



October 24, 2013

United Community Banks, Inc. Reports Earnings of \$15.5 Million for Third Quarter 2013

BLAIRSVILLE, GA -- (Marketwired) -- 10/24/13 -- United Community Banks, Inc. (NASDAQ: UCBI)

- Net income of \$15.5 million, or 21 cents per share
- Operating efficiency ratio improves to 58.6 percent reflecting lower expenses
- Loans up \$78 million, or 7 percent annualized
- Core transaction deposits up \$94 million, or 11 percent annualized
- All capital ratios strengthened

United Community Banks, Inc. (NASDAQ: UCBI) today reported it continued to achieve substantial momentum in positioning itself to build the long-term value of its franchise. For the third quarter and nine months ended September 30, 2013 net income was \$15.5 million, or 21 cents per share, and \$257.2 million, or \$4.24 per share, respectively. The year-to-date results include the impact of two significant events during the second quarter -- the reversal of the valuation allowance on United's net deferred tax asset and the higher provision for loan losses and foreclosed property costs from the accelerated sales of classified assets.

"I am very pleased with the important progress we are making in growing our business and improving operating efficiency," said Jimmy Tallent, president and chief executive officer. "We achieved good loan and deposit growth while at the same time lowering operating expenses. This is particularly demonstrated by the improvement in our efficiency ratio to 58.6 percent, the lowest level since 2007. This is a tribute to the great effort of our dedicated team of bankers."

The third quarter provision for loan losses was \$3.0 million compared with \$48.5 million in the second quarter and \$15.5 million in the third quarter of 2012. The second quarter provision was elevated by higher charge-offs associated with the accelerated classified loan sales. The resulting reduction in classified loans led to lower net charge-offs in the third quarter and a lower provision. Third quarter net charge-offs were \$4.47 million compared with \$72.4 million in the second quarter and \$20.6 million a year ago.

Nonperforming assets at quarter-end were \$30.6 million, representing .42 percent of total assets, down from \$31.8 million or .44 percent of assets at June 30, 2013, and from \$142 million or 2.12 percent of assets a year ago. The classified asset ratio, which is the ratio of classified assets to Tier 1 regulatory capital plus the allowance for loan losses, declined to 26 percent from 27 percent at the end of second quarter and 55 percent a year ago.

Third quarter taxable equivalent net interest revenue totaled \$54.3 million, down \$224,000 from the second quarter and down \$3.03 million from the third quarter of 2012. "The decrease generally reflects the ongoing lower yields on our loan and investment securities portfolios," said Tallent. "The lower loan portfolio yield reflects competitive pricing pressure on new and renewed commercial loans and on new retail loan offerings with low introductory rates. Introductory rates on \$45 million of these retail loans rolled over to a market rate of prime-plus in the third quarter with another \$40 million due to reset to market rates in the fourth quarter. The lower investment securities yield compared to a year ago is due to reinvestment of cash flows at record low rates. We continue to look for reinvestment opportunities to alleviate market and duration risk. Our focus has been on floating-rate securities, which at quarter-end accounted for 39 percent of the total investment securities portfolio, up one percent from last quarter."

The third quarter taxable equivalent net interest margin was 3.26 percent, down five basis points from the second quarter and 34 basis points from a year ago. "Our margin continues to reflect the unprecedented low interest rate environment," stated Tallent. "We could see further compression in the near term, though we believe at a slower pace. To offset the impact of a lower margin on net interest revenue, we are concentrating on growing the loan portfolio in the mid-single digit range by focusing on retail loans and continuing to add commercial lenders in key markets."

"Third quarter fee revenue of \$14.1 million was down slightly compared to second quarter and up approximately \$1.0 million from a year ago when certain non-core items are excluded," commented Tallent. Second quarter fee revenue of \$16.3 million was elevated due to non-core items, which included a \$1.37 million recovery on a bank-owned life insurance policy, a \$468,000 gain from the sale of low-income housing tax credits, and \$369,000 in hedge ineffectiveness gains. Similarly, year ago fee revenue of \$13.8 million included hedge ineffectiveness gains of \$608,000.

