reduction of accrued interest or any other concessionary type of renegotiated debt. As of March 31, 2017, United had TDRs of $24,028 as compared to $21,152 as of December 31, 2016. Of the $24,028 aggregate balance of TDRs at March 31, 2017, $11,522 was on nonaccrual status and included in the "Loans on Nonaccrual Status" on the following page. Of the $21,152 aggregate balance of TDRs at December 31, 2016, $11,106 was on nonaccrual status and included in the "Loans on Nonaccrual Status" on the following page. As of March 31, 2017, there were no commitments to lend additional funds to debtors owing receivables whose terms have been modified in TDRs. At March 31, 2017, United had restructured loans in the amount of $2,640 that were modified by a reduction in the interest rate, $5,637 that were modified by a combination of a reduction in the interest rate and the principal and $15,751 that was modified by a change in terms.

A loan acquired and accounted for under ASC topic 310-30 "Loans and Debt Securities Acquired with Deteriorated Credit Quality" is reported as an accruing loan and a performing asset unless it does not perform in accordance with its restructured contractual provisions.

The following table sets forth United's troubled debt restructurings that were restructured during the three months ended March 31, 2017 and 2016, segregated by class of loans.

	Troubled Debt Restructurings For the Three Months Ended					
	March 31, 2017			March 31, 2016		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial real estate:						
Owner-occupied	0	$ 0	$ 0	0	$ 0	$ 0
Nonowner-occupied	0	0	0	0	0	0
Other commercial	4	2,752	2,741	3	1,441	1,438
Residential real estate	0	0	0	1	1,400	1,400
Construction & land development	1	1,456	1,450	0	0	0
Consumer:						
Bankcard	0	0	0	0	0	0
Other consumer	0	0	0	0	0	0
Total	5	$ 4,208	$ 4,191	4	$ 2,841	$ 2,838

During the first quarter of 2017, $4,191 of restructured loans were modified by a change in terms. During the first quarter of 2016, $1,438 of restructured loans were modified by a change in terms and $1,400 were modified by a combination of a reduction in the interest rate and the principal. In some instances, the post-modification balance on the restructured loans is larger than the pre-modification balance due to the advancement of monies for items such as delinquent taxes on real estate property. The loans were evaluated individually for allocation within United's allowance for loan losses. The modifications had an immaterial impact on the financial condition and results of operations for United.

No loans restructured during the twelve-month periods ended March 31, 2017 and 2016 subsequently defaulted, resulting in a principal charge-off during the first quarters of 2017 and 2016, respectively.

The following table sets forth United's age analysis of its past due loans, segregated by class of loans:

Age Analysis of Past Due Loans
As of March 31, 2017

	30-89 Days Past Due	90 Days or more Past Due	Total Past Due	Current & Other (1)	Total Financing Receivables	Recorded Investment >90 Days & Accruing
Commercial real estate:						
Owner-occupied	$ 3,723	$ 4,789	$ 8,512	$ 1,039,850	$ 1,048,362	$ 0
Nonowner-occupied	17,214	24,688	41,902	3,347,359	3,389,261	194
Other commercial	18,002	48,503	66,505	1,617,039	1,683,544	889
Residential real estate	28,758	24,214	52,972	2,336,675	2,389,647	3,927
Construction & land development	1,490	4,736	6,226	1,261,768	1,267,994	33
Consumer:						
Bankcard	257	256	513	11,939	12,452	256
Other consumer	6,783	1,646	8,429	625,167	633,596	1,415
Total	$76,227	$108,832	$185,059	$10,239,797	$10,424,856	$ 6,714

(1) Other includes loans with a recorded investment of $143,045 acquired and accounted for under ASC topic 310-30 "Loans and Debt Securities Acquired with Deteriorated Credit Quality".

Age Analysis of Past Due Loans
As of December 31, 2016

(In thousands)	30-89 Days Past Due	90 Days or more Past Due	Total Past Due	Current & Other (1)	Total Financing Receivables	Recorded Investment >90 Days & Accruing
Commercial real estate:						
Owner-occupied	$ 5,850	$ 3,981	$ 9,831	$ 1,040,054	$ 1,049,885	$ 94
Nonowner-occupied	9,288	20,847	30,135	3,395,318	3,425,453	172
Other commercial	15,273	42,766	58,039	1,555,398	1,613,437	2,518
Residential real estate	29,976	25,991	55,967	2,347,470	2,403,437	4,216
Construction & land development	3,809	7,779	11,588	1,244,150	1,255,738	33
Consumer:						
Bankcard	422	141	563	13,624	14,187	141
Other consumer	10,015	1,712	11,727	582,855	594,582	1,412
Total	$74,633	$103,217	$177,850	$10,178,869	$10,356,719	$ 8,586

(1) Other includes loans with a recorded investment of $171,596 acquired and accounted for under ASC topic 310-30 "Loans and Debt Securities Acquired with Deteriorated Credit Quality".

The following table sets forth United's nonaccrual loans, segregated by class of loans:

Loans on Nonaccrual Status

	March 31, 2017	December 31, 2016
Commercial real estate:		
Owner-occupied	$ 4,789	$ 3,887
Nonowner-occupied	24,494	20,675
Other commercial	47,614	40,248
Residential real estate	20,287	21,775
Construction & land development	4,703	7,746
Consumer:		
Bankcard	0	0
Other consumer	231	300
Total	$102,118	$ 94,631

United assigns credit quality indicators of pass, special mention, substandard and doubtful to its loans. For United's loans with a corporate credit exposure, United internally assigns a grade based on the creditworthiness of the borrower. For loans with a consumer credit exposure, United internally assigns a grade based upon an individual loan's delinquency status. United reviews and updates, as necessary, these grades on a quarterly basis.

Special mention loans, with a corporate credit exposure, have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loans or in the Company's credit position at some future date. Borrowers may be experiencing adverse operating trends (declining revenues or margins) or an ill proportioned balance sheet (e.g., increasing inventory without an increase in sales, high leverage, tight liquidity). Adverse economic or market conditions, such as interest rate increases or the entry of a new competitor, may also support a special mention rating. Nonfinancial reasons for rating a credit exposure special mention include management problems, pending litigation, an ineffective loan agreement or other material structural weakness, and any other significant deviation from prudent lending practices. For loans with a consumer credit exposure, loans that are past due 30-89 days are generally considered special mention.

A substandard loan with a corporate credit exposure is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt by the borrower. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. They require more intensive supervision by management. Substandard loans are generally characterized by current or expected unprofitable operations, inadequate debt service coverage, inadequate liquidity, or marginal capitalization. Repayment may depend on collateral or other credit risk mitigants. For some substandard loans, the likelihood of full collection of interest and principal may be in doubt and thus, placed on nonaccrual. For loans with a consumer credit exposure, loans that are 90 days or more past due or that have been placed on nonaccrual are considered substandard.

A loan with corporate credit exposure is classified as doubtful if it has all the weaknesses inherent in one classified as substandard with the added characteristic that the weaknesses make collection in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. A doubtful loan has a high probability of total or substantial loss, but because of specific pending events that may strengthen the loan, its classification as loss is deferred. Doubtful borrowers are usually in default, lack adequate liquidity or capital, and lack the resources necessary to remain an operating entity. Pending events can include mergers, acquisitions, liquidations, capital injections, the perfection of liens on additional collateral, the valuation of collateral, and refinancing. Generally, there are not any loans with a consumer credit exposure that are classified as doubtful. Usually, they are charged-off prior to such a classification. Loans classified as doubtful are also considered impaired.

The following tables set forth United's credit quality indicators information, by class of loans:

Credit Quality Indicators

Corporate Credit Exposure

As of March 31, 2017

	Commercial Real Estate Owner-occupied	Commercial Real Estate Nonowner-occupied	Other Commercial	Construction & Land Development
Grade:				
Pass	$ 962,591	$3,254,108	$1,548,854	$1,145,500
Special mention	19,885	46,886	21,207	23,575
Substandard	65,886	88,267	113,385	98,919
Doubtful	0	0	98	0
Total	$1,048,362	$3,389,261	$1,683,544	$1,267,994

As of December 31, 2016

	Commercial Real Estate Owner-occupied	Commercial Real Estate Nonowner-occupied	Other Commercial	Construction & Land Development
Grade:				
Pass	$ 963,503	$3,284,497	$1,463,797	$1,126,742
Special mention	20,490	36,462	26,537	52,327
Substandard	65,892	104,494	122,893	76,669
Doubtful	0	0	210	0
Total	$1,049,885	$3,425,453	$1,613,437	$1,255,738

Credit Quality Indicators

Consumer Credit Exposure

As of March 31, 2017

	Residential Real Estate	Bankcard	Other Consumer
Grade:			
Pass	$2,336,055	$11,939	$624,916
Special mention	19,069	257	6,892
Substandard	34,340	256	1,788
Doubtful	183	0	0
Total	$2,389,647	$12,452	$633,596

As of December 31, 2016

	Residential Real Estate	Bankcard	Other Consumer
Grade:			
Pass	$2,348,017	$13,624	$582,704
Special mention	18,240	422	10,132
Substandard	36,995	141	1,746
Doubtful	185	0	0
Total	$2,403,437	$14,187	$594,582

Loans are designated as impaired when, in the opinion of management, based on current information and events, the collection of principal and interest in accordance with the loan contract is doubtful. Typically, United does not consider loans for impairment unless a sustained period of delinquency (i.e. 90 days or more) is noted or there are subsequent events that impact repayment probability (i.e. negative financial trends, bankruptcy filings, eminent foreclosure proceedings, etc.). Impairment is evaluated in total for smaller-balance loans of a similar nature and on an individual loan basis for other loans. Consistent with United's existing method of income recognition for loans, interest on impaired loans, except those classified as nonaccrual, is recognized as income using the accrual method. Impaired loans, or portions thereof, are charged off when deemed uncollectible.

The following table sets forth United's impaired loans information, by class of loans:

	Impaired Loans					
	March 31, 2017			December 31, 2016		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded:						
Commercial real estate:						
Owner-occupied	$ 54,579	$ 55,111	$ 0	$ 46,575	$ 47,108	$ 0
Nonowner-occupied	63,542	64,097	0	92,654	93,104	0
Other commercial	58,940	61,184	0	46,064	48,308	0
Residential real estate	19,312	20,946	0	22,747	24,404	0
Construction & land development	17,578	19,186	0	19,863	21,746	0
Consumer:						
Bankcard	0	0	0	0	0	0
Other consumer	37	37	0	36	36	0
With an allowance recorded:						
Commercial real estate:						
Owner-occupied	$ 13,539	$ 13,704	$ 1,297	$ 1,787	$ 2,082	$ 815
Nonowner-occupied	14,253	14,253	2,320	17,938	17,938	2,524
Other commercial	69,897	75,180	17,210	43,774	46,188	13,441
Residential real estate	14,161	15,733	3,731	12,066	12,801	3,431
Construction & land development	3,382	7,880	1,213	4,940	7,899	3,206
Consumer:						
Bankcard	0	0	0	0	0	0
Other consumer	0	0	0	0	0	0
Total:						
Commercial real estate:						
Owner-occupied	$ 68,118	$ 68,815	$ 1,297	$ 48,362	$ 49,190	$ 815
Nonowner-occupied	77,795	78,350	2,320	110,592	111,042	2,524
Other commercial	128,837	136,364	17,210	89,838	94,496	13,441
Residential real estate	33,473	36,679	3,731	34,813	37,205	3,431
Construction & land development	20,960	27,066	1,213	24,803	29,645	3,206
Consumer:						
Bankcard	0	0	0	0	0	0
Other consumer	37	37	0	36	36	0

	Impaired Loans			
	For the Three Months Ended			
	March 31, 2017		March 31, 2016	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:				
Commercial real estate:				
Owner-occupied	$ 50,577	$ 368	$ 32,295	$ 59
Nonowner-occupied	78,098	214	67,036	207
Other commercial	52,502	318	29,705	100
Residential real estate	21,030	59	24,873	140
Construction & land development	18,720	5	26,015	27
Consumer:				
Bankcard	0	0	0	0
Other consumer	37	0	29	0
With an allowance recorded:				

	Impaired Loans			
	For the Three Months Ended			
	March 31, 2017		March 31, 2016	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
Commercial real estate:				
Owner-occupied	$ 7,663	$ 137	$ 4,372	$ 27
Nonowner-occupied	16,096	135	7,160	43
Other commercial	56,835	625	34,583	130
Residential real estate	13,113	8	12,809	6
Construction & land development	4,161	22	13,349	42
Consumer:				
Bankcard	0	0	0	0
Other consumer	0	0	0	0
Total:				
Commercial real estate:				
Owner-occupied	$ 58,240	$ 505	$ 36,667	$ 86
Nonowner-occupied	94,194	349	74,196	250
Other commercial	109,337	943	64,288	230
Residential real estate	34,143	67	37,682	146
Construction & land development	22,881	27	39,364	69
Consumer:				
Bankcard	0	0	0	0
Other consumer	37	0	29	0

At March 31, 2017 and December 31, 2016, other real estate owned (OREO) included in other assets in the Consolidated Balance Sheets was $29,902 and $31,510, respectively. OREO consists of real estate acquired in foreclosure or other settlement of loans. Such assets are carried at the lower of the investment in the assets or the fair value of the assets less estimated selling costs. Any adjustment to the fair value at the date of transfer is charged against the allowance for loan losses. Any subsequent valuation adjustments as well as any costs relating to operating, holding or disposing of the property are recorded in other expense in the period incurred. At March 31, 2017 and December 31, 2016, the recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process was $774 and $660, respectively.

6. ALLOWANCE FOR CREDIT LOSSES

The allowance for loan losses is management's estimate of the probable credit losses inherent in the loan portfolio. For purposes of determining the general allowance, the loan portfolio is segregated by product type to recognize differing risk profiles among categories. It is further segregated by credit grade for non-homogenous loan pools and delinquency for homogeneous loan pools. The outstanding principal balance within each pool is multiplied by historical loss data, the loss emergence period (which is the period of time between the event that triggers a loss and the confirmation and/or charge off of that loss) and certain qualitative factors to derive the general loss allocation per pool. Specific loss allocations are calculated for commercial loans in excess of $500,000 in accordance with ASC topic 310. Risk characteristics of owner-occupied commercial real estate loans and other commercial loans are similar in that they are normally dependent upon the borrower's internal cash flow from operations to service debt. Nonowner-occupied commercial real estate loans differ in that cash flow to service debt is normally dependent on external income from third parties for use of the real estate such as rents, leases and room rates. Residential real estate loans are dependent upon individual borrowers who are affected by changes in general economic conditions, demand for housing and resulting residential real estate valuation. Construction and land development loans are impacted mainly by demand whether for new residential housing or for retail, industrial, office and other types of commercial construction within a given area. Consumer loan pool risk characteristics are influenced by general, regional and local economic conditions.

Loans deemed to be uncollectible are charged against the allowance for loan losses, while recoveries of previously charged-off amounts are credited to the allowance for loan losses. For commercial loans, when a loan or a portion of a loan is identified to contain a loss, a charge-off recommendation is directed to management to charge-off all or a portion of that loan. Generally, any unsecured commercial loan more than six months delinquent in payment of interest must be charged-off in full. If secured, the charge-off is generally made to reduce the loan balance to a level equal to the liquidation value of the collateral when payment of principal and interest is six months delinquent. Any commercial loan, secured or unsecured, on which a principal or interest payment has not been made within 90 days, is reviewed monthly for appropriate action.

For consumer loans, closed-end retail loans that are past due 120 cumulative days delinquent from the contractual due date and open-end loans 180 cumulative days delinquent from the contractual due date are charged-off. Any consumer loan on which a principal or interest payment has not been made within 90 days is reviewed monthly for appropriate action. For a one-to-four family open-end or closed-end residential real estate loan, home equity loan, or high-loan-to-value loan that has reached 180 or more days past due, management evaluates the collateral position and charges-off any amount that exceeds the value of the collateral. On retail credits for which the borrower is in bankruptcy, all amounts deemed unrecoverable are charged off within 60 days of the receipt of the notification. On retail credits effected by fraud, a loan is charged-off within 90 days of the discovery of the fraud. In the event of the borrower's death and if repayment within the required timeframe is uncertain, the loan is generally charged-off as soon as the amount of the loss is determined.

For loans acquired through the completion of a transfer, including loans acquired in a business combination, that have evidence of deterioration of credit quality since origination and for which it is probable, at acquisition, that United will be unable to collect all contractually required payment receivable are initially recorded at fair value (as determined by the present value of expected future cash flows) with no valuation allowance. The difference between the undiscounted cash flows expected at acquisition and the investment in the loan, or the "accretable yield," is recognized as interest income on a level-yield method over the life of the loan. Contractually required payments for interest and principal that exceed the undiscounted cash flows expected at acquisition, or the "nonaccretable difference," are not recognized as a yield adjustment or as a loss accrual or a valuation allowance. Increases in expected cash flows subsequent to the initial investment are recognized prospectively through adjustment of the yield on the loan over its remaining life. Decreases in expected cash flows are recognized as impairment. Valuation allowances on these impaired loans reflect only losses incurred after the acquisition (meaning the present value of all cash flows expected at acquisition that ultimately are not to be received). For the three months ended March 31, 2017, the re-estimation of the expected cash flows related to loans acquired that have evidence of deterioration of credit quality resulted in provision for loan losses expense of $367 as compared to negative provision for loan losses expense of $437 for the three months ended March 31, 2016.

United maintains an allowance for loan losses and a reserve for lending-related commitments such as unfunded loan commitments and letters of credit. The reserve for lending-related commitments of $902 and $1,044 at March 31, 2017 and December 31, 2016, respectively, is separately classified on the balance sheet and is included in other liabilities. The combined allowance for loan losses and reserve for lending-related commitments are referred to as the allowance for credit losses.

