UNITED COMMUNITY BANKS INC
Form 10-Q
May 09, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2013

OR

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

For the Transition Period from ___________ to ___________

Commission file number 001-35095

UNITED COMMUNITY BANKS, INC.
(Exact name of registrant as specified in its charter)

Georgia (State of Incorporation)	58-1807304 (I.R.S. Employer Identification No.)
125 Highway 515 East Blairsville, Georgia Address of Principal Executive Offices	30512 (Zip Code)

(706) 781-2265
(Telephone Number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Date 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 x NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

YES o NO x

Common stock, par value $1 per share 43,071,080 shares voting and 14,703,636 shares non-voting outstanding as of April 30, 2013.

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Part I – Financial Information
Item 1 – Financial Statements

UNITED COMMUNITY BANKS, INC.
Consolidated Statement of Income (Unaudited)

(in thousands, except per share data)	Three Months Ended March 31, 2013	2012
Interest revenue:		
Loans, including fees	$50,934	$55,759
Investment securities, including tax exempt of $212 and $250	9,965	13,004
Deposits in banks and short-term investments	870	1,012
Total interest revenue	61,769	69,775
Interest expense:		
Deposits:		
NOW	454	637
Money market	562	641
Savings	36	37
Time	3,226	6,159
Total deposit interest expense	4,278	7,474
Short-term borrowings	516	1,045
Federal Home Loan Bank advances	19	466
Long-term debt	2,662	2,372
Total interest expense	7,475	11,357
Net interest revenue	54,294	58,418
Provision for loan losses	11,000	15,000
Net interest revenue after provision for loan losses	43,294	43,418
Fee revenue:		
Service charges and fees	7,403	7,783
Mortgage loan and other related fees	2,655	2,099
Brokerage fees	767	813
Securities gains, net	116	557
Loss from prepayment of debt	-	(482)
Other	1,885	4,609
Total fee revenue	12,826	15,379
Total revenue	56,120	58,797
Operating expenses:		
Salaries and employee benefits	23,592	25,225
Communications and equipment	3,046	3,155
Occupancy	3,367	3,771
Advertising and public relations	938	846
Postage, printing and supplies	863	979
Professional fees	2,366	1,975
Foreclosed property	2,333	3,825
FDIC assessments and other regulatory charges	2,505	2,510
Amortization of intangibles	705	732
Other	4,055	3,937
Total operating expenses	43,770	46,955

Net income before income taxes	12,350	11,842
Income tax expense	585	314
Net income	11,765	11,528
Preferred stock dividends and discount accretion	3,052	3,030
Net income available to common shareholders	$8,713	$8,498
Earnings per common share - basic / diluted	$.15	$.15
Weighted average common shares outstanding - basic / diluted	58,081	57,764

See accompanying notes to consolidated financial statements.

UNITED COMMUNITY BANKS, INC.
Consolidated Statement of Comprehensive Income (Unaudited)

(in thousands)	Three Months Ended March 31, 2013			2012		
	Before-tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before-tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Net income	12,350	(585)	11,765	$ 11,842	$ (314)	$ 11,528
Other comprehensive income (loss):						
Unrealized (losses) gains on available-for-sale securities:						
Unrealized holding gains (losses) arising during period	1,641	(621)	1,020	(3,340)	1,299	(2,041)
Reclassification adjustment for gains included in net income	(116)	45	(71)	(557)	217	(340)
Valuation allowance for the change in deferred taxes arising from unrealized gains and losses on available-for-sale securities	—	576	576	—	(1,516)	(1,516)
Net unrealized gains (losses)	1,525	—	1,525	(3,897)	—	(3,897)
Amortization of gains included in net income (loss) on available-for-sale securities transferred to held-to-maturity	(319)	124	(195)	(413)	160	(253)
Valuation allowance for the change in deferred taxes arising from the amortization of gains included in net income (loss) on available-for-sale securities transferred to held-to-maturity	—	(124)	(124)	—	(160)	(160)
Net unrealized losses	(319)	—	(319)	(413)	—	(413)
Amortization of gains included in net income on terminated derivative	(538)	209	(329)	(1,600)	622	(978)

financial instruments that were previously accounted for as cash flow hedges						
Unrealized losses on derivative financial instruments accounted for as cash flow hedges	430	(167)	263	—	—	—
Valuation allowance for the change in deferred taxes arising from unrealized gains and losses and amortization of gains included in net income on cash flow hedges	—	(42)	(42)	—	(622)	(622)
Net unrealized losses	(108)	—	(108)	(1,600)	—	(1,600)
Net actuarial loss on defined benefit pension plan	(415)	161	(254)	—	—	—
Amortization of prior service cost and actuarial losses included in net periodic pension cost for defined benefit pension plan	132	(51)	81	154	(60)	94
Valuation allowance for the change in deferred taxes arising from reclassification of unamortized prior service cost and actuarial losses and amortization of prior service cost and actuarial losses	—	(110)	(110)		60	60
Net defined benefit pension plan activity	(283)	—	(283)	154	—	154
Total other comprehensive income (loss)	815	—	815	(5,756)	—	(5,756)
Comprehensive income	13,165	(585)	12,580	$ 6,086	$ (314)	$ 5,772

See accompanying notes to consolidated financial statements.

UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet (Unaudited)

(in thousands, except share and per share data)	March 31, 2013	December 31, 2012	March 31, 2012
ASSETS			
Cash and due from banks	$ 57,638	$ 66,536	$ 53,147
Interest-bearing deposits in banks	107,390	124,613	139,439
Short-term investments	82,000	60,000	235,000
Cash and cash equivalents	247,028	251,149	427,586
Securities available-for-sale	1,909,426	1,834,593	1,898,815
Securities held-to-maturity (fair value $247,087, $261,131 and $318,490)	231,087	244,184	303,636
Mortgage loans held for sale	18,290	28,821	24,809
Loans, net of unearned income	4,193,560	4,175,008	4,127,566
Less allowance for loan losses	(105,753)	(107,137)	(113,601)
Loans, net	4,087,807	4,067,871	4,013,965
Assets covered by loss sharing agreements with the FDIC	42,096	47,467	72,854
Premises and equipment, net	168,036	168,920	174,419
Bank owned life insurance	82,114	81,867	80,956
Accrued interest receivable	18,302	18,659	20,292
Goodwill and other intangible assets	4,805	5,510	7,695
Foreclosed property	16,734	18,264	31,887
Unsettled securities sales	—	5,763	43,527
Other assets	23,643	29,191	73,252
Total assets	$ 6,849,368	$ 6,802,259	$ 7,173,693
LIABILITIES AND SHAREHOLDERS’ EQUITY			
Liabilities:			
Deposits:			
Demand	$ 1,298,425	$ 1,252,605	$ 1,101,757
NOW	1,281,454	1,316,453	1,389,016
Money market	1,165,836	1,149,912	1,123,734
Savings	243,347	227,308	214,150
Time:			
Less than $100,000	1,019,396	1,055,271	1,207,479
Greater than $100,000	685,174	705,558	796,882
Brokered	332,220	245,033	167,521
Total deposits	6,025,852	5,952,140	6,000,539
Short-term borrowings	51,999	52,574	101,925
Federal Home Loan Bank advances	125	40,125	215,125
Long-term debt	124,825	124,805	120,245
Unsettled securities purchases	—	—	119,565
Accrued expenses and other liabilities	54,349	51,210	36,755
Total liabilities	6,257,150	6,220,854	6,594,154
Commitments and contingencies			
Shareholders’ equity:			
Preferred stock, $1 par value; 10,000,000 shares authorized;			

Series A; $10 stated value; 21,700 shares issued and outstanding	217	217	217
Series B; $1,000 stated value; 180,000 shares issued and outstanding	178,937	178,557	177,451
Series D; $1,000 stated value; 16,613 shares issued and outstanding	16,613	16,613	16,613
Common stock, $1 par value; 100,000,000 shares authorized;			
43,063,761, 42,423,870 and 41,688,647 shares issued and outstanding	43,064	42,424	41,689
Common stock, non-voting, $1 par value; 30,000,000 shares authorized;			
14,703,636, 15,316,794 and 15,914,209 shares issued and outstanding	14,704	15,317	15,914
Common stock issuable; 133,469, 133,238 and 90,126 shares	2,726	3,119	2,948
Capital surplus	1,059,222	1,057,951	1,056,135
Accumulated deficit	(700,440)	(709,153)	(722,363)
Accumulated other comprehensive loss	(22,825)	(23,640)	(9,065)
Total shareholders' equity	592,218	581,405	579,539
Total liabilities and shareholders' equity	$ 6,849,368	$ 6,802,259	$ 7,173,693

See accompanying notes to consolidated financial statements.

UNITED COMMUNITY BANKS, INC.
Consolidated Statement of Changes in Shareholders' Equity (Unaudited)
For the Three Months Ended March 31,

(in thousands, except share and per share data)	Preferred Stock Series A	Series B	Series D	Common Stock	Non-Voting Common Stock	Common Stock Issuable	Capital Surplus	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2011	$217	$177,092	$16,613	$41,647	$15,914	$3,233	$1,054,940	$(730,861)	$(3,309)	$575,486
Net income								11,528		11,528
Other comprehensive loss									(5,756)	(5,756)
Common stock issued to dividend reinvestment plan and employee benefit plans (35,648 shares)				36			242			278
Amortization of stock options and restricted stock awards							585			585
Vesting of restricted stock (4,397 shares issued, 8,399 shares deferred)				4		(151)	187			40
Deferred compensation plan, net, including dividend equivalents						49				49
Shares issued from deferred compensation plan (1,502 shares)				2		(183)	181			—
Preferred stock dividends:										

Series A								(3)		(3)
Series B		359						(2,608)		(2,249)
Series D								(419)		(419)
Balance, March 31, 2012	$217	$177,451	$16,613	$41,689	$15,914	$2,948	$1,056,135	$(722,363)	$(9,065)	$579,539
Balance, December 31, 2012	$217	$178,557	$16,613	$42,424	$15,317	$3,119	$1,057,951	$(709,153)	$(23,640)	$581,405
Net income								11,765		11,765
Other comprehensive income									815	815
Common stock issued to dividend reinvestment plan and to employee benefit plans (18,170 shares)				18			171			189
Conversion of non-voting common stock to voting (613,158 shares)				613	(613)					—
Amortization of stock options and restricted stock awards							626			626
Vesting of restricted stock, net of shares surrendered to cover payroll taxes (4,042 shares issued, 259 shares deferred)				4			40			44
Deferred compensation plan, net, including dividend equivalents						46				46
Shares issued from deferred compensation plan										

(4,521 shares)				5		(439)	434			—
Preferred stock dividends:										
Series A								(3)		(3)
Series B		380						(2,630)		(2,250)
Series D								(419)		(419)
Balance, March 31, 2013	$217	$178,937	$16,613	$43,064	$14,704	$2,726	$1,059,222	$(700,440)	$(22,825)	$592,218

See accompanying notes to consolidated financial statements.