Service charges and fees on deposit accounts were up \$484,000 from the second quarter and up \$760,000 from a year ago

reflecting strong growth in debit card interchange fees. Brokerage fees were up \$211,000 from the second quarter and up \$565,000 from a year ago, which shows a renewed focus on this line of business. Mortgage fees were down \$449,000 from the second quarter and down \$246,000 from a year ago reflecting slower mortgage refinancing activity resulting from rising long-term interest rates. Closed mortgage loans totaled \$76.6 million in the third quarter compared with \$95.2 million in the second quarter and \$107.9 million in the third quarter of 2012.

Operating expenses, excluding foreclosed property costs, were \$39.9 million for the third quarter compared to \$43.7 million in the second quarter of 2013 and \$41.1 million a year ago. The decrease from both periods reflects a reduction in loan workouts and collections costs as well as lower severance costs. Third quarter severance costs were \$405,000 compared with \$1.56 million and \$401,000 for the second quarter of 2013 and the third quarter of 2012, respectively.

Foreclosed property costs were \$194,000 in the third quarter compared to \$5.15 million in the second quarter and \$3.71 million a year ago. The higher second quarter costs reflect \$4.31 million in net losses and write-downs related to the accelerated foreclosed property sales and \$837,000 for maintenance. The third quarter 2012 foreclosed property costs included \$2.74 million in net losses and write-downs and \$962,000 for maintenance.

"The effective tax rate for the third quarter was elevated from 35 percent to 38 percent by a \$.6 million net charge to tax expense," stated Tallent. "The net charge reflects a state income tax rate reduction in North Carolina that lowered the rate at which a portion of our net deferred tax asset will be recovered. The resulting charge was partially offset by the release of tax reserves for tax returns that had expired."

As of September 30, 2013, capital ratios were as follows: Tier 1 Risk-Based of 14.2 percent; Total Risk-Based of 15.5 percent; Tier 1 Common Risk-Based of 9.1 percent; and Tangible Equity-to-Assets of 9.0 percent. The Tier 1 Leverage ratio was 10.0 percent.

Tallent concluded, "Going forward, we are focused strategically on loan and fee-based service growth in existing and newer markets to provide United with further momentum in building its value to our shareholders. We are looking ahead with confidence driven by our progress, our business opportunities and the best customer satisfaction in our industry."

Conference Call

United will hold a conference call today, Thursday, October 24, 2013, at 11 a.m. ET to discuss the contents of this news release and to share business highlights for the quarter. To access the call, dial (877) 380-5665 and use the conference number 76304427. The conference call also will be webcast and can be accessed by selecting 'Calendar of Events' within the Investor Relations section of United's website at www.ucbi.com.

About United Community Banks, Inc.

Headquartered in Blairsville, United Community Banks, Inc. is the third-largest bank holding company in Georgia. United has assets of \$7.2 billion and operates 103 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina, east Tennessee and western South Carolina. United specializes in providing personalized community banking services to individuals and small to mid-size businesses and also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United's common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at United's website at www.ucbi.com.

Safe Harbor

This news release contains forward-looking statements, as defined by federal securities laws, including statements about United's financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United's filings with the Securities and Exchange Commission including its 2012 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the second quarter of 2013 under the sections entitled "Forward-Looking Statements" and "Risk Factors." Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