A progression of the allowance for loan losses, by loan portfolio segment, for the three months ended March 31, 2017 and year ended December 31, 2016 are summarized as follows:

Allowance for Loan Losses and Carrying Amount of Loans
For the Three Months Ended March 31, 2017

	Commercial Real Estate							
	Owner-occupied	Nonowner-occupied	Other Commercial	Residential Real Estate	Construction & Land Development	Consumer	Allowance for Estimated Imprecision	Total
Allowance for Loan Losses:								
Beginning balance	$ 5,273	$ 6,883	$ 33,087	$ 13,770	$ 10,606	$ 2,805	$ 347	$ 72,771
Charge-offs	(628)	(105)	(3,398)	(745)	(1,742)	(667)	0	(7,285)
Recoveries	83	16	504	133	415	339	0	1,490
Provision	(516)	(179)	5,980	965	(664)	345	(32)	5,899
Ending balance	$ 4,212	$ 6,615	$ 36,173	$ 14,123	$ 8,615	$ 2,822	$ 315	$ 72,875
Ending Balance: individually evaluated for impairment	$ 1,297	$ 2,320	$ 17,216	$ 3,731	$ 1,213	$ 0	$ 0	$ 25,777
Ending Balance: collectively evaluated for impairment	$ 2,915	$ 4,295	$ 18,957	$ 10,392	$ 7,402	$ 2,822	$ 315	$ 47,098
Ending Balance: loans acquired with deteriorated credit quality	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Financing receivables:								
Ending balance	$1,048,362	$3,389,261	$1,683,544	$2,389,647	$1,267,994	$646,048	$ 0	$10,424,856
Ending Balance: individually evaluated for impairment	$ 38,613	$ 24,179	$ 95,211	$ 15,274	$ 5,824	$ 0	$ 0	$ 179,101
Ending Balance: collectively evaluated for impairment	$ 986,462	$3,318,670	$1,556,713	$2,359,790	$1,235,064	$646,011	$ 0	$10,102,710
Ending Balance: loans acquired with deteriorated credit quality	$ 23,287	$ 46,412	$ 31,620	$ 14,583	$ 27,106	$ 37	$ 0	$ 143,045

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Allowance for Loan Losses and Carrying Amount of Loans
For the Year Ended December 31, 2016

	Commercial Real Estate: Owner-occupied	Commercial Real Estate: Nonowner-occupied	Other Commercial	Residential Real Estate	Construction & Land Development	Consumer	Allowance for Estimated Imprecision	Total
Allowance for Loan Losses:								
Beginning balance	$ 3,637	$ 5,309	$ 31,328	$ 15,148	$ 18,205	$ 1,995	$ 104	$ 75,726
Charge-offs	5,281	419	20,430	4,597	2,659	2,794	0	36,180
Recoveries	3,071	675	3,452	639	433	446	0	8,716
Provision	3,846	1,318	18,737	2,580	(5,373)	3,158	243	24,509
Ending balance	$ 5,273	$ 6,883	$ 33,087	$ 13,770	$ 10,606	$ 2,805	$ 347	$ 72,771
Ending Balance: individually evaluated for impairment	$ 815	$ 2,524	$ 13,441	$ 3,431	$ 3,206	$ 0	$ 0	$ 23,417
Ending Balance: collectively evaluated for impairment	$ 4,458	$ 4,359	$ 19,646	$ 10,339	$ 7,400	$ 2,805	$ 347	$ 49,354
Ending Balance: loans acquired with deteriorated credit quality	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Financing receivables:								
Ending balance	$1,049,885	$3,425,453	$1,613,437	$2,403,437	$1,255,738	$608,769	$ 0	$10,356,719
Ending Balance: individually evaluated for impairment	$ 18,976	$ 26,835	$ 56,091	$ 14,766	$ 8,152	$ 0	$ 0	$ 124,820
Ending Balance: collectively evaluated for impairment	$1,005,999	$3,323,117	$1,527,479	$2,373,969	$1,221,006	$608,733	$ 0	$10,060,303
Ending Balance: loans acquired with deteriorated credit quality	$ 24,910	$ 75,501	$ 29,867	$ 14,702	$ 26,580	$ 36	$ 0	$ 171,596

7. INTANGIBLE ASSETS

The following is a summary of intangible assets subject to amortization and those not subject to amortization:

	As of March 31, 2017: Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Core deposit intangible assets	$ 69,635	($ 47,728)	$ 21,907
Goodwill not subject to amortization			$ 863,767

	As of December 31, 2016: Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Core deposit intangible assets	$ 69,635	($ 46,681)	$ 22,954
Goodwill not subject to amortization			$ 863,767

United incurred amortization expense of $1,048 and $745 for the quarters ended March 31, 2017 and 2016, respectively.

The following table sets forth the anticipated amortization expense for intangible assets for the years subsequent to 2016:

Year	Amount
2017	$4,190
2018	3,707
2019	3,450
2020	3,252
2021 and thereafter	8,355

8. SHORT-TERM BORROWINGS

Federal funds purchased and securities sold under agreements to repurchase are a significant source of funds for the Company. United has various unused lines of credit available from certain of its correspondent banks in the aggregate amount of $264,000. These lines of credit, which bear interest at prevailing market rates, permit United to borrow funds in the overnight market, and are renewable annually subject to certain conditions. At March 31, 2017, federal funds purchased were $18,100 while total securities sold under agreements to repurchase (REPOs) were $210,883. Included in the $210,883 of total REPOs is a wholesale REPOs of $50,000, assumed in the Virginia Commerce merger. This wholesale REPO is scheduled to mature in May of 2018. The securities sold under agreements to repurchase were accounted for as collateralized financial transactions. They were recorded at the amounts at which the securities were acquired or sold plus accrued interest.

United has a $20,000 line of credit with an unrelated financial institution to provide for general liquidity needs. The line is an unsecured, revolving line of credit. The line will be renewable on a 360-day basis and will carry an indexed, floating-rate of interest. The line requires compliance with various financial and nonfinancial covenants. At March 31, 2017, United had no outstanding balance under this line of credit.

9. LONG-TERM BORROWINGS

United's subsidiary banks are members of the Federal Home Loan Bank (FHLB). Membership in the FHLB makes available short-term and long-term borrowings from collateralized advances. All FHLB borrowings are collateralized by a mix of single-family residential mortgage loans, commercial loans and investment securities. At March 31, 2017, United had an unused borrowing amount of approximately $2,835,195 available subject to delivery of collateral after certain trigger points. Advances may be called by the FHLB or redeemed by United based on predefined factors and penalties.

At March 31, 2017, $887,459 of FHLB advances with a weighted-average interest rate of 0.88% are scheduled to mature within the next eight years. No overnight funds are included in the $887,459 of FHLB advances above at March 31, 2017. The scheduled maturities of these FHLB borrowings are as follows:

Year	Amount
2017	$815,915
2018	10,441
2019	35,000
2020	0
2021 and thereafter	26,103
Total	$887,459

At March 31, 2017, United had a total of thirteen statutory business trusts that were formed for the purpose of issuing or participating in pools of trust preferred capital securities (Capital Securities) with the proceeds invested in junior subordinated debt securities (Debentures) of United. The Debentures, which are subordinate and junior in right of payment to all present and future senior indebtedness and certain other financial obligations of United, are the sole assets of the trusts and United's payment under the Debentures is the sole source of revenue for the trusts. At March 31, 2017 and December 31, 2016, the outstanding balance of the Debentures was $224,508 and $224,319, respectively, and was included in the category of long-term debt on the Consolidated Balance Sheets entitled "Other long-term borrowings." The Capital Securities are not included as a component of shareholders' equity in the Consolidated Balance Sheets. United fully and unconditionally guarantees each individual trust's obligations under the Capital Securities.

Under the provisions of the subordinated debt, United has the right to defer payment of interest on the subordinated debt at any time, or from time to time, for periods not exceeding five years. If interest payments on the subordinated debt are deferred, the dividends on the Capital Securities are also deferred. Interest on the subordinated debt is cumulative.

As of March 31, 2017, the Trust Preferred Securities qualified as Tier 1 regulatory capital of United for regulatory purposes. In July of 2013, United's primary federal regulator, the Federal Reserve, published final rules (the "Basel III Capital Rules") establishing a new comprehensive capital framework for U.S. banking organizations. Because United was less than $15 billion in total consolidated assets, the Basel III Capital Rules grandfathered United's Trust Preferred Securities as Tier 1 capital under the limitations for restricted capital elements in the general risk-based capital rules. As a result, beginning in 2015, United's Trust Preferred Securities was subject to a limit of 25 percent of Tier 1 capital elements excluding any non-qualifying capital instruments and after all regulatory capital deductions and adjustments applied to Tier 1 capital, which is substantially similar to the limit in the general risk-based capital rules. Trust preferred securities no longer included in United's Tier 1 capital may be included as a component of Tier 2 capital on a permanent basis without phase-out.

However, with the acquisition of Cardinal on April 21, 2017, United's total consolidated assets now exceed $15 billion. As a result, United's Trust Preferred Securities will no longer be included in United's Tier 1 capital but will be included as a component of Tier 2 capital on a permanent basis without phase-out. This new requirement will be reflected in United's regulatory capital amounts for June 30, 2017, the first reporting period after the Cardinal acquisition.

10. COMMITMENTS AND CONTINGENT LIABILITIES

United is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers and to alter its own exposure to fluctuations in interest rates. These financial instruments include loan commitments, standby letters of credit, and interest rate swap agreements. The instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the financial statements.

United's maximum exposure to credit loss in the event of nonperformance by the counterparty to the financial instrument for the loan commitments and standby letters of credit is the contractual or notional amount of those instruments. United uses the same policies in making commitments and conditional obligations as it does for on-balance sheet instruments. Collateral may be obtained, if deemed necessary, based on management's credit evaluation of the counterparty.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the commitment contract. Commitments generally have fixed expiration dates or other termination clauses and may require the payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily, and historically do not, represent future cash requirements. The amount of collateral obtained, if deemed necessary upon the extension of credit, is based on management's credit evaluation of the counterparty. United had approximately $2,777,011 and $2,823,396 of loan commitments outstanding as of March 31, 2017 and December 31, 2016, respectively, approximately half of which expire within one year.

Commercial and standby letters of credit are agreements used by United's customers as a means of improving their credit standing in their dealings with others. Under these agreements, United guarantees certain financial commitments of its customers. A commercial letter of credit is issued specifically to facilitate trade or commerce. Typically, under the terms of a commercial letter of credit, a commitment is drawn upon when the underlying transaction is consummated as intended between the customer and a third party. As of March 31, 2017 and December 31, 2016, United had $9 of outstanding commercial letters of credit. A standby letter of credit is generally contingent upon the failure of a customer to perform according to the terms of an underlying contract with a third party. United has issued standby letters of credit of $116,315 and $121,584 as of March 31, 2017 and December 31, 2016, respectively. In accordance with the Contingencies Topic of the FASB Accounting Standards Codification, United has determined that substantially all of its letters of credit are renewed on an annual basis and the fees associated with these letters of credit are immaterial.

United and its subsidiaries are currently involved in various legal proceedings in the normal course of business. Management is vigorously pursuing all its legal and factual defenses and, after consultation with legal counsel, believes that all such litigation will be resolved with no material effect on United's financial position.

11. DERIVATIVE FINANCIAL INSTRUMENTS

United uses derivative instruments to help manage adverse prices or interest rate movements on the value of certain assets or liabilities and on future cash flows. These derivatives may consist of interest rate swaps, caps, floors, collars, futures, forward contracts, written and purchased options. United also executes derivative instruments with its commercial banking customers to facilitate its risk management strategies.

United accounts for its derivative financial instruments in accordance with the Derivatives and Hedging topic of the FASB Accounting Standards Codification. The Derivatives and Hedging topic require all derivative instruments to be carried at fair value on the balance sheet. United has designated certain derivative instruments used to manage interest rate risk as hedge relationships with certain assets, liabilities or cash flows being hedged. Certain derivatives used for interest rate risk management are not designated in a hedge relationship.

Derivative instruments designated in a hedge relationship to mitigate exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivative instruments designated in a hedge relationship to mitigate exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. As of March 31, 2017, United has only fair value hedges.

For a fair value hedge, the fair value of the interest rate swap is recognized on the balance sheet as either a freestanding asset or liability with a corresponding adjustment to the hedged financial instrument. Subsequent adjustments due to changes in the fair value of a derivative that qualifies as a fair value hedge are offset in current period earnings. For a cash flow hedge, the fair value of the interest rate swap is recognized on the balance sheet as either a freestanding asset or liability with a corresponding adjustment to other comprehensive income within shareholders' equity, net of tax. Subsequent adjustments due to changes in the fair value of a derivative that qualifies as a cash flow hedge are offset to other comprehensive income, net of tax. The portion of a hedge that is ineffective is recognized immediately in earnings.

At inception of a hedge relationship, United formally documents the hedged item, the particular risk management objective, the nature of the risk being hedged, the derivative being used, how effectiveness of the hedge will be assessed and how the ineffectiveness of the hedge will be measured. United also assesses hedge effectiveness at inception and on an ongoing basis using regression analysis. Hedge ineffectiveness is measured by using the change in fair value method. The change in fair value method compares the change in the fair value of the hedging derivative to the change in the fair value of the hedged exposure, attributable to changes in the benchmark rate. The portion of a hedge that is ineffective is recognized immediately in earnings.

The derivative portfolio also includes derivative financial instruments not included in hedge relationships. These derivatives consist of interest rate swaps used for interest rate management purposes and derivatives executed with commercial banking customers to facilitate their interest rate management strategies. For derivatives that are not designated in a hedge relationship, changes in the fair value of the derivatives are recognized in earnings in the same period as the change in fair value. Gains and losses on other derivative financial instruments are included in noninterest income and noninterest expense, respectively.

The following table sets forth certain information regarding the interest rate derivatives portfolio used for interest-rate risk management purposes and designated as accounting hedges under the Derivatives and Hedging topic at March 31, 2017.

Derivative Classifications and Hedging Relationships
March 31, 2017

	Notional Amount	Average Pay Rate
Fair Value Hedges:		
Pay Fixed Swaps (Hedging Commercial Loans)	$93,599	3.64%
Total Derivatives Used in Fair Value Hedges	$93,599	
Total Derivatives Used for Interest Rate Risk Management and Designated as Hedges	$93,599	

The following tables summarize the fair value of United's derivative financial instruments.

	Asset Derivatives			
	March 31, 2017		December 31, 2016	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments				
Interest rate contracts	Other assets	$ 321	Other assets	$ 24
Total derivatives designated as hedging instruments		$ 321		$ 24
Derivatives not designated as hedging instruments				
Interest rate contracts	Other assets	$2,089	Other assets	$2,267
Total derivatives not designated as hedging instruments		$2,089		$2,267
Total asset derivatives		$2,410		$2,291

	Liability Derivatives			
	March 31, 2017		December 31, 2016	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments				
Interest rate contracts	Other liabilities	$ 244	Other liabilities	$ 338
Total derivatives designated as hedging instruments		$ 244		$ 338
Derivatives not designated as hedging instruments				
Interest rate contracts	Other liabilities	$2,089	Other liabilities	$2,267
Total derivatives not designated as hedging instruments		$2,089		$2,267
Total liability derivatives		$2,333		$2,605

Derivative contracts involve the risk of dealing with both bank customers and institutional derivative counterparties and their ability to meet contractual terms. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. United's exposure is limited to the replacement value of the contracts rather than the notional amount of the contract. The Company's agreements generally contain provisions that limit the unsecured exposure up to an agreed upon threshold. Additionally, the Company attempts to minimize credit risk through certain approval processes established by management.

The effect of United's derivative financial instruments on it Consolidated Statement of Income for the first three months ended March 31, 2017 and 2016 is presented below:

	Income Statement Location	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Derivatives in fair value hedging relationships			
Interest rate contracts	Interest income/(expense)	$ (158)	$ 281
Total derivatives in fair value hedging relationships		$ (158)	$ 281
Derivatives not designated as hedging instruments			
Interest rate contracts (1)	Other income	$ 0	$ 0
Total derivatives not designated as hedging instruments		$ 0	$ 0
Total derivatives		$ (158)	$ 281

(1) Represents net gains and net losses from derivative assets not designated as hedging instruments.

For the first three months ended March 31, 2017 and 2016, changes in the fair value of any interest rate swaps attributed to hedge ineffectiveness were recorded, but were not significant to United's Consolidated Statements of Income.

12. FAIR VALUE MEASUREMENTS

United determines the fair values of its financial instruments based on the fair value hierarchy established by ASC topic 820, which also clarifies that fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

The Fair Value Measurements and Disclosures topic specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect United's market assumptions.

The three levels of the fair value hierarchy, based on these two types of inputs, are as follows:

Level 1	-	Valuation is based on quoted prices in active markets for identical assets and liabilities.
Level 2	-	Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.
Level 3	-	Valuation is based on prices, inputs and model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

When determining the fair value measurements for assets and liabilities, United looks to active and observable markets to price identical assets or liabilities whenever possible and classifies such items in Level 1. When identical assets and liabilities are not traded in active markets, United looks to market observable data for similar assets and liabilities and classifies such items as Level 2. Nevertheless, certain assets and liabilities are not actively traded in observable markets and United must use alternative valuation techniques using unobservable inputs to determine a fair value and classifies such items as Level 3. For assets and liabilities that are not actively traded, the fair value measurement is based primarily upon estimates that require significant judgment. Therefore, the results may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there are inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could significantly affect the results of current or future values. The level within the fair value hierarchy is based on the lowest level of input that is significant in the fair value measurement.

In accordance with ASC topic 820, the following describes the valuation techniques used by United to measure certain financial assets and liabilities recorded at fair value on a recurring basis in the financial statements:

Securities available for sale : Securities available for sale are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted market prices, when available (Level 1). If quoted market prices are not available, fair values are measured utilizing independent valuation techniques of identical or similar securities for which significant assumptions are derived primarily from or corroborated by observable market data. Using a market approach valuation methodology, third party vendors compile prices from various sources and may determine the fair value of identical or similar securities by using pricing models that considers observable market data (Level 2). Management internally reviews the fair values provided by third party vendors on a monthly basis. Management's review consists of comparing fair values assigned by third party vendors to trades and offerings observed by management. The review requires some degree of judgment as to the number or percentage of securities to review on the part of management which could fluctuate based on results of past reviews and in comparison to current expectations. Exceptions that are deemed to be material are reviewed by management. Additionally, to assess the reliability of the information received from third party vendors, management obtains documentation from third party vendors related to the sources, methodologies, and inputs utilized in valuing securities classified as Level 2.

Management analyzes this information to ensure the underlying assumptions appear reasonable. Management also obtains an independent service auditor's report from third party vendors to provide reasonable assurance that appropriate controls are in place over the valuation process. Upon completing its review of the pricing from third party vendors at March 31, 2017, management determined that the prices provided by its third party pricing source were reasonable and in line with management's expectations for the market values of these securities. Therefore, prices obtained from third party vendors that did not reflect forced liquidation or distressed sales were not adjusted by management at March 31, 2017. Management utilizes a number of factors to determine if a market is inactive, all of which may require a significant level of judgment. Factors that management considers include: a significant widening of the bid-ask spread, a considerable decline in the volume and level of trading activity in the instrument, a significant variance in prices among market participants, and a significant reduction in the level of observable inputs. Any securities available for sale not valued based upon quoted market prices or third party pricing models that consider observable market data are considered Level 3. Currently, United considers its valuation of available-for-sale Trup Cdos as Level 3. The Fair Value Measurements and Disclosures topic assumes that fair values of financial assets are determined in an orderly transaction and not a forced liquidation or distressed sale at the measurement date. Based on financial market conditions, United feels that the fair values obtained from its third party vendor reflect forced liquidation or distressed sales for these Trup Cdos due to decreased volume and trading activity. Additionally, management held discussions with institutional traders to identify trends in the number and type of transactions related to the Trup Cdos sector. Based upon management's review of the market conditions for Trup Cdos, it was determined that an income approach valuation technique (present value technique) that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs is more representative of fair value than the valuation technique used by United's third party vendor. The present value technique discounts expected future cash flows of a security to arrive at a present value. Management considers the following items when calculating the appropriate discount rate: the implied rate of return when the market was last active, changes in the implied rate of return as markets moved from very active to inactive, recent changes in credit ratings, and recent activity showing that the market has built in increased liquidity and credit premiums. Management's internal credit review of each security was also factored in to determine the appropriate discount rate. The credit review considered each security's collateral, subordination, excess spread, priority of claims, principal and interest. Discount margins used in the valuation at March 31, 2017 ranged from LIBOR plus 4.00% to LIBOR plus 9.50%. Management completed a sensitivity analysis on the fair value of its Trup Cdos. Given a comprehensive 200 basis point increase in the discount rates, the total fair value of these securities would decline by approximately 17%, or $6,283.