UNITED COMMUNITY BANKS, INC.
Consolidated Statement of Cash Flows (Unaudited)

(in thousands)	Three Months Ended March 31, 2013	2012
Operating activities:		
Net income	$ 11,765	$ 11,528
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	7,505	6,803
Provision for loan losses	11,000	15,000
Stock based compensation	626	585
Securities gains, net	(116)	(557)
Losses and write downs on sales of other real estate owned	1,146	2,204
Loss on prepayment of borrowings	—	482
Changes in assets and liabilities:		
Other assets and accrued interest receivable	7,915	(2,612)
Accrued expenses and other liabilities	3,225	646
Mortgage loans held for sale	10,531	(928)
Net cash provided by operating activities	53,597	33,151
Investing activities:		
Investment securities held-to-maturity:		
Proceeds from maturities and calls	17,501	25,653
Purchases	(4,993)	—
Investment securities available-for-sale:		
Proceeds from sales	15,751	61,585
Proceeds from maturities and calls	132,211	142,236
Purchases	(219,349)	(253,229)
Net increase in loans	(36,224)	(41,418)
Funds collected from FDIC under loss sharing agreements	2,452	2,568
Proceeds from sales of premises and equipment	550	14
Purchases of premises and equipment	(2,001)	(1,614)
Proceeds from sale of other real estate	5,726	6,696
Net cash used in investing activities	(88,376)	(57,509)
Financing activities:		
Net change in deposits	73,712	(97,444)
Net change in short-term borrowings	(575)	(652)
Proceeds from Federal Home Loan Bank advances	185,000	499,000
Settlement of Federal Home Loan Bank advances	(225,000)	(324,982)
Proceeds from issuance of common stock for dividend reinvestment and employee benefit plans	189	278
Cash dividends on preferred stock	(2,668)	(2,672)
Net cash provided by financing activities	30,658	73,528
Net change in cash and cash equivalents	(4,121)	49,170
Cash and cash equivalents at beginning of period	251,149	378,416
Cash and cash equivalents at end of period	$ 247,028	$ 427,586
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		

Interest	$	8,025	$	12,252
Income taxes		1,659		1,026
Unsettled securities sales		—		43,527
Unsettled securities purchases		—		119,565
Transfers of loans to foreclosed property		6,288		9,534

See accompanying notes to consolidated financial statements.

UNITED COMMUNITY BANKS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 1 – Accounting Policies

The accounting and financial reporting policies of United Community Banks, Inc. ("United") and its subsidiaries conform to accounting principles generally accepted in the United States of America ("GAAP") and general banking industry practices. The accompanying interim consolidated financial statements have not been audited. All material intercompany balances and transactions have been eliminated. A more detailed description of United's accounting policies is included in its Annual Report on Form 10-K for the year ended December 31, 2012.

In management's opinion, all accounting adjustments necessary to accurately reflect the financial position and results of operations on the accompanying financial statements have been made. These adjustments are normal and recurring accruals considered necessary for a fair and accurate presentation. The results for interim periods are not necessarily indicative of results for the full year or any other interim periods.

Foreclosed property is initially recorded at fair value, less the estimated cost to sell. If the fair value less the estimated cost to sell at the time of foreclosure is less than the loan balance, the deficiency is charged against the allowance for loan losses. If the fair value less the estimated cost to sell of the foreclosed property decreases during the holding period, a valuation allowance is established with a charge to operating expenses. When the foreclosed property is sold, a gain or loss is recognized on the sale for the difference between the sales proceeds and the carrying amount of the property. Financed sales of foreclosed property are accounted for in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 360-20, Real Estate Sales.

Certain 2012 amounts have been reclassified to conform to the 2013 presentation. The 2012 reclassifications were not material to the financial statement presentation.

Note 2 –Accounting Standards Updates and Recently Adopted Standards

In January 2013, the FASB issued Accounting Standards Update No. 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. This ASU limits the scope of the new balance sheet offsetting disclosures to derivatives, repurchase agreements, and securities lending transactions to the extent that they are (1) offset in the financial statements or (2) subject to an enforceable master netting agreement. The disclosure requirements were effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods. It did not have a material impact on United's financial position or results of operations, and resulted in additional disclosures.

In February 2013, the FASB issued Accounting Standards Update No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. The amendments in this update require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component and by the respective line items of net income. The standard was effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. This guidance did not have a material impact on United's financial position or results of operations, and resulted in additional disclosures.

There were no Accounting Standards Updates issued by the FASB since the filing of United's 2012 Annual Report on Form 10-K that were applicable to United.

Note 3 – Offsetting Assets and Liabilities

United enters into reverse repurchase agreements in order to invest short-term funds. In addition, United enters into repurchase agreements and reverse repurchase agreements with the same counterparty in transactions commonly referred to as collateral swaps that are subject to master netting agreements under which the balances are netted in the balance sheet in accordance with ASC 210-20, Offsetting.

United also enters into derivative transactions that are subject to master netting arrangements; however there were no offsetting positions at March 31, 2013, December 31, 2012 or March 31, 2012.

UNITED COMMUNITY BANKS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The following table presents a summary of amounts outstanding under master netting agreements as of March 31, 2013 and December 31, 2012, and March 31, 2012 (in thousands).

March 31, 2013	Gross Amounts of Recognized Assets	Gross Amounts Offset on the Balance Sheet	Net Asset Balance	Gross Amounts not Offset in the Balance Sheet Financial Instruments	Collateral Received	Net Amount
Repurchase agreements / reverse repurchase agreements	$ 332,000	$ (250,000)	$ 82,000	$ —	$ —	$ 82,000
Derivatives	602	—	602	—	—	602
Total	$ 332,602	$ (250,000)	$ 82,602	$ —	$ —	$ 82,602
Weighted average interest rate of reverse repurchase agreements	1.28 %					

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset on the Balance Sheet	Net Liability Balance	Gross Amounts not Offset in the Balance Sheet Financial Instruments	Collateral Pledged	Net Amount
Repurchase agreements / reverse repurchase agreements	$ 250,000	$ (250,000)	$ —	$ —	$ —	$ —
Derivatives	14,556	—	14,556	—	14,585	—
Total	$ 264,556	$ (250,000)	$ 14,556	$ —	$ 14,585	$ —
Weighted average interest rate of repurchase agreements	.37 %					