2013

2012

**Third
Quarter
2013-**

<i>(in thousands, except per share data; taxable equivalent)</i>	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	2012 Change
INCOME SUMMARY						
Interest revenue	\$ 61,363	\$ 61,693	\$ 62,134	\$ 64,450	\$ 65,978	
Interest expense	<u>7,025</u>	<u>7,131</u>	<u>7,475</u>	<u>8,422</u>	<u>8,607</u>	
Net interest revenue	54,338	54,562	54,659	56,028	57,371	(5)%
Provision for loan losses	3,000	48,500	11,000	14,000	15,500	
Fee revenue	<u>14,144</u>	<u>16,312</u>	<u>12,826</u>	<u>14,761</u>	<u>13,764</u>	3
Total revenue	65,482	22,374	56,485	56,789	55,635	
Operating expenses	<u>40,097</u>	<u>48,823</u>	<u>43,770</u>	<u>50,726</u>	<u>44,783</u>	(10)
Income (loss) before income taxes	25,385	(26,449)	12,715	6,063	10,852	134
Income tax expense (benefit)	<u>9,885</u>	<u>(256,413)</u>	<u>950</u>	<u>802</u>	<u>284</u>	
Net income	15,500	229,964	11,765	5,261	10,568	47
Preferred dividends and discount accretion	<u>3,059</u>	<u>3,055</u>	<u>3,052</u>	<u>3,045</u>	<u>3,041</u>	
Net income available to common shareholders	\$ 12,441	\$ 226,909	\$ 8,713	\$ 2,216	\$ 7,527	65
PERFORMANCE MEASURES						
Per common share:						
Diluted income	\$.21	\$ 3.90	\$.15	\$.04	\$.13	62
Book value	10.99	10.90	6.85	6.67	6.75	63
Tangible book value ⁽²⁾	10.95	10.82	6.76	6.57	6.64	65
Key performance ratios:						
Return on equity ⁽¹⁾⁽³⁾	7.38 %	197.22 %	8.51 %	2.15 %	7.43 %	
Return on assets ⁽³⁾	.86	13.34	.70	.31	.63	
Net interest margin ⁽³⁾	3.26	3.31	3.38	3.44	3.60	
Efficiency ratio	58.55	68.89	64.97	71.69	62.95	
Equity to assets	11.80	11.57 ⁽⁴⁾	8.60	8.63	8.75	
Tangible equity to assets ⁽²⁾	11.76	11.53 ⁽⁴⁾	8.53	8.55	8.66	
Tangible common equity to assets ⁽²⁾	9.02	8.79 ⁽⁴⁾	5.66	5.67	5.73	
Tangible common equity to risk-weighted assets ⁽²⁾	13.34	13.16	8.45	8.26	8.44	
ASSET QUALITY *						
Non-performing loans	\$ 26,088	\$ 27,864	\$ 96,006	\$ 109,894	\$ 115,001	
Foreclosed properties	<u>4,467</u>	<u>3,936</u>	<u>16,734</u>	<u>18,264</u>	<u>26,958</u>	
Total non-performing assets (NPAs)	30,555	31,800	112,740	128,158	141,959	
Allowance for loan losses	80,372	81,845	105,753	107,137	107,642	
Net charge-offs	4,473	72,408	12,384	14,505	20,563	
Allowance for loan losses to loans	1.88 %	1.95 %	2.52 %	2.57 %	2.60 %	
Net charge-offs to average loans ⁽³⁾	.42	6.87	1.21	1.39	1.99	
NPAs to loans and foreclosed properties	.72	.76	2.68	3.06	3.41	
NPAs to total assets	.42	.44	1.65	1.88	2.12	
AVERAGE BALANCES (\$ in millions)						
Loans	\$ 4,250	\$ 4,253	\$ 4,197	\$ 4,191	\$ 4,147	2

Investment securities	2,178	2,161	2,141	2,088	1,971	11
Earning assets	6,615	6,608	6,547	6,482	6,346	4
Total assets	7,170	6,915	6,834	6,778	6,648	8
Deposits	5,987	5,983	5,946	5,873	5,789	3
Shareholders' equity	846	636	588	585	582	45
Common shares - basic (thousands)	59,100	58,141	58,081	57,971	57,880	
Common shares - diluted (thousands)	59,202	58,141	58,081	57,971	57,880	
AT PERIOD END (\$ in millions)						
Loans *	\$ 4,267	\$ 4,189	\$ 4,194	\$ 4,175	\$ 4,138	3
Investment securities	2,169	2,152	2,141	2,079	2,025	7
Total assets	7,243	7,163	6,849	6,802	6,699	8
Deposits	6,113	6,012	6,026	5,952	5,823	5
Shareholders' equity	852	829	592	581	585	46
Common shares outstanding (thousands)	59,412	57,831	57,767	57,741	57,710	

(1) Net income available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss). (2) Excludes effect of acquisition related intangibles and associated amortization. (3) Annualized. (4) Calculated as of period-end.

* Excludes loans and foreclosed properties covered by loss sharing agreements with the FDIC.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

(in thousands, except per share data; taxable equivalent)	For the Nine Months Ended September 30,		YTD 2013-2012 Change
	2013	2012	
INCOME SUMMARY			
Interest revenue	\$ 185,190	\$ 202,979	
Interest expense	21,631	29,908	
Net interest revenue	163,559	173,071	(5)%
Provision for loan losses	62,500	48,500	
Fee revenue	43,282	42,010	3
Total revenue	144,341	166,581	
Operating expenses	132,690	136,048	(2)
Income (loss) before income taxes	11,651	30,533	(62)
Income tax expense (benefit)	(245,578)	1,938	
Net income	257,229	28,595	800
Preferred dividends and discount accretion	9,166	9,103	
Net income available to commonshareholders	\$ 248,063	\$ 19,492	1,173
PERFORMANCE MEASURES			
Per common share:			
Diluted income	\$ 4.24	\$.34	1,147
Book value	10.99	6.75	63
Tangible book value (2)	10.95	6.64	65
Key performance ratios:			
Return on equity (1)(3)	64.29%	6.57%	