Derivatives : United utilizes interest rate swaps to hedge exposure to interest rate risk and variability of cash flows associated to changes in the underlying interest rate of the hedged item. These hedging interest rate swaps are classified as either a fair value hedge or a cash flow hedge. United's derivative portfolio also includes derivative financial instruments not included in hedge relationships. These derivatives consist of interest rate swaps used for interest rate management purposes and derivatives executed with commercial banking customers to facilitate their interest rate management strategies. United utilizes third-party vendors for derivative valuation purposes. These vendors determine the appropriate fair value based on a net present value calculation of the cash flows related to the interest rate swaps using primarily observable market inputs such as interest rate yield curves (Level 2). Valuation adjustments to derivative fair values for liquidity and credit risk are also taken into consideration, as well as the likelihood of default by United and derivative counterparties, the net counterparty exposure and the remaining maturities of the positions. Values obtained from third party vendors are typically not adjusted by management. Management internally reviews the derivative values provided by third party vendors on a quarterly basis. All derivative values are tested for reasonableness by management utilizing a net present value calculation.

For a fair value hedge, the fair value of the interest rate swap is recognized on the balance sheet as either a freestanding asset or liability with a corresponding adjustment to the hedged financial instrument. Subsequent adjustments due to changes in the fair value of a derivative that qualifies as a fair value hedge are offset in current period earnings either in interest income or interest expense depending on the nature of the hedged financial instrument. For a cash flow hedge, the fair value of the interest rate swap is recognized on the balance sheet as either a freestanding asset or liability with a corresponding adjustment to other comprehensive income within shareholders' equity, net of tax. Subsequent adjustments due to changes in the fair value of a derivative that qualifies as a cash flow hedge are offset to other comprehensive income, net of tax. The portion of a hedge that is ineffective is recognized immediately in earnings.

For derivatives that are not designated in a hedge relationship, changes in the fair value of the derivatives are recognized in earnings in the same period as the change in the fair value. Unrealized gains and losses due to changes in the fair value of other derivative financial instruments not in hedge relationship are included in noninterest income and noninterest expense, respectively.

The following tables present the balances of financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2017 and December 31, 2016, segregated by the level of the valuation inputs within the fair value hierarchy.

		Fair Value at March 31, 2017 Using		
Description	Balance as of March 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Available for sale debt securities:				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 72,485	$ 0	$ 72,485	$ 0
State and political subdivisions	193,822	0	193,822	0
Residential mortgage-backed securities				
Agency	591,379	0	591,379	0
Non-agency	6,544	0	6,544	0
Asset-backed securities	0	0	0	0
Commercial mortgage-backed securities				
Agency	294,399	0	294,399	0
Trust preferred collateralized debt obligations	36,898	0	0	36,898
Single issue trust preferred securities	11,693	0	11,693	0
Other corporate securities	15,135	0	15,135	0
Total available for sale debt securities	1,222,355	0	1,185,457	36,898
Available for sale equity securities:				
Financial services industry	3,975	1,062	2,913	0
Equity mutual funds (1)	1,901	1,901	0	0
Other equity securities	1,132	1,132	0	0
Total available for sale equity securities	7,008	4,095	2,913	0
Total available for sale securities	1,229,363	4,095	1,188,370	36,898
Derivative financial assets:				
Interest rate contracts	2,410	0	2,410	0
Liabilities				
Derivative financial liabilities:				
Interest rate contracts	2,333	0	2,333	0

(1) The equity mutual funds are within a rabbi trust for the payment of benefits under a deferred compensation plan for certain key officers of United and its subsidiaries.

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Description	Balance as of December 31, 2016	Fair Value at December 31, 2016 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Available for sale debt securities:				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 95,786	$ 0	$ 95,786	$ 0
State and political subdivisions	192,812	0	192,812	0
Residential mortgage-backed securities				
Agency	584,096	0	584,096	0
Non-agency	7,043	0	7,043	0
Asset-backed securities	217	0	217	0
Commercial mortgage-backed securities				
Agency	305,341	0	305,341	0
Trust preferred collateralized debt obligations	33,552	0	0	33,552
Single issue trust preferred securities	11,477	0	11,477	0
Other corporate securities	15,062	0	15,062	0
Total available for sale debt securities	1,245,386	0	1,211,834	33,552
Available for sale equity securities:				
Financial services industry	10,735	1,372	9,363	0
Equity mutual funds (1)	1,820	1,820	0	0
Other equity securities	1,273	1,273	0	0
Total available for sale equity securities	13,828	4,465	9,363	0
Total available for sale securities	1,259,214	4,465	1,221,197	33,552
Derivative financial assets:				
Interest rate contracts	2,291	0	2,291	0
Liabilities				
Derivative financial liabilities:				
Interest rate contracts	2,605	0	2,605	0

(1) The equity mutual funds are within a rabbi trust for the payment of benefits under a deferred compensation plan for certain key officersof United and its subsidiaries.

There were no transfers between Level 1 and Level 2 for financial assets and liabilities measured at fair value on a recurring basis during the three months ended March 31, 2017 and the year ended December 31, 2016. The following table presents additional information about financial assets and liabilities measured at fair value at March 31, 2017 and December 31, 2016 on a recurring basis and for which United has utilized Level 3 inputs to determine fair value:

	Available-for-sale Securities: Trust preferred collateralized debt obligations	
	March 31, 2017	December 31, 2016
Balance, beginning of period	$ 33,552	$ 34,686
Total gains or losses (realized/unrealized):		
Included in earnings (or changes in net assets)	0	0
Included in other comprehensive income	3,346	(1,134)
Purchases, issuances, and settlements	0	0
Transfers in and/or out of Level 3	0	0
Balance, end of period	$ 36,898	$ 33,552
The amount of total gains or losses for the period included in earnings (or changes in net assets) attributable to the change in unrealized gains or losses relating to assets still held at reporting date	0	0

Certain financial assets are measured at fair value on a nonrecurring basis in accordance with GAAP. Adjustments to the fair value of these assets usually result from the application of lower-of-cost-or-market accounting or write-downs of individual assets.

The following describes the valuation techniques used by United to measure certain financial assets recorded at fair value on a non-recurring basis in the financial statements.

Loans held for sale : Loans held for sale are carried at the lower of cost or fair value. These loans currently consist of one-to-four family residential loans originated for sale in the secondary market. Fair value is based on the price secondary markets are currently offering for similar loans using observable market data which is not materially different than cost due to the short duration between origination and sale (Level 2). As such, United records any fair value adjustments on a nonrecurring basis. No nonrecurring fair value adjustments were recorded on loans held for sale during the quarter ended March 31, 2017. Gains and losses on sale of loans are recorded within income from mortgage banking on the Consolidated Statements of Income.

Impaired Loans : Loans are designated as impaired when, in the judgment of management based on current information and events, it is probable that all amounts due according to the contractual terms of the loan agreement will not be collected. Impairment is measured based upon the present value of expected future cash flows from the loan discounted at the loan's effective rate and the loan's observable market price or the fair value of collateral, if the loan is collateral dependent. Fair value is measured using a market approach based on the value of the collateral securing the loans. Collateral may be in the form of real estate or business assets including equipment, inventory, and accounts receivable. The vast majority of the collateral is real estate. The value of real estate collateral is determined utilizing an appraisal conducted by an independent, licensed appraiser outside of the Company using comparable property sales (Level 2). However, if the collateral is a house or building in the process of construction or if an appraisal of the real estate property is over two years old, then the fair value is considered Level 3. The value of business equipment is based upon an outside appraisal if deemed significant, or the net book value on the applicable business' financial statements if not considered significant using observable market data. Likewise, values for inventory and accounts receivables collateral are based on financial statement balances or aging reports (Level 3). For impaired loans, a specific reserve is established through the Allowance for Loan Losses, if necessary, by estimating the fair value of the underlying collateral on a nonrecurring basis. Any fair value adjustments are recorded in the period incurred as provision for credit losses expense on the Consolidated Statements of Income.

OREO : OREO consists of real estate acquired in foreclosure or other settlement of loans. Such assets are carried on the balance sheet at the lower of the investment in the assets or the fair value of the assets less estimated selling costs. Fair value is determined by one of two market approach methods depending on whether the property has been vacated and an appraisal can be conducted. If the property has yet to be vacated and thus an appraisal cannot be performed, a Brokers Price Opinion (i.e. BPO), is obtained. A BPO represents a best estimate valuation performed by a realtor based on knowledge of current property values and a visual examination of the exterior condition of the property.

Once the property is subsequently vacated, a formal appraisal is obtained and the recorded asset value appropriately adjusted. On the other hand, if the OREO property has been vacated and an appraisal can be conducted, the fair value of the property is determined based upon the appraisal using a market approach. An authorized independent appraiser conducts appraisals for United. Appraisals for property other than ongoing construction are based on consideration of comparable property sales (Level 2). In contrast, valuation of ongoing construction assets requires some degree of professional judgment. In conducting an appraisal for ongoing construction property, the appraiser develops two appraised amounts: an "as is" appraised value and a "completed" value. Based on professional judgment and their knowledge of the particular situation, management determines the appropriate fair value to be utilized for such property (Level 3). As a matter of policy, valuations are reviewed at least annually and appraisals are generally updated on a bi-annual basis with values lowered as necessary.

Intangible Assets: For United, intangible assets consist of goodwill and core deposit intangibles. Goodwill is tested for impairment at least annually or sooner if indicators of impairment exist. Goodwill impairment would be defined as the difference between the recorded value of goodwill (i.e. book value) and the implied fair value of goodwill. In determining the implied fair value of goodwill for purposes of evaluating goodwill impairment, United determines the fair value of the reporting unit using a market approach and compares the fair value to its carrying value. If the carrying value exceeds the fair value, a step two test is performed whereby the implied fair value is computed by deducting the fair value of all tangible and intangible net assets from the fair value of the reporting unit. Core deposit intangibles relate to the estimated value of the deposit base of acquired institutions. Management reviews core deposit intangible assets on an annual basis, or sooner if indicators of impairment exist, and evaluates changes in facts and circumstances that may indicate impairment in the carrying value. No fair value measurement of intangible assets was made during the first quarter of 2017 and 2016.

The following table summarizes United's financial assets that were measured at fair value on a nonrecurring basis during the period.

		Carrying value at March 31, 2017			
Description	Balance as of March 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	YTD Losses
Assets					
Impaired Loans	$ 115,232	$ 0	$ 58,564	$ 56,668	$2,086
OREO	29,902	0	29,902	0	437

		Carrying value at December 31, 2016			
Description	Balance as of December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	YTD Losses
Assets					
Impaired Loans	$ 80,505	$ 0	$ 27,609	$ 52,896	$5,119
OREO	31,510	0	31,510	0	2,086

The following methods and assumptions were used by United in estimating its fair value disclosures for other financial instruments:

Cash and Cash Equivalents: The carrying amounts reported in the balance sheet for cash and cash equivalents approximate those assets' fair values.

Securities held to maturity and other securities : The estimated fair values of held to maturity are based on quoted market prices, where available. If quoted market prices are not available, fair values are measured utilizing independent valuation techniques of identical or similar securities for which significant assumptions are derived primarily from or corroborated by observable market data. Third party vendors compile prices from various sources and may determine the fair value of identical or similar securities by using pricing models that considers observable market data. Any securities held to maturity, not valued based upon the methods above, are valued based on a discounted cash flow methodology using appropriately adjusted discount rates reflecting nonperformance and liquidity risks. Other securities consist mainly of shares of Federal Home Loan Bank and Federal Reserve Bank stock that do not have readily determinable fair values and are carried at cost.

Loans: The fair values of certain mortgage loans (e.g., one-to-four family residential), credit card loans, and other consumer loans are based on quoted market prices of similar loans sold in conjunction with securitization transactions, adjusted for differences in loan characteristics. The fair values of other loans (e.g., commercial real estate and rental property mortgage loans, commercial and industrial loans, financial institution loans and agricultural loans) are estimated using discounted cash flow analyses, using market interest rates currently being offered for loans with similar terms to borrowers of similar creditworthiness, which include adjustments for liquidity concerns. For acquired impaired loans, fair value is assumed to equal United's carrying value, which represents the present value of expected future principal and interest cash flows, as adjusted for any Allowance for Loan Losses recorded for these loans.

Deposits: The fair values of demand deposits (e.g., interest and noninterest checking, regular savings and certain types of money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). The carrying amounts of variable-rate, fixed-term money market accounts and certificates of deposit approximate their fair values at the reporting date. Fair values of fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

Short-term Borrowings: The carrying amounts of federal funds purchased, borrowings under repurchase agreements and any other short-term borrowings approximate their fair values.

Long-term Borrowings: The fair values of United's Federal Home Loan Bank borrowings and trust preferred securities are estimated using discounted cash flow analyses, based on United's current incremental borrowing rates for similar types of borrowing arrangements.

The estimated fair values of United's financial instruments are summarized below:

			Fair Value Measurements		
	Carrying Amount	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2017					
Cash and cash equivalents	$ 1,667,328	$ 1,667,328	$ 0	$ 1,667,328	$ 0
Securities available for sale	1,229,363	1,229,363	4,095	1,188,203	37,065
Securities held to maturity	30,350	28,671	0	25,651	3,020
Other securities	113,698	108,013	0	0	108,013
Loans held for sale	3,581	3,581	0	3,581	0
Loans	10,336,166	10,148,937	0	0	10,148,937
Derivative financial assets	2,410	2,410	0	2,410	0
Deposits	11,062,329	11,045,815	0	11,045,815	0
Short-term borrowings	178,983	178,983	0	178,983	0
Long-term borrowings	1,161,967	1,134,671	0	1,134,671	0
Derivative financial liabilities	2,333	2,333	0	2,333	0

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	Carrying Amount	Fair Value	Fair Value Measurements: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2016					
Cash and cash equivalents	$ 1,434,527	$ 1,434,527	$ 0	$ 1,434,527	$ 0
Securities available for sale	1,259,214	1,259,214	4,465	1,221,197	33,552
Securities held to maturity	33,258	31,178	0	28,158	3,020
Other securities	111,166	105,608	0	0	105,608
Loans held for sale	8,445	8,445	0	8,445	0
Loans	10,268,366	10,122,486	0	0	10,122,486
Derivative financial assets	2,291	2,291	0	2,291	0
Deposits	10,796,867	10,785,294	0	10,785,294	0
Short-term borrowings	209,551	209,551	0	209,551	0
Long-term borrowings	1,172,026	1,142,782	0	1,142,782	0
Derivative financial liabilities	2,605	2,605	0	2,605	0

13. STOCK BASED COMPENSATION

On May 18, 2016, United's shareholders approved the 2016 Long-Term Incentive Plan (2016 LTI Plan). The 2016 LTI Plan became effective as of May 18, 2016 and replaced the 2011 Long-Term Incentive Plan (2011 LTI Plan) which expired during the second quarter of 2016. An award granted under the 2016 LTI Plan may consist of any non-qualified stock options or incentive stock options, stock appreciation rights (SARs), restricted stock, restricted stock units, performance units or other-stock-based award. These awards all relate to the common stock of United. The maximum number of shares of United common stock which may be issued under the 2016 LTI Plan is 1,700,000. The 2016 LTI Plan will be administered by a board committee appointed by United's Board of Directors (the Board). Unless otherwise determined by the Board, the Compensation Committee of the Board (the Committee) shall administer the 2016 LTI Plan. Any and all shares may be issued in respect of any of the types of Awards, provided that (1) the aggregate number of shares that may be issued in respect of restricted stock awards, and restricted stock unit awards which are settled in shares is 500,000, and (2) the aggregate number of shares that may be issued pursuant to stock options is 1,200,000. The shares to be offered under the 2016 LTI Plan may be authorized and unissued shares or treasury shares. The maximum number of options and SARs, in the aggregate, which may be awarded to any individual key employee during any calendar year is 100,000. The maximum number of stock options and SARs, in the aggregate, which may be awarded to any non-employee director during any calendar year is 10,000. The maximum number of shares of restricted stock or shares subject to a restricted stock units award that may be granted during any calendar year is 50,000 shares to any individual key employee and 5,000 shares to any individual non-employee director. Subject to certain change in control provisions, the 2016 LTI Plan provides that awards of restricted stock and restricted stock units will vest as the Committee determines in the award agreement, provided that no awards will vest sooner than 1/3 per year over the first three anniversaries of the award. Awards granted to executive officers of United typically will have performance based vesting conditions. A Form S-8 was filed on July 29, 2016 with the Securities and Exchange Commission to register all the shares which were available for the 2016 LTI Plan. During the first quarter of 2017, a total of 251,617 non-qualified stock options and 88,971 shares of restricted stock were granted under the 2016 LTI Plan.

Compensation expense of $682 and $658 related to the nonvested awards under United's Long-Term Incentive Plans was incurred for the first quarter of 2017 and 2016, respectively. Compensation expense was included in employee compensation in the unaudited Consolidated Statements of Income.

Stock Options

United currently has options outstanding from various option plans other than the 2016 LTI Plan (the Prior Plans); however, no common shares of United stock are available for grants under the Prior Plans as these plans have expired. Awards outstanding under the Prior Plans will remain in effect in accordance with their respective terms. The maximum term for options granted under the plans is ten (10) years.