December 31, 2012	Gross Amounts of Recognized Assets	Gross Amounts Offset on the Balance Sheet	Net Asset Balance	Gross Amounts not Offset in the Balance Sheet Financial Instruments	Collateral Received	Net Amount
Repurchase agreements / reverse repurchase agreements	$ 325,000	$ (265,000)	$ 60,000	$ —	$ —	$ 60,000
	50,000	(50,000)	—	—	—	—

Securities lending transactions						
Derivatives	658	—	658	—	—	658
Total	$ 375,658	$ (315,000)	$ 60,658	$ —	$ —	$ 60,658
Weighted average interest rate of reverse repurchase agreements	1.18 %					

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset on the Balance Sheet	Net Liability Balance	Gross Amounts not Offset in the Balance Sheet Financial Instruments	Collateral Pledged	Net Amount
Repurchase agreements / reverse repurchase agreements	$ 265,000	$ (265,000)	$ —	$ —	$ —	$ —
Securities lending transactions	50,000	(50,000)	—	—	—	—
Derivatives	12,543	—	12,543	—	11,493	1,050
Total	$ 327,543	$ (315,000)	$ 12,543	$ —	$ 11,493	$ 1,050
Weighted average interest rate of repurchase agreements	.43 %					

March 31, 2012	Gross Amounts of Recognized Assets	Gross Amounts Offset on the Balance Sheet	Net Asset Balance	Gross Amounts not Offset in the Balance Sheet Financial Instruments	Collateral Received	Net Amount
Repurchase agreements / reverse repurchase agreements	$ 406,000	$ (171,000)	$ 235,000	$ —	$ —	$ 235,000
Derivatives	73	—	73	—	—	73
Total	$ 406,073	$ (171,000)	$ 235,073	$ —	$ —	$ 235,073
Weighted average interest rate of reverse repurchase agreements	1.17 %					

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset on the Balance Sheet	Net Liability Balance	Gross Amounts not Offset in the Balance Sheet Financial Instruments	Collateral Pledged	Net Amount
Repurchase agreements / reverse repurchase	$ 171,000	$ (171,000)	$ —	$ —	$ —	$ —

agreements												
Derivatives		2,599		—		2,599		—		2,919		—
Total	$	173,599	$	(171,000)	$	2,599	$	—	$	2,919	$	—
Weighted average interest rate of repurchase agreements		.32	%									

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UNITED COMMUNITY BANKS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 4 – Securities

Realized gains and losses are derived using the specific identification method for determining the cost of securities sold. The following table summarizes securities sales activity for the three month periods ended March 31, 2013 and 2012 (in thousands).

	Three Months Ended March 31, 2013	2012
Proceeds from sales	$ 15,751	$ 105,111
Gross gains on sales	$ 116	$ 557
Gross losses on sales	—	—
Net gains on sales of securities	$ 116	$ 557
Income tax expense attributable to sales	$ 45	$ 217

Securities with a carrying value of $1.25 billion, $1.40 billion, and $1.38 billion were pledged to secure public deposits and other secured borrowings at March 31, 2013, December 31, 2012 and March 31, 2012, respectively. Substantial borrowing capacity remains available under borrowing arrangements with the FHLB with currently pledged securities.

Securities are classified as held-to-maturity when management has the positive intent and ability to hold them until maturity. Securities held-to-maturity are carried at amortized cost.

The amortized cost, gross unrealized gains and losses and fair value of securities held-to-maturity at March 31, 2013, December 31, 2012 and March 31, 2012 are as follows (in thousands).

As of March 31, 2013	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
State and political subdivisions	$ 51,768	$ 5,663	$ —	$ 57,431
Mortgage-backed securities (1)	179,319	10,388	51	189,656
Total	$ 231,087	$ 16,051	$ 51	$ 247,087
As of December 31, 2012				
State and political subdivisions	$ 51,780	$ 5,486	$ —	$ 57,266
Mortgage-backed securities (1)	192,404	11,461	—	203,865

Total	$	244,184	$	16,947	$	—	$	261,131
As of March 31, 2012								
State and political subdivisions	$	51,893	$	4,413	$	—	$	56,306
Mortgage-backed securities (1)		251,743		10,441		—		262,184
Total	$	303,636	$	14,854	$	—	$	318,490

(1) All are residential type mortgage-backed securities

UNITED COMMUNITY BANKS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The cost basis, unrealized gains and losses, and fair value of securities available-for-sale at March 31, 2013, December 31, 2012 and March 31, 2012 are presented below (in thousands).

As of March 31, 2013	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
State and political subdivisions	$ 22,711	$ 1,330	$ 4	$ 24,037
Mortgage-backed securities (1)	1,450,645	21,210	3,544	1,468,311
Corporate bonds	190,843	2,035	4,084	188,794
Asset-backed securities	223,827	2,420	377	225,870
Other	2,414	—	—	2,414
Total	$ 1,890,440	$ 26,995	$ 8,009	$ 1,909,426
As of December 31, 2012				
State and political subdivisions	$ 27,717	$ 1,354	$ 19	$ 29,052
Mortgage-backed securities (1)	1,408,042	22,552	2,092	1,428,502
Corporate bonds	169,783	1,052	7,173	163,662
Asset-backed securities	209,411	1,894	749	210,556
Other	2,821	—	—	2,821
Total	$ 1,817,774	$ 26,852	$ 10,033	$ 1,834,593
As of March 31, 2012				
U.S. Government agencies	$ 43,593	$ 286	$ 90	$ 43,789
State and political subdivisions	21,490	1,321	3	22,808
Mortgage-backed securities (1)	1,692,446	33,212	590	1,725,068
Corporate bonds	119,154	—	14,568	104,586
Other	2,564	—	—	2,564
Total	$ 1,879,247	$ 34,819	$ 15,251	$ 1,898,815

(1) All are residential type mortgage-backed securities

The following table summarizes held-to-maturity securities in an unrealized loss position as of March 31, 2013 (thousands). As of December 31, 2012 and March 31, 2012, there were no held-to-maturity securities in an unrealized loss position.

Less than 12 Months	12 Months or More	Total

As of March 31, 2013	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Mortgage-backed securities	$4,929	$51	$—	$—	4,929	51
Total unrealized loss position	$4,929	$51	$—	$—	$4,929	$51

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The following table summarizes available-for-sale securities in an unrealized loss position as of March 31, 2013, December 31, 2012 and March 31, 2012 (in thousands).

	Less than 12 Months		12 Months or More		Total	
As of March 31, 2013	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
State and political subdivisions	$ 1,185	$ 2	$ 10	$ 2	$ 1,195	$ 4
Mortgage-backed securities	399,263	3,544	—	—	399,263	3,544
Corporate bonds	21,323	145	77,007	3,939	98,330	4,084
Asset-backed securities	72,064	377	—	—	72,064	377
Total unrealized loss position	$ 493,835	$ 4,068	$ 77,017	$ 3,941	$ 570,852	$ 8,009
As of December 31, 2012						
State and political subdivisions	$ 3,674	$ 17	$ 10	$ 2	$ 3,684	$ 19
Mortgage-backed securities	326,485	2,092	—	—	326,485	2,092
Corporate bonds	21,248	136	93,903	7,037	115,151	7,173
Asset-backed securities	82,188	749	—	—	82,188	749
Total unrealized loss position	$ 433,595	$ 2,994	$ 93,913	$ 7,039	$ 527,508	$ 10,033
As of March 31, 2012						
U.S. Government agencies	$ 9,905	$ 90	$ —	$ —	$ 9,905	$ 90
State and political subdivisions	—	—	11	3	11	3
Mortgage-backed securities	405,039	574	21,067	16	426,106	590
Corporate bonds	35,306	2,872	69,230	11,696	104,536	14,568
Total unrealized loss position	$ 450,250	$ 3,536	$ 90,308	$ 11,715	$ 540,558	$ 15,251

At March 31, 2013, there were 68 available-for-sale securities and three held-to-maturity securities that were in an unrealized loss position. United does not intend to sell nor believes it will be required to sell securities in an unrealized loss position prior to the recovery of their amortized cost basis. Unrealized losses at March 31, 2013, December 31, 2012 and March 31, 2012 were primarily attributable to changes in interest rates, however the unrealized losses in corporate bonds also reflect downgrades in the underlying securities ratings since the time of acquisition. The bonds remain above investment grade and United does not consider them to be impaired.

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, among other factors. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and industry analysts' reports. No impairment charges were recognized during the three months ended March 31, 2013 or 2012.

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The amortized cost and fair value of held-to-maturity and available-for-sale securities at March 31, 2013, by contractual maturity, are presented in the following table (in thousands).

	Available-for-Sale Amortized Cost	Fair Value	Held-to-Maturity Amortized Cost	Fair Value
State and political subdivisions:				
Within 1 year	$ 996	$ 1,005	$ —	$ —
1 to 5 years	14,552	15,453	9,858	10,672
5 to 10 years	6,316	6,658	26,481	29,490
More than 10 years	847	921	15,429	17,269
	22,711	24,037	51,768	57,431
Corporate bonds:				
1 to 5 years	38,123	38,503	—	—
5 to 10 years	141,961	140,119	—	—
More than 10 years	10,759	10,172	—	—
	190,843	188,794	—	—
Asset-backed securities:				
1 to 5 years	32,384	32,405	—	—
5 to 10 years	142,507	143,693	—	—
More than 10 years	48,936	49,772	—	—
	223,827	225,870	—	—
Other:				
More than 10 years	2,414	2,414	—	—
	2,414	2,414	—	—
Total securities other than mortgage-backed securities:				
Within 1 year	996	1,005	—	—
1 to 5 years	85,059	86,361	9,858	10,672
5 to 10 years	290,784	290,470	26,481	29,490
More than 10 years	62,956	63,279	15,429	17,269
Mortgage-backed securities	1,450,645	1,468,311	179,319	189,656
	$ 1,890,440	$ 1,909,426	$ 231,087	$ 247,087

Expected maturities may differ from contractual maturities because issuers and borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

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Note 5 – Loans and Allowance for Loan Losses

Major classifications of loans as of March 31, 2013, December 31, 2012 and March 31, 2012, are summarized as follows (in thousands).

	March 31, 2013	December 31, 2012	March 31, 2012
Commercial (secured by real estate)	$ 1,804,030	$ 1,813,365	$ 1,843,207
Commercial & industrial	453,764	458,246	439,496
Commercial construction	152,410	154,769	167,122
Total commercial	2,410,204	2,426,380	2,449,825
Residential mortgage	1,245,975	1,214,203	1,131,248
Residential construction	371,733	381,677	435,375
Consumer installment	165,648	152,748	111,118
Total loans	4,193,560	4,175,008	4,127,566
Less allowance for loan losses	(105,753)	(107,137)	(113,601)
Loans, net	$ 4,087,807	$ 4,067,871	$ 4,013,965

The Bank makes loans and extends credit to individuals and a variety of firms and corporations located primarily in counties in north Georgia, the Atlanta, Georgia metropolitan statistical area, the Gainesville, Georgia metropolitan statistical area, coastal Georgia, western North Carolina, east Tennessee and the Greenville, South Carolina metropolitan statistical area. Although the Bank has a diversified loan portfolio, a substantial portion of its loan portfolio is collateralized by improved and unimproved real estate and is dependent upon the real estate market.