A summary of activity under United's stock option plans as of March 31, 2017, and the changes during the first three months of 2017 are presented below:

	Three Months Ended March 31, 2017			
			Weighted Average	
	Shares	Aggregate Intrinsic Value	Remaining Contractual Term (Yrs.)	Exercise Price
Outstanding at January 1, 2017	1,411,735			$28.05
Granted	251,167			45.30
Exercised	(22,523)			25.12
Forfeited or expired	(750)			45.30
Outstanding at March 31, 2017	1,640,079	$19,662	6.2	$30.73
Exercisable at March 31, 2017	1,124,082	$17,658	4.9	$26.54

The following table summarizes the status of United's nonvested stock option awards during the first three months of 2017:

	Shares	Weighted-Average Grant Date Fair Value Per Share
Nonvested at January 1, 2017	430,278	$ 6.84
Granted	251,617	8.85
Vested	(165,148)	6.63
Forfeited or expired	750	8.85
Nonvested at March 31, 2017	515,997	$ 7.88

During the three months ended March 31, 2017 and 2016, 22,523 and 42,441 shares, respectively, were issued in connection with stock option exercises. All shares issued in connection with stock option exercises for the three months ended March 31, 2017 and 2016 were issued from authorized and unissued stock. The total intrinsic value of options exercised under the Plans during the three months ended March 31, 2017 and 2016 was $452 and $678, respectively.

Restricted Stock

Under the 2011 LTI Plan, United may award restricted common shares to key employees and non-employee directors. Restricted shares granted to participants have a four-year time-based vesting period. Recipients of restricted shares do not pay any consideration to United for the shares, have the right to vote all shares subject to such grant and receive all dividends with respect to such shares, whether or not the shares have vested. Presently, these nonvested participating securities have an immaterial impact on diluted earnings per share.

The following summarizes the changes to United's restricted common shares for the period ended March 31, 2017:

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Outstanding at January 1, 2017	137,268	$ 33.61
Granted	88,971	45.30
Vested	(53,424)	32.17
Forfeited	(210)	45.30
Outstanding at March 31, 2017	172,605	$ 40.07

14. EMPLOYEE BENEFIT PLANS

United has a defined benefit retirement plan covering a majority of all employees. Pension benefits are based on years of service and the average of the employee's highest five consecutive plan years of basic compensation paid during the ten plan years preceding the date of determination. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

In September of 2007, after a recommendation by United's Pension Committee and approval by United's Board of Directors, the United Bankshares, Inc. Pension Plan (the Plan) was amended to change the participation rules. The decision to change the participation rules for the Plan followed current industry trends, as many large and medium size companies had taken similar steps. The amendment provides that employees hired on or after October 1, 2007, will not be eligible to participate in the Plan. However, new employees will be eligible to participate in United's Savings and Stock Investment 401(k) plan. This change had no impact on current employees hired prior to October 1, 2007 as they will continue to participate in the Plan, with no change in benefit provisions, and will continue to be eligible to participate in United's Savings and Stock Investment 401(k) plan.

As of December 31, 2016, United changed the method used to estimate the interest cost component of net periodic benefit cost for the Plan. Under the previous method, appropriate spot rates were used to discount the projected benefit obligation (PBO) cash flows based on date of measurement. Then, a single aggregated discount rate was calculated such that the present value of the PBO remained the same. This rate is technically a weighted-average of the spot rates. This single discount rate was applied to the interest and service costs as well. Under the full yield curve approach, separate discount rates are used to calculate the present value for each projected cash flow. This does not have any impact on the present value of the PBO as the PBO was originally discounted with spot rates. The adoption of this method concerns the manner in which it affects interest and service costs. This new method constitutes a change in an accounting estimate under the provisions of ASC topic 250, "Accounting Changes and Error Corrections," that is inseparable from a change in accounting principle and was accounted for prospectively, with the resulting change impacting the recognition of net periodic pension cost beginning January 1, 2017. The impact of this accounting change on United's net periodic pension cost for the first quarter of 2017 was a decline of $247 in expense from the amount that would have been recorded under the previous method.

Included in accumulated other comprehensive income at December 31, 2016 are unrecognized actuarial losses of $53,991 ($34,014 net of tax) that have not yet been recognized in net periodic pension cost. The amortization of this item expected to be recognized in net periodic pension cost during the fiscal year ended December 31, 2017 is $4,411 ($2,779 net of tax).

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Net periodic pension cost for the three months ended March 31, 2017 and 2016 included the following components:

	Three Months Ended	
	2017	2016
Service cost	$ 562	$ 607
Interest cost	1,265	1,456
Expected return on plan assets	(2,027)	(2,012)
Amortization of transition asset	0	0
Recognized net actuarial loss	1,087	1,148
Amortization of prior service cost	0	0
Net periodic pension (benefit) cost	$ 887	$ 1,199
Weighted-Average Assumptions:		
Discount rate	4.49%	4.75%
Expected return on assets	7.00%	7.25%
Rate of compensation increase (prior to age 45)	3.50%	3.50%
Rate of compensation increase	3.00%	3.00%

15. INCOME TAXES

United records a liability for uncertain income tax positions based on a recognition threshold of more-likely-than-not, and a measurement attribute for all tax positions taken on a tax return, in order for those tax positions to be recognized in the financial statements.

As of March 31, 2017, United has provided a liability for $2,493 of unrecognized tax benefits related to various federal and state income tax matters. The entire amount of unrecognized tax benefits, if recognized, would impact United's effective tax rate. Over the next 12 months, the statute of limitations will close on certain income tax periods. However, at this time, United cannot reasonably estimate the amount of tax benefits it may recognize over the next 12 months.

United is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended December 31, 2013, 2014 and 2015 and certain State Taxing authorities for the years ended December 31, 2013 through 2015.

As of March 31, 2017 and 2016, the total amount of accrued interest related to uncertain tax positions was $589 and $752, respectively. United accounts for interest and penalties related to uncertain tax positions as part of its provision for federal and state income taxes.

16. COMPREHENSIVE INCOME

The components of total comprehensive income for the three months ended March 31, 2017 and 2016 are as follows:

	Three Months Ended March 31	
	2017	2016
Net Income	**$ 38,809**	**$ 34,706**
Available for sale ("AFS") securities:		
AFS securities with OTTI charges during the period	(44)	0
Related income tax effect	16	0
Less: OTTI charges recognized in net income	44	0
Related income tax benefit	(16)	0
Reclassification of previous noncredit OTTI to credit OTTI	0	0
Related income tax benefit	0	0
Net unrealized gain (loss) on AFS securities with OTTI	0	0

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	Three Months Ended March 31 2017	2016
AFS securities – all other:		
Change in net unrealized gain on AFS securities arising during the period	5,576	13,317
Related income tax effect	(2,063)	(4,821)
Net reclassification adjustment for losses (gains) included in net income	(214)	(4)
Related income tax (benefit) expense	79	1
	3,378	8,493
Net effect of AFS securities on other comprehensive income	**3,378**	**8,493**
Held to maturity (“HTM”) securities:		
Accretion on the unrealized loss for securities transferred from AFS to the HTM investment portfolio prior to call or maturity	2	1
Related income tax expense	(1)	(0)
Net effect of HTM securities on other comprehensive income	**1**	**1**
Pension plan:		
Recognized net actuarial loss	1,087	1,148
Related income tax benefit	(392)	(419)
Net effect of change in pension plan asset on other comprehensive income	**695**	**729**
Total change in other comprehensive income	**4,074**	**9,223**
Total Comprehensive Income	**$42,883**	**$43,929**

The components of accumulated other comprehensive income for the three months ended March 31, 2017 are as follows:

Changes in Accumulated Other Comprehensive Income (AOCI) by Component [(a)]
For the Three Months Ended March 31, 2017

	Unrealized Gains/Losses on AFS Securities	Accretion on the unrealized loss for securities transferred from AFS to the HTM	Defined Benefit Pension Items	Total
Balance at January 1, 2017	($ 10,297)	($ 51)	($34,369)	($44,717)
Other comprehensive income before reclassification	3,513	1	0	3,514
Amounts reclassified from accumulated other comprehensive income	(135)	0	695	560
Net current-period other comprehensive income, net of tax	3,378	1	695	4,074
Balance at March 31, 2017	($ 6,919)	($ 50)	($33,674)	($40,643)

(a) All amounts are net-of-tax.

Reclassifications out of Accumulated Other Comprehensive Income (AOCI)
For the Three Months Ended March 31, 2017

Details about AOCI Components	Amount Reclassified from AOCI	Affected Line Item in the Statement Where Net Income is Presented
Available for sale ("AFS") securities:		
Reclassification of previous noncredit OTTI to credit OTTI	$ 0	Total other-than-temporary impairment losses
Net reclassification adjustment for losses (gains) included in net income	(214)	Net gains on sales/calls of investment securities
	(214)	Total before tax
Related income tax effect	79	Tax expense
	(135)	Net of tax
Pension plan:		
Recognized net actuarial loss	1,087(a)	
	1,087	Total before tax
Related income tax effect	(392)	Tax expense
	695	Net of tax
Total reclassifications for the period	$ 560	

(a) This AOCI component is included in the computation of net periodic pension cost (see Note 14, Employee Benefit Plans)

17. EARNINGS PER SHARE

Earnings per common share is computed using the two-class method. The reconciliation of the numerator and denominator of basic earnings per share with that of diluted earnings per share is presented as follows:

	Three Months Ended March 31	
	2017	2016
Distributed earnings allocated to common stock	$ 26,722	$ 22,954
Undistributed earnings allocated to common stock	12,014	11,688
Net earnings allocated to common shareholders	$ 38,736	$ 34,642
Average common shares outstanding	80,902,368	69,497,489
Common stock equivalents	404,172	216,632
Average diluted shares outstanding	81,306,540	69,714,121
Earnings per basic common share	$ 0.48	$ 0.50
Earnings per diluted common share	$ 0.48	$ 0.50

18. VARIABLE INTEREST ENTITIES

Variable interest entities (VIEs) are entities that either have a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support or whose equity investors lack the characteristics of a controlling financial interest (i.e., ability to make significant decisions, through voting rights, right to receive the expected residual returns of the entity, and obligation to absorb the expected losses of the entity). VIEs can be structured as corporations, trusts, partnerships, or other legal entities. United's business practices include relationships with certain VIEs. For United, the business purpose of these relationships primarily consists of funding activities in the form of issuing trust preferred securities.

United currently sponsors thirteen statutory business trusts that were created for the purpose of raising funds that qualified for Tier I regulatory capital. These trusts, of which several were acquired through bank acquisitions, issued or participated in pools of trust preferred capital securities to third-party investors with the proceeds invested in junior subordinated debt securities of United. The Company, through a small capital contribution, owns 100% of the voting equity shares of each trust. The assets, liabilities, operations, and cash flows of each trust are solely related to the issuance, administration, and repayment of the preferred equity securities held by third-party investors. United fully and unconditionally guarantees the obligations of each trust and is obligated to redeem the junior subordinated debentures upon maturity.

United does not consolidate these trusts as it is not the primary beneficiary of these entities because United's wholly owned and indirect wholly owned statutory trust subsidiaries do not have a controlling financial interest in the VIEs. A controlling financial interest is present when an enterprise has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The enterprise with a controlling financial interest, known as the primary beneficiary, consolidates the VIE.

Information related to United's statutory trusts is presented in the table below:

Description	Issuance Date	Amount of Capital Securities Issued	Interest Rate	Maturity Date
Century Trust	March 23, 2000	$ 8,800	10.875% Fixed	March 8, 2030
United Statutory Trust III	December 17, 2003	$ 20,000	3-month LIBOR + 2.85%	December 17, 2033
United Statutory Trust IV	December 19, 2003	$ 25,000	3-month LIBOR + 2.85%	January 23, 2034
United Statutory Trust V	July 12, 2007	$ 50,000	3-month LIBOR + 1.55%	October 1, 2037
United Statutory Trust VI	September 20, 2007	$ 30,000	3-month LIBOR + 1.30%	December 15, 2037
Premier Statutory Trust II	September 25, 2003	$ 6,000	3-month LIBOR + 3.10%	October 8, 2033
Premier Statutory Trust III	May 16, 2005	$ 8,000	3-month LIBOR + 1.74%	June 15, 2035
Premier Statutory Trust IV	June 20, 2006	$ 14,000	3-month LIBOR + 1.55%	September 23, 2036
Premier Statutory Trust V	December 14, 2006	$ 10,000	3-month LIBOR + 1.61%	March 1, 2037
Centra Statutory Trust I	September 20, 2004	$ 10,000	3-month LIBOR + 2.29%	September 20, 2034
Centra Statutory Trust II	June 15, 2006	$ 10,000	3-month LIBOR + 1.65%	July 7, 2036
Virginia Commerce Trust II	December 19, 2002	$ 15,000	6-month LIBOR + 3.30%	December 19, 2032
Virginia Commerce Trust III	December 20, 2005	$ 25,000	3-month LIBOR + 1.42%	February 23, 2036

United, through its banking subsidiaries, also makes limited partner equity investments in various low income housing and community development partnerships sponsored by independent third-parties. United invests in these partnerships to either realize tax credits on its consolidated federal income tax return or for purposes of earning a return on its investment. These partnerships are considered VIEs as the limited partners lack a controlling financial interest in the entities through their inability to make decisions that have a significant effect on the operations and success of the partnerships. United's limited partner interests in these entities is immaterial, however; these partnerships are not consolidated as United is not deemed to be the primary beneficiary.

The following table summarizes quantitative information about United's significant involvement in unconsolidated VIEs:

	As of March 31, 2017			As of December 31, 2016		
	Aggregate Assets	Aggregate Liabilities	Risk Of Loss (1)	Aggregate Assets	Aggregate Liabilities	Risk Of Loss (1)
Trust preferred securities	$240,631	$232,522	$8,109	$240,668	$232,583	$8,085

(1) Represents investment in VIEs.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

Congress passed the Private Securities Litigation Act of 1995 to encourage corporations to provide investors with information about the company's anticipated future financial performance, goals, and strategies. The act provides a safe harbor for such disclosure, in other words, protection from unwarranted litigation if actual results are not the same as management expectations.

United desires to provide its shareholders with sound information about past performance and future trends. Consequently, any forward-looking statements contained in this report, in a report incorporated by reference to this report, or made by management of United in this report, in any other reports and filings, in press releases and in oral statements, involve numerous assumptions, risks and uncertainties. Actual results could differ materially from those contained in or implied by United's statements for a variety of factors including, but not limited to: changes in economic conditions; business conditions in the banking industry; movements in interest rates; competitive pressures on product pricing and services; success and timing of business strategies; the nature and extent of governmental actions and reforms; and rapidly changing technology and evolving banking industry standards.

RECENT DEVELOPMENTS

On April 21, 2017, United completed its acquisition of Cardinal Financial Corporation (Cardinal). Cardinal was merged with and into UBV Holding Company, LLC (UBV), a wholly-owned subsidiary of United, pursuant to the terms of the Agreement and Plan of Reorganization, dated August 17, 2016, by and among United, UBV and Cardinal (the Merger Agreement). The merger was accounted for under the acquisition method of accounting. The results of operations of Cardinal were not reflected in United's results of operations for the first quarter of 2017, but will be included in the consolidated results of operations from the acquisition date.

Immediately following the Merger, Cardinal's banking subsidiary, Cardinal Bank, was merged with and into United Bank, a wholly-owned Virginia banking subsidiary of UBV (the Bank Merger) pursuant to an Agreement and Plan of Reorganization (the Bank Plan of Merger) dated October 12, 2016.

The acquisition of Cardinal expands United's existing footprint in the Washington, D.C. Metropolitan Statistical Area. As of March 31, 2017, Cardinal had $4.30 billion in assets with 29 banking offices throughout the Washington D.C. Metropolitan region. Cardinal also operated George Mason Mortgage, LLC, a residential mortgage lending company based in Fairfax, Virginia with offices located in Virginia, Maryland, North Carolina, South Carolina and the District of Columbia; and Cardinal Wealth Services Inc.

INTRODUCTION

The following discussion and analysis presents the significant changes in financial condition and the results of operations of United and its subsidiaries for the periods indicated below. This discussion and the unaudited consolidated financial statements and the notes to unaudited Consolidated Financial Statements include the accounts of United Bankshares, Inc. and its wholly-owned subsidiaries, unless otherwise indicated. Management has evaluated all significant events and transactions that occurred after March 31, 2017, but prior to the date these financial statements were issued, for potential recognition or disclosure required in these financial statements.

This discussion and analysis should be read in conjunction with the unaudited Consolidated Financial Statements and accompanying notes thereto, which are included elsewhere in this document.

USE OF NON-GAAP FINANCIAL MEASURES

This discussion and analysis contains certain financial measures that are not recognized under GAAP. Under SEC Regulation G, public companies making disclosures containing financial measures that are not in accordance with GAAP must also disclose, along with each "non-GAAP" financial measure, certain additional information, including a reconciliation of the non-GAAP financial measure to the closest comparable GAAP financial measure, as well as a statement of the company's reasons for utilizing the non-GAAP financial measure.

Generally, United has presented these non-GAAP financial measures because it believes that these measures provide meaningful additional information to assist in the evaluation of United's results of operations or financial position. Presentation of these non-GAAP financial measures is consistent with how United's management evaluates its performance internally and these non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the banking industry. Specifically, this discussion contains certain references to financial measures identified as tax-equivalent net interest income and the allowance for loan losses as a percentage of non-acquired loans. Management believes these non-GAAP financial measures to be helpful in understanding United's results of operations or financial position. However, this non-GAAP information should be considered supplemental in nature and not as a substitute for related financial information prepared in accordance with GAAP.

Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as reconciliation to that comparable GAAP financial measure, as well as a statement of the company's reasons for utilizing the non-GAAP financial measure, can be found within this discussion and analysis. Investors should recognize that United's presentation of these non-GAAP financial measures might not be comparable to similarly titled measures at other companies.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The accounting and reporting policies of United conform with U.S. generally accepted accounting principles. In preparing the consolidated financial statements, management is required to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates, assumptions and judgments, which are reviewed with the Audit Committee of the Board of Directors, are based on information available as of the date of the financial statements. Actual results could differ from these estimates. These policies, along with the disclosures presented in the financial statement notes and in this financial review, provide information on how significant assets and liabilities are valued in the financial statements and how those values are determined. Based on the valuation techniques used and the sensitivity of financial statement amounts to the methods, assumptions, and estimates underlying those amounts, management has identified the determination of the allowance for credit losses, the valuation of investment securities and the related other-than-temporary impairment analysis, the accounting for acquired loans and the calculation of the income tax provision to be the accounting areas that require the most subjective or complex judgments, and as such could be most subject to revision as new information becomes available.