United considers all loans that are on nonaccrual with a balance of $500,000 or greater and all troubled debt restructurings ("TDRs") to be impaired. In addition, United reviews all accruing substandard loans greater than $2 million to determine if the loan is impaired. A loan is considered impaired when, based on current events and circumstances, it is probable that all amounts due, according to the contractual terms of the loan, will not be collected. All TDRs are considered impaired regardless of accrual status. Impairment is measured based on the present value of expected future cash flows, discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral if the loan is collateral dependent. A specific reserve is established for impaired loans for the amount of calculated impairment. Interest payments received on impaired nonaccrual loans are applied as a reduction of the outstanding principal balance. For impaired loans not on nonaccrual status, interest is accrued according to the terms of the loan agreement. Impairment amounts are recorded quarterly and specific reserves are recorded in the allowance for loan losses.

Each quarter, United's management prepares an analysis of the allowance for loan losses to determine the appropriate balance that measures and quantifies the amount of loss inherent in the loan portfolio. The allowance is comprised of specific reserves which are determined as described above, general reserves which are determined based on historical loss experience as adjusted for current trends and economic conditions and an unallocated portion. United uses eight quarters of historical loss experience weighted toward the most recent quarters to determine the loss factors to be used. Eight quarters has been determined to be an appropriate time period as it is recent enough to be relevant to current conditions and covers a length of time sufficient to normalize for nonrecurring and unusual activity that might otherwise influence a shorter time period. The weighted average is calculated by multiplying each quarter's annualized historical net charge-off rate by 1 through 8, with 8 representing the most recent quarter and 1 representing the oldest quarter. United uses annualized charge-off rates under the broad assumption that losses inherent in the loan portfolio will generally be resolved within twelve months. Problem loans that are not resolved within twelve months are generally larger loans that are more complex in nature requiring more time to either rehabilitate or work out of the bank. These credits are subject to impairment testing and specific reserves.

The weighted loss factor results for each quarter are added together and divided by 36 (the sum of 1, 2, 3, 4, 5, 6, 7 and 8) to arrive at the weighted average historical loss factor for each category of loans. United calculates loss factors for each major category of loans (commercial real estate, commercial & industrial, commercial construction, residential construction and consumer installment) except residential real estate loans which are further divided into home equity first lien, home equity junior lien and all other residential real estate loans and a loss factor is calculated for each category.

Management carefully reviews the resulting loss factors for each category of the loan portfolio and evaluates whether qualitative adjustments are necessary to take into consideration recent credit trends such as increases or decreases in past due, nonaccrual, criticized and classified loans, acceleration or delays in timing of recognition of losses that may render the use of annualized charge-off rates to be inappropriate, and other macro environmental factors such as changes in unemployment rates, lease vacancy rates and trends in property values and absorption rates.

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To validate the results, management closely monitors the loan portfolio to determine the range of potential losses based upon probability of default and losses upon default for each major loan category. The potential range of losses resulting from this analysis is compared to the resulting loss factors for each major loan category to validate the loss factors and determine if qualitative adjustments are necessary. United's management believes that its method of determining the balance of the allowance for loan losses provides a reasonable and reliable basis for measuring and reporting losses that are inherent in the loan portfolio as of the reporting date.

The following table presents the balance and activity in the allowance for loan losses by portfolio segment and the recorded investment in loans by portfolio segment based on the impairment method as of March 31, 2013, December 31, 2012 and March 31, 2012 (in thousands).

Three Months Ended March 31, 2013	Commercial (Secured by Real Estate)	Commercial & Industrial	Commercial Construction	Residential Mortgage	Residential Construction	Consumer Installment	Unallocated	Total
Allowance for loan losses:								
Beginning balance	$27,847	$5,537	$8,389	$26,642	$26,662	$2,747	$9,313	$1
Charge-offs	(5,454)	(1,823)	(45)	(2,356)	(2,982)	(707)	—	(
Recoveries	211	322	49	209	9	183	—	9
Provision	7,804	1,590	(285)	2,433	(363)	(131)	(48)	1
Ending balance	$30,408	$5,626	$8,108	$26,928	$23,326	$2,092	$9,265	$1
Ending allowance attributable to loans:								
Individually evaluated for impairment	$5,089	$1,026	$2,093	$1,804	$1,945	$14	$—	$1
Collectively evaluated for impairment	25,319	4,600	6,015	25,124	21,381	2,078	9,265	9
Total ending allowance balance	$30,408	$5,626	$8,108	$26,928	$23,326	$2,092	$9,265	$1
Loans:								
Individually evaluated for impairment	$86,978	$50,347	$38,970	$22,156	$31,936	$407	$—	$2
Collectively evaluated for impairment	1,717,052	403,417	113,440	1,223,819	339,797	165,241	—	3
Total loans	$1,804,030	$453,764	$152,410	$1,245,975	$371,733	$165,648	$—	$4
Year Ended December 31, 2012								
Allowance for loan losses:								
Ending allowance attributable to loans:								
Individually evaluated for impairment	$6,106	$490	$2,239	$2,165	$625	$19	$—	$1
Collectively evaluated for impairment	21,741	5,047	6,150	24,477	26,037	2,728	9,313	9
Total ending allowance balance	$27,847	$5,537	$8,389	$26,642	$26,662	$2,747	$9,313	$1
Loans:								
Individually evaluated for impairment	$104,409	$51,501	$40,168	$22,247	$34,055	$430	$—	$2
Collectively evaluated for impairment	1,708,956	406,745	114,601	1,191,956	347,622	152,318	—	3
Total loans	$1,813,365	$458,246	$154,769	$1,214,203	$381,677	$152,748	$—	$4
Three Months Ended March 31, 2012								
Beginning balance	$31,644	$5,681	$6,097	$29,076	$30,379	$2,124	$9,467	$1
Charge-offs	(3,928)	(756)	(364)	(5,767)	(5,629)	(753)	—	(
Recoveries	231	87	30	392	315	275	—	1
Provision	2,667	460	3,820	3,655	4,408	252	(262)	1

Ending balance	$30,614	$5,472	$9,583	$27,356	$29,473	$1,898	$9,205	$1
Ending allowance attributable to loans:								
Individually evaluated for impairment	$7,654	$1,122	$1,920	$2,254	$3,236	$63	$—	$1
Collectively evaluated for impairment	22,960	4,350	7,663	25,102	26,237	1,835	9,205	9
Total ending allowance balance	$30,614	$5,472	$9,583	$27,356	$29,473	$1,898	$9,205	$1
Loans:								
Individually evaluated for impairment	$117,999	$60,568	$46,549	$21,525	$47,048	$331	$—	$2
Collectively evaluated for impairment	1,725,208	378,928	120,573	1,109,723	388,327	110,787	—	3
Total loans	$1,843,207	$439,496	$167,122	$1,131,248	$435,375	$111,118	$—	$4

When a loan officer determines that a loan is uncollectible, he or she is responsible for recommending to the local bank president that the loan be charged off. Full or partial charge-offs may also be recommended by the Collections Department, the Special Assets Department and the Foreclosure / OREO department. Nonaccrual loans that are collateral dependent are generally charged down to 80% of the appraised value of the underlying collateral at the time they are placed on nonaccrual status.

A committee consisting of the Chief Risk Officer, Senior Risk Officer and the Senior Credit Officers meets monthly to review charge-offs that have occurred during the previous month. The 10 largest charge-offs are reported quarterly to the Board of Directors.

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Generally, closed-end retail loans (installment and residential mortgage loans) past due 120 cumulative days are charged-off unless the loan is well secured and in process of collection (within the next 90 days). Open-end (revolving) retail loans which are past due 180 cumulative days from their contractual due date are generally charged-off.

At March 31, 2013, December 31, 2012 and March 31, 2012, loans with a carrying value of $1.94 billion, $1.90 billion and $1.58 billion, respectively, were pledged as collateral to secure FHLB advances and other contingent funding sources.

The average balances of impaired loans and income recognized on impaired loans while they were considered impaired is presented below for the three months ended March 31, 2013 and 2012 (in thousands).

	Three Months Ended March 31,					
	2013			2012		
	Average Balance	Interest Revenue Recognized During Impairment	Cash Basis Interest Revenue Received	Average Balance	Interest Revenue Recognized During Impairment	Cash Basis Interest Revenue Received
Commercial (secured by real estate)	$91,631	$ 946	$ 1,000	$ 117,551	$ 1,251	$ 1,341
Commercial & industrial	43,694	156	629	43,249	118	610
Commercial construction	39,208	151	232	40,759	267	457
Total commercial	174,533	1,253	1,861	201,559	1,636	2,408
Residential mortgage	20,414	241	223	24,262	225	261
Residential construction	40,592	326	428	54,467	401	518
Consumer installment	276	6	6	338	5	5
Total	$235,815	$1,826	$2,518	$280,626	$2,267	$3,192

The following table presents loans individually evaluated for impairment by class of loans as of March 31, 2013, December 31, 2012 and March 31, 2012 (in thousands).

	March 31, 2013			December 31, 2012			March 31, 2012	
	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Unpaid Principal Balance	Recor Inves
With no related allowance recorded:								
Commercial (secured by real estate)	$50,386	$37,202	$—	$74,066	$62,609	$—	$91,399	$82,5
Commercial & industrial	73,196	46,895	—	74,572	49,572	—	81,896	56,8
Commercial construction	23,486	16,703	—	23,938	17,305	—	30,188	27,2
Total commercial	147,068	100,800	—	172,576	129,486	—	203,483	166,
Residential mortgage	7,762	6,306	—	10,336	8,383	—	15,375	13,0
Residential construction	19,026	15,223	—	35,439	19,093	—	44,018	28,4
Consumer installment	—	—	—	—	—	—	—	—

Total with no related allowance recorded	173,856	122,329	—	218,351	156,962	—	262,876	208,
With an allowance recorded:								
Commercial (secured by real estate)	52,363	49,777	5,089	44,395	41,800	6,106	36,536	35,4
Commercial & industrial	3,562	3,451	1,026	2,170	1,929	490	3,672	3,67
Commercial construction	23,150	22,267	2,093	23,746	22,863	2,239	20,056	19,2
Total commercial	79,075	75,495	8,208	70,311	66,592	8,835	60,264	58,3
Residential mortgage	16,104	15,850	1,804	14,267	13,864	2,165	9,255	8,48
Residential construction	17,244	16,713	1,945	15,412	14,962	625	19,235	18,5
Consumer installment	420	407	14	441	430	19	340	331
Total with an allowance recorded	112,843	108,465	11,971	100,431	95,848	11,644	89,094	85,7
Total	$286,699	$230,794	$11,971	$318,782	$252,810	$11,644	$351,970	$294,

There were no loans more than 90 days past due and still accruing interest at March 31, 2013, December 31, 2012 or March 31, 2012. Nonaccrual loans include both homogeneous loans that are collectively evaluated for impairment and individually evaluated impaired loans. United’s policy is to place loans on nonaccrual status when, in the opinion of management, the principal and interest on a loan is not likely to be repaid in accordance with the loan terms or when the loan becomes 90 days past due and is not well secured and in the process of collection. When a loan is classified on nonaccrual status, interest previously accrued but not collected is reversed against current interest revenue. Principal and interest payments received on a nonaccrual loan are applied to reduce outstanding principal.

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The following table presents the recorded investment (unpaid principal less amounts charged-off) in nonaccrual loans by loan class as of March 31, 2013, December 31, 2012 and March 31, 2102 (in thousands).