Allowance for Credit Losses

As explained in Note 6, Allowance for Credit Losses to the unaudited Consolidated Financial Statements, the allowance for loan losses represents management's estimate of the probable credit losses inherent in the lending portfolio. Determining the allowance for loan losses requires management to make estimates of losses that are highly uncertain and require a high degree of judgment. At March 31, 2017, the allowance for loan losses was $72.9 million and is subject to periodic adjustment based on management's assessment of current probable losses in the loan portfolio. Such adjustment from period to period can have a significant impact on United's consolidated financial statements. To illustrate the potential effect on the financial statements of our estimates of the allowance for loan losses, a 10% increase in the allowance for loan losses would have required $7.3 million in additional allowance (funded by additional provision for credit losses), which would have negatively impacted the first quarter of 2017 net income by approximately $4.7 million, after-tax or $0.06 diluted per common share. Management's evaluation of the adequacy of the allowance for loan losses and the appropriate provision for loan losses is based upon a quarterly evaluation of the loan portfolio. This evaluation is inherently subjective and requires significant estimates, including estimates related to the amounts and timing of future cash flows, value of collateral, losses on pools of homogeneous loans based on historical loss experience, and consideration of current economic trends, all of which are susceptible to constant and significant change. The allowance allocated to specific credits and loan pools grouped by similar risk characteristics is reviewed on a quarterly basis and adjusted as necessary based upon subsequent changes in circumstances. In determining the components of the allowance for loan losses, management considers the risk arising in part from, but not limited to, charge-off and delinquency trends, current economic and business conditions, lending policies and procedures, the size and risk characteristics of the loan portfolio, concentrations of credit, and other various factors. The methodology used to determine the allowance for loan losses is described in Note 6. A discussion of the factors leading to changes in the amount of the allowance for credit losses is included in the Provision for Loan Losses section of this Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A). Additional information relating to United's loans is included in Note 4, Loans to the unaudited Consolidated Financial Statements.

Investment Securities

Accounting estimates are used in the presentation of the investment portfolio and these estimates impact the presentation of United's financial condition and results of operations. United classifies its investments in debt as either held to maturity or available for sale and its equity securities as available for sale. Securities held to maturity are accounted for using historical costs, adjusted for amortization of premiums and accretion of discounts. Securities available for sale are accounted for at fair value, with the net unrealized gains and losses, net of income tax effects, presented as a separate component of shareholders' equity. When available, fair values of securities are based on quoted prices or prices obtained from third party vendors. Third party vendors compile prices from various sources and may determine the fair value of identical or similar securities by using pricing models that consider observable market data. Prices obtained from third party vendors that do not reflect forced liquidation or distressed sales are not adjusted by management. Where prices reflect forced liquidation or distressed sales, as is the case with United's portfolio of trust preferred securities (Trup Cdos), management estimates fair value based on a discounted cash flow methodology using appropriately adjusted discount rates reflecting nonperformance and liquidity risks. Due to the subjective nature of this valuation process, it is possible that the actual fair values of these securities could differ from the estimated amounts, thereby affecting United's financial position, results of operations and cash flows. The potential impact to United's financial position, results of operations or cash flows for changes in the valuation process cannot be reasonably estimated.

If the estimated value of investments is less than the cost or amortized cost, the investment is considered impaired and management evaluates whether an event or change in circumstances has occurred that may have a significant adverse effect on the fair value of the investment. If such an event or change has occurred, management must exercise judgment to determine the nature of the potential impairment (i.e., temporary or other-than-temporary) in order to apply the appropriate accounting treatment. If United intends to sell, or is more likely than not they will be required to sell an impaired debt security before recovery of its amortized cost basis less any current period credit loss, other-than-temporary impairment is recognized in earnings. The amount recognized in earnings is equal to the entire difference between the security's amortized cost basis and its fair value at the balance sheet date. If United does not intend to sell, and is not more likely than not they will be required to sell the impaired debt security prior to recovery of its amortized cost basis less any current-period credit loss, the other-than-temporary impairment is separated into the following: 1) the amount representing the credit loss, which is recognized in earnings, and 2) the amount related to all other factors, which is recognized in other comprehensive income. For additional information on management's consideration of investment valuation and other-than-temporary impairment, see Note 3, Investment Securities, and Note 12, Fair Value Measurements, to the unaudited consolidated financial statements.

Accounting for Acquired Loans

Loans acquired are initially recorded at their acquisition date fair values. The fair value of the acquired loans are based on the present value of the expected cash flows, including principal, interest and prepayments. Periodic principal and interest cash flows are adjusted for expected losses and prepayments, then discounted to determine the present value and summed to arrive at the estimated fair value. Fair value estimates involve assumptions and judgments as to credit risk, interest rate risk, prepayment risk, liquidity risk, default rates, loss severity, payment speeds, collateral values and discount rate.

Acquired loans are divided into loans with evidence of credit quality deterioration, which are accounted for under Accounting Standards Codification (ASC) topic 310-30 (acquired impaired) and loans that do not meet this criteria, which are accounted for under ASC topic 310-20 (acquired performing). Acquired impaired loans have experienced a deterioration of credit quality from origination to acquisition for which it is probable that United will be unable to collect all contractually required payments receivable, including both principal and interest. In the assessment of credit quality, numerous assumptions, interpretations and judgments must be made, based on internal and third-party credit quality information and ultimately the determination as to the probability that all contractual cash flows will not be able to be collected. This is a point in time assessment and inherently subjective due to the nature of the available information and judgment involved.

Subsequent to the acquisition date, United continues to estimate the amount and timing of cash flows expected to be collected on acquired impaired loans. Increases in expected cash flows will generally result in a recovery of any previously recorded allowance for loan losses, to the extent applicable, and/or a reclassification from the nonaccretable difference to accretable yield, which will be recognized prospectively. The present value of any decreases in expected cash flows after the acquisition date will generally result in an impairment charge recorded as a provision for loan losses, resulting in an increase to the allowance for loan losses.

For acquired performing loans, the difference between the acquisition date fair value and the contractual amounts due at the acquisition date represents the fair value adjustment. Fair value adjustments may be discounts (or premiums) to a loan’s cost basis and are accreted (or amortized) to interest income over the loan’s remaining life using the level yield method. Subsequent to the acquisition date, the methods utilized to estimate the required allowance for loan losses for these loans is similar to originated loans.

See Note 2, Merger and Acquisitions, and Note 4, Loans, to the unaudited Consolidated Financial Statements for information regarding United’s acquired loans disclosures.

Income Taxes

United’s calculation of income tax provision is inherently complex due to the various different tax laws and jurisdictions in which we operate and requires management’s use of estimates and judgments in its determination. The current income tax liability also includes income tax expense related to our uncertain tax positions as required in ASC topic 740, “Income Taxes.” Changes to the estimated accrued taxes can occur due to changes in tax rates, implementation of new business strategies, resolution of issues with taxing authorities and recently enacted statutory, judicial and regulatory guidance. These changes can be material to the Company’s operating results for any particular reporting period. The analysis of the income tax provision requires the assessments of the relative risks and merits of the appropriate tax treatment of transactions, filing positions, filing methods and taxable income calculations after considering statutes, regulations, judicial precedent and other information. United strives to keep abreast of changes in the tax laws and the issuance of regulations which may impact tax reporting and provisions for income tax expense. United is also subject to audit by federal and state authorities. Because the application of tax laws is subject to varying interpretations, results of these audits may produce indicated liabilities which differ from United’s estimates and provisions. United continually evaluates its exposure to possible tax assessments arising from audits and records its estimate of probable exposure based on current facts and circumstances. The potential impact to United's operating results for any of the changes cannot be reasonably estimated. See Note 15, Income Taxes, to the unaudited Consolidated Financial Statements for information regarding United's ASC topic 740 disclosures.

Use of Fair Value Measurements

United determines the fair value of its financial instruments based on the fair value hierarchy established in ASC topic 820, whereby the fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC topic 820 establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs in the methodology for determining fair value are observable or unobservable. Observable inputs reflect market-based information obtained from independent sources (Level 1 or Level 2), while unobservable inputs reflect management's estimate of market data (Level 3). For assets and liabilities that are actively traded and have quoted prices or observable market data, a minimal amount of subjectivity concerning fair value is needed. Prices and values obtained from third party vendors that do not reflect forced liquidation or distressed sales are not adjusted by management. When quoted prices or observable market data are not available, management's judgment is necessary to estimate fair value.

At March 31, 2017, approximately 9.33% of total assets, or $1.38 billion, consisted of financial instruments recorded at fair value. Of this total, approximately 93.19% or $1.28 billion of these financial instruments used valuation methodologies involving observable market data, collectively Level 1 and Level 2 measurements, to determine fair value. Approximately 6.81% or $93.73 million of these financial instruments were valued using unobservable market information or Level 3 measurements. Most of these financial instruments valued using unobservable market information were pooled trust preferred investment securities classified as available-for-sale. At March 31, 2017, only $2.33 million or less than 1% of total liabilities were recorded at fair value. This entire amount was valued using methodologies involving observable market data. United does not believe that any changes in the unobservable inputs used to value the financial instruments mentioned above would have a material impact on United's results of operations, liquidity, or capital resources. See Note 12, Fair Value Measurements, to the unaudited Consolidated Financial Statements for additional information regarding ASC topic 820 and its impact on United's financial statements.

Any material effect on the financial statements related to these critical accounting areas are further discussed in this MD&A.

FINANCIAL CONDITION

United's total assets as of March 31, 2017 were $14.76 billion, which was an increase of $253.42 million or 1.75% from December 31, 2016. The increase was mainly due to an increase of $232.80 million or 16.23% in cash and cash equivalents. Portfolio loans were relatively flat, increasing $67.90 million or less than 1%. Investment securities decreased $30.23 million or 2.15%. Loans held for sale and other assets decreased $4.86 million or 57.60% and $11.92 million or 2.87%, respectively. Total liabilities increased $236.31 million or 1.93% from year-end 2016. Deposits increased $265.46 million or 2.46%. Borrowings decreased $40.63 million or 2.94% while accrued expenses and other liabilities increased $11.62 million or 12.40%. Shareholders' equity was relatively flat from December 31, 2016, increasing $17.11 million or less than 1%.

The following discussion explains in more detail the changes in financial condition by major category.

Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2017 increased $232.80 million or 16.23% from year-end 2016. Of this total increase, cash and due from banks increased $9.10 million while interest-bearing deposits with other banks increased $223.70 million or 17.78% as United placed excess cash in an interest-bearing account with the Federal Reserve. Federal funds sold were flat. During the first three months of 2017, net cash of $64.97 million and $199.78 million was provided by operating activities and financing activities, respectively, while $31.95 million was used in investing activities. See the unaudited Consolidated Statements of Cash Flows for data on cash and cash equivalents provided and used in operating, investing and financing activities for the first three months of 2017 and 2016.

Securities

Total investment securities at March 31, 2017 decreased $30.23 million or 2.15% from year-end 2016. Securities available for sale decreased $29.85 million or 2.37%. This change in securities available for sale reflects $98.58 million in sales, maturities and calls of securities, $64.34 million in purchases, and an increase of $5.36 million in market value. Securities held to maturity decreased $2.91 million or 8.74% from year-end 2016 due to calls and maturities of securities. Other investment securities increased $2.53 million or 2.28% from year-end 2016 due to the purchase of Federal Reserve Bank (FRB) stock.

The following table summarizes the changes in the available for sale securities since year-end 2016:

(Dollars in thousands)	March 31 2017	December 31 2016	$ Change	% Change
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 72,485	$ 95,786	$(23,301)	(24.33%)
State and political subdivisions	193,822	192,812	1,010	0.52%
Mortgage-backed securities	892,323	896,480	(4,157)	(0.46%)
Asset-backed securities	0	217	(217)	(100.00%)
Marketable equity securities	7,008	13,828	(6,820)	(49.32%)
Trust preferred collateralized debt obligations	36,897	33,552	3,345	9.97%
Single issue trust preferred securities	11,693	11,477	216	1.88%
Corporate securities	15,135	15,062	73	0.48%
Total available for sale securities, at fair value	$1,229,363	$1,259,214	$(29,851)	(2.37%)

The following table summarizes the changes in the held to maturity securities since year-end 2016:

(Dollars in thousands)	March 31 2017	December 31 2016	$ Change	% Change
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	$ 5,269	$ 5,295	$ (26)	(0.49%)
State and political subdivisions	5,714	8,598	(2,884)	(33.54%)
Mortgage-backed securities	28	30	(2)	(6.67%)
Single issue trust preferred securities	19,319	19,315	4	0.02%
Other corporate securities	20	20	0	0.00%
Total held to maturity securities, at amortized cost	$30,350	$ 33,258	$(2,908)	(8.74%)

At March 31, 2017, gross unrealized losses on available for sale securities were $24.76 million. Securities in an unrealized loss position at March 31, 2017 consisted primarily of state and political subdivisions securities, Trup Cdos, single issue trust preferred securities and agency residential mortgage-backed securities. The state and political subdivisions securities relate to securities issued by various municipalities. The Trup Cdos and the single issue trust preferred securities relate mainly to underlying securities of financial institutions. The agency residential mortgage-backed securities relate to residential properties and provide a guaranty of full and timely payments of principal and interest by the issuing agency.

As of March 31, 2017, United's mortgage-backed securities had an amortized cost of $892.06 million, with an estimated fair value of $892.36 million. The portfolio consisted primarily of $592.26 million in agency residential mortgage-backed securities with a fair value of $591.41 million, $6.14 million in non-agency residential mortgage-backed securities with an estimated fair value of $6.55 million, and $293.66 million in commercial agency mortgage-backed securities with an estimated fair value of $294.40 million.

As of March 31, 2017, United's corporate securities had an amortized cost of $101.68 million, with an estimated fair value of $88.03 million. The portfolio consisted primarily of $48.10 million in Trup Cdos with a fair value of $36.90 million and $32.70 million in single issue trust preferred securities with an estimated fair value of $28.80 million. In addition to the trust preferred securities, the Company held positions in various other corporate securities, including marketable equity securities, with an amortized cost of $20.72 million and a fair value of $22.16 million, only one of which was individually significant.

The Trup Cdos consisted of pools of trust preferred securities issued by trusts related primarily to financial institutions and to a lesser extent, insurance companies. The Company has no exposure to Real Estate Investment Trusts (REITs) in its investment portfolio. The Company owns both senior and mezzanine tranches in the Trup Cdos; however, the Company does not own any income notes. The senior and mezzanine tranches of Trup Cdos generally have some protection from defaults in the form of over-collateralization and excess spread revenues, along with waterfall structures that redirect cash flows in the event certain coverage test requirements have failed. Generally, senior tranches have the greatest protection, with mezzanine tranches subordinated to the senior tranches, and income notes subordinated to the mezzanine tranches. The fair value of senior tranches represents $5.40 million of the Company's pooled securities, while mezzanine tranches represent $31.50 million. Of the $31.50 million in mezzanine tranches, $9.58 million are now in the Senior position as the Senior notes have been paid to a zero balance. As of March 31, 2017, Trup Cdos with a fair value of $3.32 million were investment grade, $2.33 million were split rated, and the remaining $31.25 million were below investment grade. In terms of capital adequacy, the Company allocates additional risk-based capital to the below investment grade securities. As of March 31, 2017, United's single issue trust preferred securities had a fair value of $28.80 million. Of the $28.80 million, $12.97 million or 45.04% were investment grade; $8.96 million or 31.11% were split rated; $2.97 million or 10.30% were below investment grade; and $3.90 million or 13.54% were unrated. The two largest exposures accounted for 54.09% of the $28.80 million. These included Wells Fargo at $8.98 million and SunTrust Bank at $6.60 million. All single-issue trust preferred securities are currently receiving full scheduled principal and interest payments.

The following two tables provide a summary of Trup Cdos as of March 31, 2017:

Description (1)	Tranche	Class	Moodys	S&P	Fitch	Amortized Cost Basis	Fair Value	Unrealized Loss (Gain)	Cumulative Credit-Related OTTI
							Dollars in thousands		
SECURITY 1	Senior	Sr	Ca	NR	WD	$1,798	$2,084	$ (286)	$ 1,219
SECURITY 2	Senior (org Mezz)	B	Ca	NR	WD	6,428	4,528	1,900	7,398
SECURITY 4	Mezzanine	C	Caa3	NR	C	1,238	1,554	(316)	1,546
SECURITY 5	Mezzanine	C-2	Caa2	NR	C	1,978	1,148	830	184
SECURITY 6	Mezzanine	C-1	Ca	NR	C	1,916	1,375	541	1,316
SECURITY 7	Mezzanine	B-1	Caa1	NR	C	4,493	3,442	1,051	41
SECURITY 8	Mezzanine	B-1	Ca	NR	C	3,677	2,584	1,093	1,651
SECURITY 12	Senior (org Mezz)	Mez	Caa1	NR	C	1,246	1,718	(472)	588
SECURITY 13	Senior (org Mezz)	Mez	Caa1	NR	C	852	1,002	(150)	406
SECURITY 14	Mezzanine	B-1	Ba2	NR	CCC	3,300	2,062	1,238	422

Description (1)	Tranche	Class	Moodys	S&P	Fitch	Amortized Cost Basis	Fair Value	Unrealized Loss (Gain)	Cumulative Credit-Related OTTI
						Dollars in thousands			
SECURITY 15	Mezzanine	B	Caa3	NR	C	6,436	4,200	2,236	3,531
SECURITY 16	Mezzanine	B-2	Ca	NR	C	3,439	2,250	1,189	1,561
SECURITY 17	Mezzanine	B-1	Caa2	NR	C	2,250	1,800	450	750
SECURITY 18	Senior	A-3	Aaa	NR	AA	3,767	3,315	452	0
SECURITY 19	Senior (org Mezz)	B	Ba1	NR	BBB	2,780	2,335	445	0
SECURITY 22	Mezzanine	B-1	B2	NR	C	2,500	1,500	1,000	0
						$ 48,098	$36,897	$ 11,201	$ 20,613

(1) Securities that are no longer owned by the Company have been removed from the tables.

Desc.	# of Issuers Currently Performing (1)	Deferrals as % of Original Collateral	Defaults as a % of Original Collateral	Expected Deferrals and Defaults as a % of Remaining Performing Collateral (2)	Projected Recovery/ Cure Rates on Deferring Collateral	Excess Subordination as % of Performing Collateral	Amortized Cost as a % of Par Value	Discount as a % of Par Value (3)
1	6	4.1%	13.3%	6.9%	25%	(50.3)%	57.0%	43.0%
2	7	0.0%	11.1%	5.3%	N/A	(104.7)%	45.4%	54.6%
4	39	11.9%	12.1%	6.4%	0 - 90%	(1.8)%	41.4%	58.6%
5	40	0.0%	10.6%	6.0%	N/A	(0.3)%	91.3%	8.7%
6	41	0.0%	15.9%	5.9%	N/A	(19.5)%	58.5%	41.5%
7	18	0.0%	12.0%	5.6%	N/A	(10.5)%	84.8%	15.2%
8	22	0.0%	22.4%	5.8%	N/A	(28.7)%	68.3%	31.7%
12	5	0.0%	14.5%	4.7%	N/A	(3.2)%	73.3%	26.7%
13	5	0.0%	14.5%	4.7%	N/A	(3.2)%	85.9%	14.1%
14	39	3.6%	7.3%	5.9%	0 - 90%	9.3%	88.0%	12.0%
15	18	0.8%	13.2%	7.4%	90%	(34.0)%	64.4%	35.6%
16	14	0.0%	15.9%	5.5%	N/A	(17.7)%	68.8%	31.2%
17	26	0.0%	7.4%	6.2%	N/A	(2.1)%	75.0%	25.0%
18	28	1.0%	15.2%	5.3%	15%	73.7%	100.0%	0.0%
19	5	0.0%	4.6%	5.3%	N/A	37.8%	100.0%	0.0%
22	30	1.5%	4.8%	5.9%	50%	5.4%	100.0%	0.0%

(1) “Performing” refers to all outstanding issuers less issuers that have either defaulted or are currently deferring their interest payment.
(2) “Expected Deferrals and Defaults” refers to projected future defaults on performing collateral and does not include the projected defaults on deferring collateral.
(3) The “Discount” in the table above represents the Par Value less the Amortized Cost. This metric generally approximates the level of OTTI that has been incurred on these securities.

The Company defines “Excess Subordination” as all outstanding collateral less the sum of (i) 100% of the defaulted collateral, (ii) the sum of the projected net loss amounts for each piece of the deferring but not defaulted collateral and (iii) the amount of each Trup Cdo’s debt that is either senior to or pari passu with our security’s priority level.

The calculation of excess subordination in the above table does not consider the OTTI the Company has recognized on these securities. While the ratio of excess subordination provides some insight on overall collateralization levels, the Company completes an expected cash flow analysis each quarter to determine whether an adverse change in future cash flows has occurred under ASC 320. The standard specifies that a cash flow projection can be present-valued at the security specific effective interest rate and the resulting present value compared to the amortized cost in order to quantify the credit component of impairment. The Company utilizes the cash flow models to determine the net realizable value and assess whether additional OTTI has occurred.

While the ratio of excess subordination provides some insight on overall collateralization levels, the Company does not utilize this ratio to calculate OTTI. The ratio of excess subordination represents only one component of the projected cash flow. The Company believes the excess subordination is limited as it does not consider the following:

- Waterfall structure and redirection of cash flows
- Excess interest spread
- Cash reserves

The collateral backing of a particular tranche can be increased by decreasing the more senior liabilities of the Trup Cdo tranche. This occurs when collateral deterioration due to defaults and deferrals triggers alternative waterfall provisions of the cash flow. The waterfall structure of the bond requires the excess spread to be rerouted away from the most junior classes of debt (which includes the income notes) in order to pay down the principal of the most senior liabilities. As these senior liabilities are paid down, the senior and mezzanine tranches become better secured (due to the rerouting away from the income notes). Therefore, variances will exist between the calculated excess subordination measure and the amount of OTTI recognized due to the impact of the specific structural features of each bond as it relates to the cash flow models.

The following is a summary of available for sale single-issue trust preferred securities as of March 31, 2017:

Security	Moodys	S&P	Fitch	Amortized Cost	Fair Value	Unrealized Loss/ (Gain)
				(Dollars in thousands)		
Emigrant	NR	NR	WD	$ 5,700	$ 3,900	$ 1,800
Bank of America	Ba1	NR	BBB-	4,666	4,513	153
M&T Bank	NR	BBB-	BBB-	3,012	3,280	(268)
				$ 13,378	$ 11,693	1,685

Additionally, the Company owns two single-issue trust preferred securities that are classified as held-to-maturity and include at least one rating below investment grade. These securities include SunTrust Bank ($7.42 million) and Royal Bank of Scotland ($976 thousand).

During the first quarter of 2017, United recognized other-than-temporary impairment charges of $44 thousand on one non-agency residential mortgage-backed investment security. Other than that security, management does not believe that any individual security with an unrealized loss as of March 31, 2017 is other-than-temporarily impaired. United believes the decline in value resulted from changes in market interest rates, credit spreads and liquidity, not an adverse change in the expected contractual cash flows. Based on a review of each of the securities in the investment portfolio, management concluded that it was not probable that it would be unable to realize the cost basis investment and appropriate interest payments on such securities. United has the intent and the ability to hold these securities until such time as the value recovers or the securities mature. However, United acknowledges that any impaired securities may be sold in future periods in response to significant, unanticipated changes in asset/liability management decisions, unanticipated future market movements or business plan changes.

Further information regarding the amortized cost and estimated fair value of investment securities, including remaining maturities as well as a more detailed discussion of management's other-than-temporary impairment analysis, is presented in Note 3 to the unaudited Notes to Consolidated Financial Statements.

Loans

Loans held for sale decreased $4.86 million or 57.60% as loan sales in the secondary market exceeded loan originations during the first three months of 2017. Portfolio loans, net of unearned income, were flat from year-end 2016, increasing $67.90 million or less than 1%. Since year-end 2016, commercial, financial and agricultural loans were relatively flat, increasing $32.39 million less than 1% as commercial loans (not secured by real estate) increased $70.11 million and commercial real estate loans decreased $37.72 million. In addition, construction and land development loans and residential real estate loans were relatively flat, increasing $12.26 million and decreasing $13.79 million, respectively. Both changes were less than 1%. Bankcard lending decreased $1.74 million or 12.23% while other consumer loans increased $39.01 million or 6.56% due mainly to an increase in automobile loans. Organically, portfolio loans grew $70.42 million from year-end 2016.

The following table summarizes the changes in the major loan classes since year-end 2016:

(Dollars in thousands)	March 31 2017	December 31 2016	$ Change	% Change
Loans held for sale	$ 3,581	$ 8,445	$ (4,864)	(57.60%)
Commercial, financial, and agricultural:				
Owner-occupied commercial real estate	$ 1,048,362	$ 1,049,885	$ (1,523)	(0.15%)
Nonowner-occupied commercial real estate	3,389,261	3,425,453	(36,192)	(1.06%)
Other commercial loans	1,683,544	1,613,437	70,107	4.35%
Total commercial, financial, and agricultural	$ 6,121,167	$ 6,088,775	$ 32,392	0.53%
Residential real estate	2,389,647	2,403,437	(13,790)	(0.57%)
Construction & land development	1,267,994	1,255,738	12,256	0.98%
Consumer:				
Bankcard	12,452	14,187	(1,735)	(12.23%)
Other consumer	633,596	594,582	39,014	6.56%
Less: Unearned income	(15,815)	(15,582)	(233)	1.50%
Total Loans, net of unearned income	$10,409,041	$10,341,137	$ 67,904	0.66%

For a further discussion of loans see Note 4 to the unaudited Notes to Consolidated Financial Statements.

Other Assets

Other assets decreased $11.92 million or 2.87% from year-end 2016. Deferred tax assets decreased $5.16 million. The remainder of the decrease in other assets is the result of decreases of $1.61 million in OREO due to sales and adjustments to the fair value of properties and $1.05 million in core deposit intangibles due to amortization.

Deposits

Deposits represent United's primary source of funding. Total deposits at March 31, 2017 increased $265.46 million or 2.46% from year-end 2016. In terms of composition, noninterest-bearing deposits increased $168.09 million or 5.30% while interest-bearing deposits increased $97.37 million or 1.28% from December 31, 2016.

The increase in noninterest-bearing deposits was due mainly to increases in commercial noninterest-bearing deposits of $72.40 million or 2.98%. In addition, noninterest-bearing deposits of public funds increased $15.29 million or 15.14%.

All major categories of interest-bearing deposits except time deposits less than $100,000 increased from year-end 2016. Interest-bearing checking accounts increased $73.68 million or 4.14% mainly due to increases of $45.63 million and $26.86 million in commercial and personal interest-bearing checking accounts, respectively. Regular savings increased $26.98 million or 3.74%. Interest-bearing MMDAs were flat, increasing $11.19 million or less than 1% as commercial MMDAs increased $75.11 million while personal MMDAs declined $45.14 million. Time deposits over

$100,000 were also relatively flat, increasing $9.46 million or less than 1% as Certificate of Deposit Account Registry Service (CDARS) balances increased $56.49 million while public funds certificates of deposits (CDs) deposits over $100,000 and brokerage deposits declined $17.51 million and $19.77 million, respectively. Time deposits under $100,000 decreased $23.95 million or 3.46%. This decrease in time deposits under $100,000 is the result of a $33.87 million decrease in fixed rate CDs.

The following table summarizes the changes in the deposit categories since year-end 2016:

(Dollars in thousands)	March 31 2017	December 31 2016	$ Change	% Change
Demand deposits	$ 3,339,935	$ 3,171,841	$168,094	5.30%
Interest-bearing checking	1,851,836	1,778,156	73,680	4.14%
Regular savings	748,208	721,224	26,984	3.74%
Money market accounts	3,163,088	3,151,896	11,192	0.36%
Time deposits under $100,000	669,060	693,005	(23,945)	(3.46%)
Time deposits over $100,000 (1)	1,290,202	1,280,745	9,457	0.74%
Total deposits	$11,062,329	$10,796,867	$265,462	2.46%

(1) Includes time deposits of $250,000 or more of $503,138 and $536,507 at March 31, 2017 and December 31, 2016, respectively.

Borrowings

Total borrowings at March 31, 2017 decreased $40.63 million or 2.94% from year-end 2016. During the first three months of 2017, short-term borrowings decreased $30.57 million or 14.59% due to a $26.43 million decrease in short-term securities sold under agreements to repurchase and a $4.14 million decrease in federal funds purchased. Long-term borrowings were relatively flat from year-end 2016, decreasing $10.06 million or less than 1% due to net repayments on long-term FHLB advances.

The table below summarizes the change in the borrowing categories since year-end 2016:

(Dollars in thousands)	March 31 2017	December 31 2016	$ Change	% Change
Federal funds purchased	$ 18,100	$ 22,235	$ (4,135)	(18.60%)
Short-term securities sold under agreements to repurchase	160,883	187,316	(26,433)	(14.11%)
Long-term securities sold under agreements to repurchase	50,000	50,000	0	0.00%
Long-term FHLB advances	887,459	897,707	(10,248)	(1.14%)
Issuances of trust preferred capital securities	224,508	224,319	189	0.08%
Total borrowings	$1,340,950	$1,381,577	$(40,627)	(2.94%)

For a further discussion of borrowings see Notes 8 and 9 to the unaudited Notes to Consolidated Financial Statements.

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities at March 31, 2017 increased $11.62 million or 12.40% from year-end 2016. In particular, income taxes payable increased $11.18 million due to a timing difference and business franchise taxes increased $1.57 million. Partially offsetting these increases in accrued expenses and other liabilities was a decrease of $3.20 million in incentive payables due to payments.

Shareholders’ Equity

Shareholders’ equity at March 31, 2017 was relatively flat from December 31, 2016, increasing $17.11 million or less than 1%. Earnings net of dividends for the first three months of 2017 were $12.03 million.

Accumulated other comprehensive income increased $4.07 million due mainly to an increase of $3.38 million in United's available for sale investment portfolio, net of deferred income taxes. The after tax non-credit portion of pension costs was $695 thousand for the first quarter of 2017.

RESULTS OF OPERATIONS

Overview

Net income for the first three months of 2017 was $38.81 million or $0.48 per diluted share compared to $34.71 million or $0.50 per share for the first three months of 2016. The decrease in earnings per share was primarily a result of 4,330,000 common shares issued in a $199.9 million public offering completed in December of 2016.

United's annualized return on average assets for the first three months of 2017 was 1.09% and return on average shareholders' equity was 6.98% as compared to 1.13% and 8.06% for the first three months of 2016.

Net interest income for the first three months of 2017 was $107.62 million, which was an increase of $9.34 million or 9.50% from net interest income of $98.28 million for the first three months of 2016. The increase in net interest income occurred because total interest income increased $12.26 million while total interest expense only increased $2.93 million from the first quarter of 2016.

The provision for loan losses was $5.90 million for the first three months of 2017 as compared to $4.04 million for the first three months of 2016. Noninterest income was $20.15 million for the first three months of 2017, up $3.75 million or 22.90% when compared to the first three months of 2016. Included in the results for the first quarter of 2017 was a net gain of $3.77 million on the redemption of an other investment security. Noninterest expense for the first three months of 2017 increased $4.79 million or 8.24% from the first three months of 2016. The first quarter of 2017 included $1.23 million of merger expenses related to the acquisition of Cardinal. Income taxes increased $2.34 million or 13.07% for the first three months of 2017 as compared to the first three months of 2016. The effective tax rate was 34.25% and 34.00% for the first quarter of 2017 and 2016, respectively.

The following discussion explains in more detail the results of operations by major category.

Net Interest Income

Net interest income represents the primary component of United's earnings. It is the difference between interest income from earning assets and interest expense incurred to fund these assets. Net interest income is impacted by changes in the volume and mix of interest-earning assets and interest-bearing liabilities, as well as changes in market interest rates. Such changes, and their impact on net interest income in 2017 and 2016, are presented below.

Net interest income for the first quarter of 2017 was $107.62 million, which was an increase of $9.34 million or 9.50% from the first quarter of 2016. The $9.34 million increase in net interest income occurred because total interest income increased $12.26 million while total interest expense only increased $2.93 million from the first quarter of 2016. On a linked-quarter basis, net interest income for the first quarter of 2017 decreased $5.63 million or 4.97% from the fourth quarter of 2016. The $5.63 million decrease in net interest income occurred because total interest income decreased $4.86 million while total interest expense increased $770 thousand from the fourth quarter of 2016.

Generally, interest income for the first quarter of 2017 increased from the first quarter of 2016 because of the earning assets added from the Bank of Georgetown acquisition. The higher amount of interest expense for the first quarter of 2017 from the first quarter of 2016 was due mainly to the interest-bearing liabilities added from the Bank of Georgetown acquisition and higher market interest rates. For the purpose of this remaining discussion, net interest income is presented on a tax-equivalent basis to provide a comparison among all types of interest earning assets. The tax-equivalent basis adjusts for the tax-favored status of income from certain loans and investments. Although this is a non-GAAP measure, United's management believes this measure is more widely used within the financial services industry and provides better comparability of net interest income arising from taxable and tax-exempt sources. United uses this measure to monitor net interest income performance and to manage its balance sheet composition.

Tax-equivalent net interest income for the first quarter of 2017 was $109.18 million, an increase of $9.41 million or 9.43% from the first quarter of 2016 due mainly to an increase in average earning assets from the Bank of Georgetown acquisition. Average earning assets for the first quarter of 2017 increased $1.86 billion or 16.86% from the first quarter of 2016 due mainly to a $953.01 million or 10.25% increase in average net loans. Average short-term investments increased $729.04 million or 140.61% while average investment securities increased $173.84 million or 14.55%. Partially offsetting the increases to tax-equivalent net interest income for the first quarter of 2017 was a decrease of 16 basis points in the average yield on earning assets. This decrease was due mainly to a shift in the mix of earning assets and a lower yield on the re-investment of maturing securities. In particular, the yield on average taxable and tax-exempt investment securities declined 19 basis points and 35 basis points, respectively. The yield on average net loans held constant year-over-year at 4.34%. In addition, the average cost of funds increased 7 basis points due to higher market interest rates as compared to the first quarter of 2016. In particular, the average cost of short-term borrowings and long-term borrowings increased 23 basis points and 30 basis points, respectively, due mainly to the higher market interest rates. The net interest margin of 3.43% for the first quarter of 2017 was a decrease of 21 basis points from the net interest margin of 3.64% for the first quarter of 2016.

On a linked-quarter basis, United's tax-equivalent net interest income for the first quarter of 2017 decreased $5.63 million or 4.90% from the fourth quarter of 2016 due mainly to a decrease in the average yield on earning assets. The yield on average earning assets for the first quarter of 2017 decreased 15 basis points from the fourth quarter of 2016 due mainly to a lower yield on loans as the loan accretion on acquired loans declined $3.86 million. In addition, the average cost of funds increased 4 basis points from the fourth quarter of 2016 due to higher market interest rates. In particular, the average cost of long-term borrowings increased 14 basis points. Partially offsetting the decreases to tax-equivalent net interest income for the first quarter of 2017 was an increase in average earning assets of $218.51 million or 1.73% as compared to the fourth quarter of 2016. Average short-term investments increased $316.47 million for the linked-quarter while average net loans and average investment securities were relatively flat. The net interest margin of 3.43% for the first quarter of 2017 was a decrease of 19 basis points from the net interest margin of 3.62% for the fourth quarter of 2016.

United's tax-equivalent net interest income also includes the impact of acquisition accounting fair value adjustments. The following table provides the discount/premium and net accretion impact to tax-equivalent net interest income for the three months ended March 31, 2017, March 31, 2016 and December 31, 2016:

	Three Months Ended		
(Dollars in thousands)	**March 31 2017**	**March 31 2016**	**December 31 2016**
Loan accretion	$ 4,235	$ 3,255	$ 8,095
Certificates of deposit	47	0	47
Long-term borrowings	(117)	153	(117)
Total	$ 4,165	$ 3,408	$ 8,025

The following table reconciles the difference between net interest income and tax-equivalent net interest income for the three months ended March 31, 2017, March 31, 2016 and December 31, 2016:

	Three Months Ended		
(Dollars in thousands)	March 31 2017	March 31 2016	December 31 2016
Net interest income, GAAP basis	$107,620	$98,284	$ 113,253
Tax-equivalent adjustment (1)	1,564	1,493	1,559
Tax-equivalent net interest income	$109,184	$99,777	$ 114,812

(1) The tax-equivalent adjustment combines amounts of interest income on federally nontaxable loans and investment securities using the statutory federal income tax rate of 35%. All interest income on loans and investment securities was subject to state income taxes.

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The following table shows the unaudited consolidated daily average balance of major categories of assets and liabilities for the three-month period ended March 31, 2017 and 2016, respectively, with the interest and rate earned or paid on such amount. The interest income and yields on federally nontaxable loans and investment securities are presented on a tax-equivalent basis using the statutory federal income tax rate of 35%. Interest income on all loans and investment securities was subject to state income taxes.