	Nonaccrual Loans		
	March 31, 2013	December 31, 2012	March 31, 2012
Commercial (secured by real estate)	$ 17,304	$ 22,148	$ 26,081
Commercial & industrial	29,545	31,817	36,314
Commercial construction	22,359	23,843	23,319
Total commercial	69,208	77,808	85,714
Residential mortgage	11,817	12,589	18,741
Residential construction	14,592	18,702	24,341
Consumer installment	389	795	908
Total	$ 96,006	$ 109,894	$ 129,704
Balance as a percentage of unpaid principal	66.3 %	69.5 %	70.6 %

The following table presents the aging of the recorded investment in past due loans as of March 31, 2013, December 31, 2012 and March 31, 2012 by class of loans (in thousands).

	Loans Past Due				Loans Not	
As of March 31, 2013	30 - 59 Days	60 - 89 Days	> 90 Days	Total	Past Due	Total
Commercial (secured by real estate)	$ 7,402	$ 2,304	$ 5,750	$ 15,456	$ 1,788,574	$ 1,804,030
Commercial & industrial	1,485	419	219	2,123	451,641	453,764
Commercial construction	856	—	5,530	6,386	146,024	152,410
Total commercial	9,743	2,723	11,499	23,965	2,386,239	2,410,204
Residential mortgage	11,899	2,667	4,159	18,725	1,227,250	1,245,975
Residential construction	2,310	2,371	2,373	7,054	364,679	371,733
Consumer installment	682	152	109	943	164,705	165,648
Total loans	$ 24,634	$ 7,913	$ 18,140	$ 50,687	$ 4,142,873	$ 4,193,560
As of December 31, 2012						
Commercial (secured by real estate)	$ 8,106	$ 3,232	$ 7,476	$ 18,814	$ 1,794,551	$ 1,813,365
Commercial & industrial	1,565	429	867	2,861	455,385	458,246
Commercial construction	2,216	—	4,490	6,706	148,063	154,769
Total commercial	11,887	3,661	12,833	28,381	2,397,999	2,426,380
Residential mortgage	12,292	2,426	4,848	19,566	1,194,637	1,214,203
Residential construction	2,233	1,934	5,159	9,326	372,351	381,677

Consumer installment		1,320		245		289		1,854		150,894		152,748
Total loans	$	27,732	$	8,266	$	23,129	$	59,127	$	4,115,881	$	4,175,008
As of March 31, 2012												
Commercial (secured by real estate)	$	6,777	$	3,219	$	14,461	$	24,457	$	1,818,750	$	1,843,207
Commercial & industrial		1,930		244		2,905		5,079		434,417		439,496
Commercial construction		256		55		8,620		8,931		158,191		167,122
Total commercial		8,963		3,518		25,986		38,467		2,411,358		2,449,825
Residential mortgage		14,540		5,223		9,103		28,866		1,102,382		1,131,248
Residential construction		7,462		1,584		11,201		20,247		415,128		435,375
Consumer installment		961		248		346		1,555		109,563		111,118
Total loans	$	31,926	$	10,573	$	46,636	$	89,135	$	4,038,431	$	4,127,566

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As of March 31, 2013, December 31, 2012, and March 31, 2012, $8.12 million, $9.50 million and $12.2 million of specific reserves were allocated to customers whose loan terms have been modified in TDRs. United committed to lend additional amounts totaling up to $613,000, $689,000, and $891,000 as of March 31, 2013, December 31, 2012 and March 31, 2012, respectively, to customers with outstanding loans that are classified as TDRs.

The modification of the terms of the TDRs included one or a combination of the following: a reduction of the stated interest rate of the loan or an extension of the amortization period that would not otherwise be considered in the current market for new debt with similar risk characteristics; a permanent reduction of the principal amount; a restructuring of the borrower's debt into an A/B note structure where the A note would fall within the borrower's ability to pay and the remainder would be included in the B note, or a mandated bankruptcy restructuring.

The following table presents additional information on TDRs including the number of loan contracts restructured and the pre- and post-modification recorded investment as of March 31, 2013, December 31, 2012 and March 31, 2012 (dollars in thousands).

	March 31, 2013			December 31, 2012			March 31, 2012		
	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	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial (sec by RE)	97	$ 80,618	$ 74,675	96	$ 80,261	$ 75,340	92	$ 83,230	$ 79,844
Commercial & industrial	41	8,944	8,834	32	7,492	7,250	26	3,487	3,487
Commercial construction	25	36,491	32,614	25	37,537	33,809	16	35,184	34,066
Total commercial	163	126,053	116,123	153	125,290	116,399	134	121,901	117,397
Residential mortgage	120	19,901	19,023	117	20,323	19,296	99	15,718	14,832
Residential construction	71	25,651	23,345	67	25,822	23,786	63	27,128	25,948
Consumer installment	46	282	269	51	1,292	1,282	40	340	330
Total loans	400	$ 171,887	$ 158,760	388	$ 172,727	$ 160,763	336	$ 165,087	$ 158,507

Loans modified under the terms of a TDR during the three months ended March 31, 2013 and 2012 are presented in the table below. In addition, the following table presents loans modified under the terms of a TDR that became 90 days or more delinquent during the three months ended March 31, 2013 and 2012 that were initially restructured within one year prior to the three months ended March 31, 2013 and 2012 (dollars in thousands).

New Troubled Debt Restructurings for the Three Months Ended March 31, 2013	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Troubled Debt Restructurings Modified Within the Previous Twelve Months that Have Subsequently Defaulted During the Three Months Ended March 31, 2013 Number of Contracts	Recorded Investment

Commercial (secured by real estate)	8	$ 3,568	$ 3,568	$1	$432
Commercial & industrial	9	815	709	1	35
Commercial construction	—	—	—	2	1,454
Total commercial	17	4,383	4,277	4	1,921
Residential mortgage	11	2,115	2,115	1	68
Residential construction	5	784	655	2	117
Consumer installment	4	21	21	3	20
Total loans	37	$ 7,303	$ 7,068	10	$2,126

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			Troubled Debt Restructurings Modified Within the Previous Twelve Months that Have
	Pre- Modification	Post-	Subsequently Defaulted During