	Three Months Ended March 31, 2017			Three Months Ended March 31, 2016		
(Dollars in thousands)	Average Balance	Interest (1)	Avg. Rate (1)	Average Balance	Interest (1)	Avg. Rate (1)
ASSETS						
Earning Assets:						
Federal funds sold and securities repurchased under agreements to resell and other short-term investments	$ 1,247,520	$ 2,686	0.87%	$ 518,479	$ 622	0.48%
Investment Securities:						
Taxable	1,193,779	8,011	2.68%	1,075,119	7,707	2.87%
Tax-exempt	175,077	1,721	3.93%	119,902	1,282	4.28%
Total Securities	1,368,856	9,732	2.84%	1,195,021	8,989	3.01%
Loans, net of unearned income (2)	10,321,615	109,904	4.31%	9,371,437	100,378	4.30%
Allowance for loan losses	(72,843)			(75,674)		
Net loans	10,248,772		4.34%	9,295,763		4.34%
Total Earning Assets	12,865,148	$122,322	3.85%	11,009,263	$109,989	4.01%
Other assets	1,540,585			1,339,675		
TOTAL ASSETS	$14,405,733			$12,348,938		
LIABILITIES						
Interest-Bearing Funds:						
Interest-bearing deposits	$ 7,596,533	$ 8,468	0.45%	$ 6,586,241	$ 6,885	0.42%
Short-term borrowings	226,718	304	0.54%	278,342	214	0.31%
Long-term borrowings	1,164,119	4,366	1.52%	1,022,868	3,113	1.22%
Total Interest-Bearing Funds	8,987,370	13,138	0.59%	7,887,451	10,212	0.52%
Noninterest-bearing deposits	3,090,248			2,662,307		
Accrued expenses and other liabilities	71,632			67,504		
TOTAL LIABILITIES	12,149,250			10,617,262		
SHAREHOLDERS' EQUITY	2,256,483			1,731,676		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$14,405,733			$12,348,938		
NET INTEREST INCOME		$109,184			$ 99,777	
INTEREST SPREAD			3.26%			3.49%
NET INTEREST MARGIN			3.43%			3.64%

(1) The interest income and the yields on federally nontaxable loans and investment securities are presented on a tax-equivalent basis using the statutory federal income tax rate of 35%.

(2) Nonaccruing loans are included in the daily average loan amounts outstanding.

Provision for Loan Losses

For the quarters ended March 31, 2017 and 2016, the provision for loan losses was $5.90 million and $4.04 million, respectively. Net charge-offs were $5.80 million for the first quarter of 2017 as compared to net charge-offs of $4.27 million for the same quarter in 2016. These higher amounts of provision expense and net charge-offs for the first quarter of 2017 compared to the first quarter of 2016 were due to increased outstandings within each of United's loan categories and recognition of losses on several commercial loan relationships which were previously recognized as impairments. On a linked-quarter basis, the provision for loan losses increased $80 thousand while net charge-offs increased $90 thousand from the fourth quarter of 2016. Annualized net charge-offs as a percentage of average loans were 0.23% for the first quarter of 2017. This ratio compares favorably to United's most recently reported Federal Reserve peer group banking companies' (bank holding companies with total assets over $10 billion) net charge-offs to average loans percentage of 0.27% for the year of 2016.

At March 31, 2017, nonperforming loans were $121.34 million or 1.17% of loans, net of unearned income compared to nonperforming loans of $113.26 million or 1.10% of loans, net of unearned income at December 31, 2016. The components of nonperforming loans include: 1) nonaccrual loans, 2) loans which are contractually past due 90 days or more as to interest or principal, but have not been put on a nonaccrual basis and 3) loans whose terms have been restructured for economic or legal reasons due to financial difficulties of the borrowers.

Loans past due 90 days or more were $6.71 million at March 31, 2017, a decrease of $1.87 million or 21.80% from $8.59 million at year-end 2016. This decrease was primarily due to the charge-off of the majority of a commercial relationship and subsequent transfer to nonaccrual of the remaining balance expected to be collected. At March 31, 2017, nonaccrual loans were $90.60 million, an increase of $7.07 million or 8.47% from $83.53 million at year-end 2016. This increase was due to the downgrade and transfer to nonaccrual of several oil, gas and coal industry relationships within the Company's loan portfolio. Restructured loans were $24.03 million at March 31, 2017, an increase of $2.88 million or 13.60% from $21.15 million at year-end 2016. Five loans totaling $4.19 million were restructured during the quarter. The remaining difference was mainly due to repayments. The loss potential on these loans has been properly evaluated and allocated within the Company's allowance for loan losses.

Nonperforming assets include nonperforming loans and real estate acquired in foreclosure or other settlement of loans (OREO). Total nonperforming assets of $151.24 million, including OREO of $29.90 million at March 31, 2017, represented 1.02% of total assets.

Loans are designated as impaired when, in the opinion of management, the collection of principal and interest in accordance with the loan contract is doubtful. At March 31, 2017, impaired loans were $329.22 million, which was an increase of $20.78 million or 6.74% from $308.44 million at December 31, 2016. For further details regarding impaired loans, see Note 5 to the unaudited Consolidated Financial Statements.

United maintains an allowance for loan losses and a reserve for lending-related commitments. The combined allowance for loan losses and reserve for lending-related commitments are referred to as the allowance for credit losses. At March 31, 2017 and December 31, 2016, the allowance for credit losses was $73.78 million and $73.82 million, respectively.

At March 31, 2017, the allowance for loan losses was $72.88 million as compared to $72.78 million at December 31, 2016. As a percentage of loans, net of unearned income, the allowance for loan losses was 0.70% at March 31, 2017 and December 31, 2016. In accordance with accounting rules, United is unable to carry-over an acquired banking company's previously established allowance for loan losses because acquired loans are recorded at fair value. Therefore, due to this acquisition accounting impact on the allowance for loans losses as well as loans, net of unearned income, management believes that excluding acquired loans in the calculation of the allowance for loan losses as a percentage of loans, net of unearned income separates the difference in the accounting rules for acquired loans and originated loans as well as provides for improved comparability to prior periods and to other financial institutions without acquired loans.

The table below presents United's allowance for loan losses as a percentage of non-acquired loans, net of unearned income at March 31, 2017 and December 31, 2016:

(Dollars in thousands)	March 31, 2017	December 31, 2016
Allowance for Loan Losses (GAAP)	$ 72,875	$ 72,771
Loans, net of unearned income (GAAP)	10,409,041	10,341,137
Less: Acquired Loans (non-GAAP)	(2,170,285)	(2,275,601)
Non-Acquired Loans, net of unearned income (non-GAAP)	$ 8,238,756	$ 8,065,536
Allowance for Loan Losses/ Non-acquired Loans, Net of Unearned Income (non-GAAP)	0.88%	0.90%

The ratio of the allowance for loan losses to nonperforming loans or coverage ratio was 60.06% and 64.25% at March 31, 2017 and December 31, 2016, respectively. The Company's detailed methodology and analysis indicated a minimal increase in the allowance for loan losses primarily because of the offsetting factors of changes within historical loss rates and reduced loss allocations on impaired loans.

Allocations are made for specific commercial loans based upon management's estimate of the borrowers' ability to repay and other factors impacting collectibility. Other commercial loans not specifically reviewed on an individual basis are evaluated based on historical loss percentages applied to loan pools that have been segregated by risk. Allocations for loans other than commercial loans are made based upon historical loss experience adjusted for current environmental conditions. The allowance for credit losses includes estimated probable inherent but unidentified losses within the portfolio due to uncertainties in economic conditions, delays in obtaining information, including unfavorable information about a borrower's financial condition, the difficulty in identifying triggering events that correlate perfectly to subsequent loss rates, and risk factors that have not yet fully manifested themselves in loss allocation factors. In addition, a portion of the allowance accounts for the inherent imprecision in the allowance for credit losses analysis.

United's company-wide review of the allowance for loan losses at March 31, 2017 produced increased allocations in three of the four loan categories. The commercial, financial & agricultural other commercial loan pool allocation increased $1.76 million primarily due to recognition of additional inherent loss relative to United's oil, coal and gas industry exposure. The residential real estate loan pool allocation increased $353 thousand due to an increase in the historical loss rate applied to the portfolio. The consumer loan pool also experienced an increase of $17 thousand due to an increase in portfolio outstandings and increase in historical loss rates. Offsetting these increases was a decrease in the allocation related to the real estate construction and development loan pool of $1.99 million due to recognition of losses previously allocated. In summary, the overall level of the allowance for loan losses was relatively stable in comparison to year-end 2016 as a result of offsetting factors within the portfolio as described above.

An allowance is established for probable credit losses on impaired loans via specific allocations. Nonperforming commercial loans and leases are regularly reviewed to identify impairment. A loan or lease is impaired when, based on current information and events, it is probable that the Company will not be able to collect all amounts contractually due. Measuring impairment of a loan requires judgment and estimates, and the eventual outcomes may differ from those estimates. Impairment is measured based upon the present value of expected future cash flows from the loan discounted at the loan's effective rate, the loan's observable market price or the fair value of collateral if the loan is collateral dependent. When the selected measure is less than the recorded investment in the loan, an impairment has occurred. The allowance for impaired loans was $25.78 million at March 31, 2017 and $23.42 million at December 31, 2016. In comparison to the prior year-end, this element of the allowance increased by $2.36 million primarily due to increased specific allocations for commercial, financial & agricultural loans.

Management believes that the allowance for credit losses of $73.78 million at March 31, 2017 is adequate to provide for probable losses on existing loans and lending-related commitments based on information currently available. Note 6 to the accompanying unaudited Notes to Consolidated Financial Statements provides a progression of the allowance for loan losses by portfolio segment.

United's loan administration policies are focused on the risk characteristics of the loan portfolio in terms of loan approval and credit quality. The commercial loan portfolio is monitored for possible concentrations of credit in one or more industries. Management has lending limits as a percentage of capital per type of credit concentration in an effort to ensure adequate diversification within the portfolio. Most of United's commercial loans are secured by real estate located in West Virginia, southeastern Ohio, Pennsylvania, Virginia, Maryland and the District of Columbia. It is the opinion of management that these commercial loans do not pose any unusual risks and that adequate consideration has been given to these loans in establishing the allowance for credit losses.

Management is not aware of any potential problem loans, trends or uncertainties, which it reasonably expects, will materially impact future operating results, liquidity, or capital resources which have not been disclosed. Additionally, management has disclosed all known material credits, which cause management to have serious doubts as to the ability of such borrowers to comply with the loan repayment schedules.

Other Income

Other income consists of all revenues, which are not included in interest and fee income related to earning assets. Noninterest income has been and will continue to be an important factor for improving United's profitability. Recognizing the importance, management continues to evaluate areas where noninterest income can be enhanced.

Noninterest income for the first quarter of 2017 was $20.15 million, which was an increase of $3.75 million or 22.90% from the first quarter of 2016. The increase was due primarily to a net gain of $3.77 million on the redemption of an other investment security in the first quarter of 2017.

Fees from deposit services were $7.71 million for the first quarter of 2017 which was a decrease of $267 thousand or 3.35% from the first quarter of 2016. In particular, automated teller machine (ATM) income decreased $119 thousand and overdraft fees declined $107 thousand from the first quarter of 2016.

On a linked-quarter basis, noninterest income for the first quarter of 2017 increased $3.49 million or 20.98% from the fourth quarter of 2016 due mainly to the previously mentioned net gain of $3.77 million on the redemption of an investment security in the first quarter of 2017. Otherwise, fees from deposit services declined $483 thousand because of a decrease in overdraft fees and fees from bankcard services declined $577 thousand due to a decrease in volume, both due to seasonality. Partially offsetting these decreases were increases of $401 thousand in income from trust and brokerage services due to increased volume and $336 thousand in income from bank-owned life insurance policies due an increase the cash surrender value.

Other Expenses

Just as management continues to evaluate areas where noninterest income can be enhanced, it strives to improve the efficiency of its operations to reduce costs. Other expenses include all items of expense other than interest expense, the provision for loan losses, and income taxes. Noninterest expense for the first quarter of 2017 was $62.84 million, which was an increase of $4.79 million or 8.24% from the first quarter of 2016.

Employee compensation for the first quarter of 2017 increased $1.19 million or 5.35% when compared to the first quarter of 2016. This increase was primarily due to an increase of $1.74 million in base salaries due an increase in employees. Partially offsetting this increase was a decrease of $584 thousand in employee incentives expense. Employee compensation was $23.47 million for the first quarter of 2017 as compared to $22.28 million for the first quarter of 2016.

Employee benefits expense increased $862 thousand or 13.05% from the first quarter of 2016 due mainly an increase in employees.

Net occupancy expense for the first quarter of 2017 increased $531 thousand or 8.49% from the first quarter of 2016 due mainly to higher building rental expense from the branches acquired in the Bank of Georgetown merger.

Other real estate owned (OREO) expense was $1.41 million for the first quarter of 2017, an increase of $765 thousand or 117.87% from the first quarter of 2016. This increase was mainly due to a decline in the fair value of OREO properties.

Data processing expense for the first quarter of 2017 increased $492 thousand or 13.86% from last year's first quarter due to increased processing as a result of the Bank of Georgetown merger.

Federal Deposit Insurance Corporation (FDIC) expense for the first quarter of 2017 decreased $369 thousand or 17.41% from the first quarter of 2016 due to a reduction in the assessment rate.

Other expense for the first quarter of 2017 increased $1.26 million or 8.84% form the first quarter of 2016. This increase was due mainly to an increase of $1.01 million in merger-related expenses from the Bank of Georgetown and Cardinal acquisitions.

On a linked-quarter basis, noninterest expense for the first quarter of 2017 was relatively flat from the fourth quarter of 2016, increasing $334 thousand or less than 1%. This slight increase was due primarily to increases in merger expenses of $708 thousand from the Cardinal acquisition, consulting fees of $571 thousand, OREO expense of $224 thousand due to a decline in the fair value of properties and net occupancy expense of $200 thousand due to higher building rental expense. Partially offsetting these increases were decreases of $687 thousand in employee compensation due to lower employee incentive expense, $495 thousand in equipment expense due to lower depreciation expense and $456 thousand in FDIC expense due to a reduction in the assessment rate.

Income Taxes

For the first quarter of 2017, income tax expense was $20.22 million as compared to $17.88 million for the first quarter of 2016, an increase of $2.34 million or 13.07% due mainly to higher pretax earnings and a slightly higher effective tax rate. On a linked-quarter basis, income tax expense decreased $2.26 million from the fourth quarter of 2016 due to lower pretax earnings and effective tax rate. United's effective tax rate was approximately 34.25% for the first quarter of 2017 as compared to 34.00% for the first quarter of 2016 and 36.49% for fourth quarter of 2016. The higher tax rate for the fourth quarter of 2016 was due to adjustments to United's tax reserves that were discrete to the fourth quarter. For further details related to income taxes, see Note 15 of the unaudited Notes to Consolidated Financial Statements contained within this document.

Contractual Obligations, Commitments, Contingent Liabilities and Off-Balance Sheet Arrangements

United has various financial obligations, including contractual obligations and commitments, that may require future cash payments. Please refer to United's Annual Report on Form 10-K for the year ended December 31, 2016 for disclosures with respect to United's fixed and determinable contractual obligations. There have been no material changes outside the ordinary course of business since year-end 2016 in the specified contractual obligations disclosed in United's Annual Report on Form 10-K.

As of March 31, 2017, United recorded a liability for uncertain tax positions, including interest and penalties, of $2.49 million in accordance with ASC topic 740. This liability represents an estimate of tax positions that United has taken in its tax returns which may ultimately not be sustained upon examination by tax authorities. Since the ultimate amount and timing of any future cash settlements cannot be predicted with reasonable certainty, this estimated liability is excluded from the contractual obligations table in the 2016 Form 10-K report.

United also enters into derivative contracts, mainly to protect against adverse interest rate movements on the value of certain assets or liabilities, under which it is required to either pay cash to or receive cash from counterparties depending on changes in interest rates. Derivative contracts are carried at fair value and not notional value on the consolidated balance sheet. Because the derivative contracts recorded on the balance sheet at March 31, 2017 do not present the amounts that may ultimately be paid under these contracts, they are excluded from the contractual obligations table in the 2016 Form 10-K report. Further discussion of derivative instruments is presented in Note 11 to the unaudited Notes to Consolidated Financial Statements.

United is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include loan commitments and standby letters of credit. United's maximum exposure to credit loss in the event of nonperformance by the counterparty to the financial instrument for the loan commitments and standby letters of credit is the contractual or notional amount of those instruments. United uses the same policies in making commitments and conditional obligations as it does for on-balance sheet instruments. Since many of the commitments are expected to expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. Further discussion of off-balance sheet commitments is included in Note 10 to the unaudited Notes to Consolidated Financial Statements.

Liquidity

In the opinion of management, United maintains liquidity that is sufficient to satisfy its depositors' requirements and the credit needs of its customers. Like all banks, United depends upon its ability to renew maturing deposits and other liabilities on a daily basis and to acquire new funds in a variety of markets. A significant source of funds available to United is "core deposits". Core deposits include certain demand deposits, statement and special savings and NOW accounts. These deposits are relatively stable, and they are the lowest cost source of funds available to United. Short-term borrowings have also been a significant source of funds. These include federal funds purchased and securities sold under agreements to repurchase as well as advances from the FHLB. Repurchase agreements represent funds which are obtained as the result of a competitive bidding process.

Liquid assets are cash and those items readily convertible to cash. All banks must maintain sufficient balances of cash and near-cash items to meet the day-to-day demands of customers and United's cash needs. Other than cash and due from banks, the available for sale securities portfolio and maturing loans are the primary sources of liquidity.

The goal of liquidity management is to ensure the ability to access funding which enables United to efficiently satisfy the cash flow requirements of depositors and borrowers and meet United's cash needs. Liquidity is managed by monitoring funds' availability from a number of primary sources. Substantial funding is available from cash and cash equivalents, unused short-term borrowing and a geographically dispersed network of branches providing access to a diversified and substantial retail deposit market.

Short-term needs can be met through a wide array of outside sources such as correspondent and downstream correspondent federal funds and utilization of Federal Home Loan Bank advances.

Other sources of liquidity available to United to provide long-term as well as short-term funding alternatives, in addition to FHLB advances, are long-term certificates of deposit, lines of credit, borrowings that are secured by bank premises or stock of United's subsidiaries and issuances of trust preferred securities. In the normal course of business, United through its Asset Liability Committee evaluates these as well as other alternative funding strategies that may be utilized to meet short-term and long-term funding needs.

For the three months ended March 31, 2017, cash of $64.97 million was provided by operating activities due mainly to net income of $38.81 million for the quarter. Net cash of $31.95 million was used in investing activities which was primarily due to net loan growth of $70.42 million partially offset by $38.59 million of net proceeds from sales over purchases of investment securities. During the first three months of 2017, net cash of $199.78 million was provided by financing activities due primarily to growth in deposits of $265.51 million for the quarter. The net effect of the cash flow activities was an increase in cash and cash equivalents of $232.80 million for the first three months of 2017.

United anticipates it can meet its obligations over the next 12 months and has no material commitments for capital expenditures. There are no known trends, demands, commitments, or events that will result in or that are reasonably likely to result in United's liquidity increasing or decreasing in any material way. United also has lines of credit available. See Notes 8 and 9 to the accompanying unaudited Notes to Consolidated Financial Statements for more details regarding the amounts available to United under lines of credit.

The Asset Liability Committee monitors liquidity to ascertain that a liquidity position within certain prescribed parameters is maintained. No changes are anticipated in the policies of United's Asset Liability Committee.

Capital Resources

United's capital position is financially sound. United seeks to maintain a proper relationship between capital and total assets to support growth and sustain earnings. United has historically generated attractive returns on shareholders' equity. United is well-capitalized based upon regulatory guidelines. United's risk-based capital ratio is 14.94% at March 31, 2017 while its Common Equity Tier 1 capital, Tier 1 capital and leverage ratios are 12.27%, 14.29% and 12.05%, respectively. The regulatory requirements for a well-capitalized financial institution are a risk-based capital ratio of 10.0%, a Common Equity Tier 1 capital ratio of 6.5%, a Tier 1 capital ratio of 8.0% and a leverage ratio of 5.0%.

Total shareholders' equity was $2.25 billion at March 31, 2017, which was relatively flat from December 31, 2016, increasing $17.11 million or less than 1%. This slight increase was primarily due to the retention of earnings. United's equity to assets ratio was 15.26% at March 31, 2017 as compared to 15.41% at December 31, 2016. The primary capital ratio, capital and reserves to total assets and reserves, was 15.68% at March 31, 2017 as compared to 15.84% at December 31, 2016. United's average equity to average asset ratio was 15.66% for the first quarter of 2017 as compared to 14.02% the first quarter of 2016. All of these financial measurements reflect a financially sound position.

During the first quarter of 2017, United's Board of Directors declared a cash dividend of $0.33 per share. Total cash dividends declared were $26.78 million for the first quarter of 2017 which was an increase of $3.78 million or 16.42% from dividends declared of $23.00 million for the first quarter of 2016.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management considers interest rate risk to be United's most significant market risk. Interest rate risk is the exposure to adverse changes in United's net interest income as a result of changes in interest rates. United's earnings are largely dependent on the effective management of interest rate risk.

Management of interest rate risk focuses on maintaining consistent growth in net interest income within Board-approved policy limits. United's Asset/Liability Management Committee (ALCO), which includes senior management representatives and reports to the Board of Directors, monitors and manages interest rate risk to maintain an acceptable level of change to net interest income as a result of changes in interest rates. Policy established for interest rate risk is stated in terms of the change in net interest income over a one-year and two-year horizon given an immediate and sustained increase or decrease in interest rates. The current limits approved by the Board of Directors are structured on a staged basis with each stage requiring specific actions.

United employs a variety of measurement techniques to identify and manage its exposure to changing interest rates. One such technique utilizes an earnings simulation model to analyze the sensitivity of net interest income to movements in interest rates. The model is based on actual cash flows and repricing characteristics for on and off-balance sheet instruments and incorporates market-based assumptions regarding the impact of changing interest rates on the prepayment rate of certain assets and liabilities. The model also includes executive management projections for activity levels in product lines offered by United. Assumptions based on the historical behavior of deposit rates and balances in relation to changes in interest rates are also incorporated into the model. Rate scenarios could involve parallel or nonparallel shifts in the yield curve, depending on historical, current, and expected conditions, as well as the need to capture any material effects of explicit or embedded options. These assumptions are inherently uncertain and, as a result, the model cannot precisely measure net interest income or precisely predict the impact of fluctuations in interest rates on net interest income. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions and management's strategies.

Interest sensitive assets and liabilities are defined as those assets or liabilities that mature or are repriced within a designated time frame. The principal function of managing interest rate risk is to maintain an appropriate relationship between those assets and liabilities that are sensitive to changing market interest rates. The difference between rate sensitive assets and rate sensitive liabilities for specified periods of time is known as the "GAP." Earnings-simulation analysis captures not only the potential of these interest sensitive assets and liabilities to mature or reprice, but also the probability that they will do so. Moreover, earnings-simulation analysis considers the relative sensitivities of these balance sheet items and projects their behavior over an extended period of time. United closely monitors the sensitivity of its assets and liabilities on an on-going basis and projects the effect of various interest rate changes on its net interest margin.

The following table shows United's estimated earnings sensitivity profile as of March 31, 2017 and December 31, 2016:

	Percentage Change in Net Interest Income	
Change in Interest Rates (basis points)	**March 31, 2017**	**December 31, 2016**
+200	(1.59%)	(2.05%)
+100	(0.67%)	(1.05%)
-100	1.07%	1.87%
-200	—	—

At March 31, 2017, given an immediate, sustained 100 basis point upward shock to the yield curve used in the simulation model, net interest income for United is estimated to decrease by 0.67% over one year as compared to a decrease of 1.05 % at December 31, 2016. A 200 basis point immediate, sustained upward shock in the yield curve would decrease net interest income by an estimated 1.59% over one year as of March 31, 2017, as compared to a decrease of 2.05% as of December 31, 2016. A 100 basis point immediate, sustained downward shock in the yield curve would increase net interest income by an estimated 1.07% over one year as of March 31, 2017 as compared to an increase of 1.87%, over one year as of December 31, 2016. With the federal funds rate at 1.00% at March 31, 2017 and 0.75% at December 31, 2016, management believed a 200 basis point immediate, sustained decline in rates was highly unlikely.

In addition to the one year earnings sensitivity analysis, a two-year analysis is also performed. Compared to the one year analysis, United is projected to show improved performance in year two within the upward rate shock scenarios. Given an immediate, sustained 100 basis point upward shock to the yield curve used in the simulation model, net interest income for United is estimated to increase by 2.72% in year two as of March 31, 2017. A 200 basis point immediate, sustained upward shock in the yield curve would increase net interest income by an estimated 5.00% in year two as of March 31, 2017. A 100 basis point immediate, sustained downward shock in the yield curve would decrease net interest income by an estimated 1.54% in year two as of March 31, 2017.

This analysis does not include the potential increased refinancing activities, which should lessen the negative impact on net income from falling rates. While it is unlikely market rates would immediately move 100 or 200 basis points upward or downward on a sustained basis, this is another tool used by management and the Board of Directors to gauge interest rate risk. All of these estimated changes in net interest income are and were within the policy guidelines established by the Board of Directors.

To further aid in interest rate management, United's subsidiary banks are members of the Federal Home Loan Bank (FHLB). The use of FHLB advances provides United with a low risk means of matching maturities of earning assets and interest-bearing funds to achieve a desired interest rate spread over the life of the earning assets. In addition, United uses credit with large regional banks and trust preferred securities to provide funding.

As part of its interest rate risk management strategy, United may use derivative instruments to protect against adverse price or interest rate movements on the value of certain assets or liabilities and on future cash flows. These derivatives commonly consist of interest rate swaps, caps, floors, collars, futures, forward contracts, written and purchased options. Interest rate swaps obligate two parties to exchange one or more payments generally calculated with reference to a fixed or variable rate of interest applied to the notional amount. United accounts for its derivative activities in accordance with the provisions of ASC topic 815, "Derivatives and Hedging."

Extension Risk

A key feature of most mortgage loans is the ability of the borrower to repay principal earlier than scheduled. This is called a prepayment. Prepayments arise primarily due to sale of the underlying property, refinancing, or foreclosure. In general, declining interest rates tend to increase prepayments, and rising interest rates tend to slow prepayments. Like other fixed-income securities, when interest rates rise, the value of mortgage- related securities generally declines. The rate of prepayments on underlying mortgages will affect the price and volatility of mortgage-related securities and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. If interest rates rise, United's holdings of mortgage-related securities may experience reduced returns if the borrowers of the underlying mortgages pay off their mortgages later than anticipated. This is generally referred to as extension risk.

At March 31, 2017, United's mortgage related securities portfolio had an amortized cost of $892 million, of which approximately $511 million or 57% were fixed rate collateralized mortgage obligations (CMOs). These fixed rate CMOs consisted primarily of planned amortization class (PACs), sequential-pay and accretion directed (VADMs) bonds having an average life of approximately 4.2 years and a weighted average yield of 2.62%, under current projected prepayment assumptions. These securities are expected to have very little extension risk in a rising rate environment. Current models show that an immediate, sustained upward shock of 300 basis points, the average life of these securities would only extend to 4.8 years. The projected price decline of the fixed rate CMO portfolio in rates up 300 basis points would be 11.8%, or less than the price decline of a 5-year treasury note. By comparison, the price decline of a 30-year current coupon mortgage backed security (MBS) for an immediate, sustained upward shock of 300 basis points would be approximately 16.9%.

United had approximately $234 million in balloon and other securities with a projected yield of 2.00% and a projected average life of 3.7 years on March 31, 2017. This portfolio consisted primarily of Fannie Mae Delegated Underwriting and Servicing (DUS) mortgage backed securities (MBS) with a weighted average loan age (WALA) of 3.7 years and a weighted average maturity (WAM) of 3.9 years.

United had approximately $50 million in 15-year mortgage backed securities with a projected yield of 2.28% and a projected average life of 3.9 years as of March 31, 2017. This portfolio consisted of seasoned 15-year mortgage paper with a weighted average loan age (WALA) of 4.6 years and a weighted average maturity (WAM) of 10.1 years.

United had approximately $35 million in 20-year mortgage backed securities with a projected yield of 2.92% and a projected average life of 5.4 years on March 31, 2017. This portfolio consisted of seasoned 20-year mortgage paper with a weighted average loan age (WALA) of 5.0 years and a weighted average maturity (WAM) of 14.6 years.

United had approximately $42 million in 30-year mortgage backed securities with a projected yield of 2.43% and a projected average life of 5.1 years on March 31, 2017. This portfolio consisted of seasoned 30-year mortgage paper and Home Equity Conversion Mortgages with a weighted average loan age (WALA) of 3.0 years and a weighted average maturity (WAM) of 24.3 years.

The remaining 2% of the mortgage related securities portfolio at March 31, 2017, included adjustable rate securities (ARMs), 10-year mortgage backed pass-through securities and other fixed rate mortgage backed securities.

Item 4. CONTROLS AND PROCEDURES

As of March 31, 2017, an evaluation was performed under the supervision of and with the participation of United’s management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of United’s disclosure controls and procedures. Based on that evaluation, United’s management, including the CEO and CFO, concluded that United’s disclosure controls and procedures as of March 31, 2017 were effective in ensuring that information required to be disclosed in the Quarterly Report on Form 10-Q was recorded, processed, summarized and reported within the time period required by the Securities and Exchange Commission’s rules and forms. There have been no changes in United’s internal control over financial reporting that occurred during the quarter ended March 31, 2017, or in other factors that have materially affected or are reasonably likely to materially affect United’s internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

United and its subsidiaries are currently involved in various legal proceedings in the normal course of business. Management is vigorously pursuing all its legal and factual defenses and, after consultation with legal counsel, believes that all such litigation will be resolved with no material effect on United's financial position.

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, please refer to United's Annual Report on Form 10-K for the year ended December 31, 2016 for disclosures with respect to United's risk factors which could materially affect United's business, financial condition or future results. The risks described in the Annual Report on Form 10-K are not the only risks facing United. Additional risks and uncertainties not currently known to United or that United currently deems to be immaterial also may materially adversely affect United's business, financial condition and/or operating results. There are no material changes from the risk factors disclosed in United's Annual Report on Form 10-K for the year ended December 31, 2016.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There have been no United equity securities sold during the quarter ended March 31, 2017 that were not registered. The table below includes certain information regarding United's purchase of its common shares during the quarter ended March 31, 2017:

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans (3)	Maximum Number of Shares that May Yet be Purchased Under the Plans (3)
1/01 – 1/31/2017	0	$ 00.00	0	322,200
2/01 – 2/28/2017	4	$ 47.68	0	322,200
3/01 – 3/31/2017	0	$ 00.00	0	322,200
Total	4	$ 47.68	0	

(1) Includes shares exchanged in connection with the exercise of stock options under United's stock option plans. Shares are purchased pursuant to the terms of the applicable stock option plan and not pursuant to a publicly announced stock repurchase plan. For the quarter ended March 31, 2017, no shares were exchanged by participants in United's stock option plans.

(2) Includes shares purchased in open market transactions by United for a rabbi trust to provide payment of benefits under a deferred compensation plan for certain key officers of United and its subsidiaries. For the quarter ended March 31, 2017, the following shares were purchased for the deferred compensation plan: February 2017 – 4 shares at an average price of $47.68.

(3) In May of 2006, United's Board of Directors approved a repurchase plan to repurchase up to 1.7 million shares of United's common stock on the open market (the 2006 Plan). The timing, price and quantity of purchases under the plan are at the discretion of management and the plan may be discontinued, suspended or restarted at any time depending on the facts and circumstances.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

None.

Item 5. OTHER INFORMATION

(a) None.

(b) No changes were made to the procedures by which security holders may recommend nominees to United’s Board of Directors.

Item 6. EXHIBITS

Exhibits required by Item 601 of Regulation S-K

Exhibit 2.1	Agreement and Plan of Reorganization by and among United Bankshares, UBV Holding Company, LLC and Cardinal Financial Corporation.
Exhibit 3.1	Articles of Incorporation
Exhibit 3.2	Bylaws
Exhibit 31.1	Certification as Adopted Pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer
Exhibit 31.2	Certification as Adopted Pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer
Exhibit 32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer
Exhibit 32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer
Exhibit 101	Interactive data file (XBRL)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED BANKSHARES, INC.
(Registrant)

Date:	May 9, 2017	/s/ Richard M. Adams
		Richard M. Adams, Chairman of the Board and Chief Executive Officer
Date:	May 9, 2017	/s/ W. Mark Tatterson
		W. Mark Tatterson, Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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101	Interactive data file (XBRL)	(c)

Footnotes:

* Furnished not filed.

(a) Incorporated into this filing by reference to Exhibit 2.1 to the Form 8-K dated August 17, 2016 and filed August 18, 2016 for United Bankshares, Inc., File No. 0-13322.

(b) Incorporated into this filing by reference to a Current Report on Form 8-K dated January 25, 2010 and filed January 29, 2010 for United Bankshares, Inc., File No.0-13322.

(c) The interactive data file (XBRL) exhibit is available through United's corporate website at www.ubsi-inc.com.

Exhibit 3.1

AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
UNITED BANKSHARES, INC.

(Amended and Restated to Include Amendments filed on April 7, 2017)

Pursuant to the provisions of Section 1007, Article 10, Chapter 31D of the Code of West Virginia, as amended, the undersigned Corporation hereby adopts the following Amended and Restated Articles of Incorporation FILED IN DUPLICATE:

I. The name of the Corporation is United Bankshares, Inc.

II. The address of the principal office of the Corporation is 500 Virginia Street, East, Charleston, Kanawha County, West Virginia 25301.

III. The purposes for which the Corporation is formed are as follows:

To transact any or all lawful business for which corporations may be incorporated under the corporation laws of the State of West Virginia.

IV. Provisions granting preemptive rights are:

That no shareholder of this corporation shall, because of his ownership of stock in the corporation, have any preemptive or other right to purchase, subscribe for, or take any part of any stock, whether unissued or treasury shares, or any part of the notes, debentures, bonds or other securities of this corporation issued, optioned or sold by it after its incorporation. Any part of the capital stock and any part of the notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase stock of this corporation authorized by this certificate of incorporation or by any amended certificate hereafter issued, may at any time be issued, optioned for sale, and sold or disposed of by this corporation pursuant to resolution or order of its Board of Directors to such person or persons, and upon such terms and offering such stock or securities, or any part thereof to existing shareholders.

V. Provisions for the regulation of the internal affairs of the corporation are:

Each director and officer of this corporation, or former director or officer of this corporation, or any person who may have served at its request as a director or officer of another corporation, his heirs and personal representatives, shall be indemnified by this corporation against costs and expenses at any time reasonably incurred by him arising out of or in connection with any claim, action, suit or proceeding, civil or criminal, against him or to which he may be made a party by reason of his being or having been such director or officer except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty to the corporation. If in the judgment of the board of directors of this corporation a settlement of any claim, action, suit or proceeding so arising be deemed in the best interests of the corporation, any such director or officer shall be reimbursed for any amounts paid by him in effecting such settlement and reasonable expenses incurred in connection therewith. The foregoing right of indemnification shall be in addition to any and all other rights to which any director or officer may be entitled as a matter of law.

VI. A. The amount of authorized capital stock of the Corporation is Five Hundred Fifty Million Dollars ($550,000,000.00), which shall be divided into Two Hundred Million (200,000,000.00) shares of common stock with the par value of Two Dollars and Fifty Cents ($2.50) per share and Fifty Million (50,000,000) shares of preferred stock with the par value of One Dollar ($1.00) per share.

B. The authorized shares of preferred stock of the Corporation may be issued from time to time in one or more series as determined by the Corporation’s Board of Directors, which is also authorized to determine the number of shares authorized for issuance in each series.

C. All shares of a series of preferred stock shall have preferences, limitations, and relative rights identical with those of other shares of the same series. The Board of Directors is authorized to determine the preferences, limitations, and relative rights of each series of shares, including but not limited to authorizing one or more series of preferred stock that:

1. Have special, conditional or limited voting rights, or no right to vote, except to the extent prohibited by Chapter 31D of the West Virginia Code;

2. Are redeemable or convertible: (a) at the option of the Corporation, the shareholder, or another person or upon the occurrence of a designated event; (b) for cash, indebtedness, securities, or other property; or (c) in a designated amount or in an amount determined in accordance with a designated formula or by reference to extrinsic data or events;

3. Entitle the holders to distributions calculated in any manner, including dividends that may be cumulative, noncumulative, or partially cumulative; or

4. Have preference over any other class of shares with respect to distributions, including dividends and distributions upon the dissolution of the corporation.

D. The preferences, limitations, and relative rights of each series of preferred shares shall be determined by the Board of Directors before issuing such shares and shall be expressed in articles of amendment that shall be effective without shareholder approval and shall be delivered to the Secretary of State of the State of West Virginia for filing pursuant to Chapter 31D, Article 6, Section 602 of the West Virginia Code, as amended, and as otherwise permitted by Chapter 31D, Article 8, Section 825 of the West Virginia Code, as amended.

VII. The number of directors constituting the current board of directors is fourteen (14).

VIII. The existence of this Corporation is to be perpetual.

IX. These Amended and Restated Articles of Incorporation shall be effective immediately upon filing.

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Exhibit 31.1

CERTIFICATION

I, Richard M. Adams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Bankshares, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2017

/s/ Richard M. Adams
Richard M. Adams, Chairman of the
Board and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, W. Mark Tatterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Bankshares, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2017

/s/ W. Mark Tatterson

W. Mark Tatterson, Executive
Vice President and Chief Financial
Officer

Exhibit 32.1

CERTIFICATION

Pursuant to 18 U.S.C. § 1350, the undersigned officer of United Bankshares, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2017

/s/ Richard M. Adams
Name: Richard M. Adams
Title: Chief Executive Officer

Exhibit 32.2

CERTIFICATION

Pursuant to 18 U.S.C. § 1350, the undersigned officer of United Bankshares, Inc. (the “Company”), hereby certifies, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2017

/s/ W. Mark Tatterson
Name: W. Mark Tatterson
Title: Chief Financial Officer