Return on assets ⁽³⁾	4.93	.53
Net interest margin ⁽³⁾	3.32	3.52
Efficiency ratio	64.19	63.36
Equity to assets	9.91	8.42
Tangible equity to assets ⁽²⁾	9.85	8.32
Tangible common equity to assets ⁽²⁾	7.04	5.50
Tangible common equity to risk-weighted assets ⁽²⁾	13.34	8.44

ASSET QUALITY *

Non-performing loans	\$ 26,088	\$ 115,001
Foreclosed properties	4,467	26,958
Total non-performing assets (NPAs)	30,555	141,959
Allowance for loan losses	80,372	107,642
Net charge-offs	89,265	55,326
Allowance for loan losses to loans	1.88 %	2.60 %
Net charge-offs to average loans ⁽³⁾	2.84	1.80
NPAs to loans and foreclosed properties	.72	3.41
NPAs to total assets	.42	2.12

AVERAGE BALANCES (\$ in millions)

Loans	\$ 4,234	\$ 4,157	2
Investment securities	2,160	2,089	3
Earning assets	6,590	6,569	-
Total assets	6,974	6,894	1
Deposits	5,972	5,890	1
Shareholders' equity	691	580	19
Common shares - basic (thousands)	58,443	57,826	
Common shares - diluted (thousands)	58,444	57,826	

AT PERIOD END (\$ in millions)

Loans *	\$ 4,267	\$ 4,138	3
Investment securities	2,169	2,025	7
Total assets	7,243	6,699	8
Deposits	6,113	5,823	5
Shareholders' equity	852	585	46
Common shares outstanding (thousands)	59,412	57,710	

⁽¹⁾ Net income available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss). ⁽²⁾ Excludes effect of acquisition related intangibles and associated amortization. ⁽³⁾ Annualized.

* Excludes loans and foreclosed properties covered by loss sharing agreements with the FDIC.

UNITED COMMUNITY BANKS, INC.

Non-GAAP Performance Measures Reconciliation

Selected Financial Information

(in thousands, except per share data; taxable equivalent)	2013			2012	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Interest revenue reconciliation					
Interest revenue - taxable equivalent	\$ 61,363	\$ 61,693	\$ 62,134	\$ 64,450	\$ 65,978
Taxable equivalent adjustment	(370)	(368)	(365)	(381)	(419)
Interest revenue (GAAP)	<u>\$ 60,993</u>	<u>\$ 61,325</u>	<u>\$ 61,769</u>	<u>\$ 64,069</u>	<u>\$ 65,559</u>

Net interest revenue reconciliation

Net interest revenue - taxable equivalent	\$ 54,338	\$ 54,562	\$ 54,659	\$ 56,028	\$ 57,371
Taxable equivalent adjustment	<u>(370)</u>	<u>(368)</u>	<u>(365)</u>	<u>(381)</u>	<u>(419)</u>
Net interest revenue (GAAP)	<u>\$ 53,968</u>	<u>\$ 54,194</u>	<u>\$ 54,294</u>	<u>\$ 55,647</u>	<u>\$ 56,952</u>

Total revenue reconciliation

Total operating revenue	\$ 65,482	\$ 22,374	\$ 56,485	\$ 56,789	\$ 55,635
Taxable equivalent adjustment	<u>(370)</u>	<u>(368)</u>	<u>(365)</u>	<u>(381)</u>	<u>(419)</u>
Total revenue (GAAP)	<u>\$ 65,112</u>	<u>\$ 22,006</u>	<u>\$ 56,120</u>	<u>\$ 56,408</u>	<u>\$ 55,216</u>

Income (loss) before taxes reconciliation

Income (loss) before taxes	\$ 25,385	\$ (26,449)	\$ 12,715	\$ 6,063	\$ 10,852
Taxable equivalent adjustment	<u>(370)</u>	<u>(368)</u>	<u>(365)</u>	<u>(381)</u>	<u>(419)</u>
Income (loss) before taxes (GAAP)	<u>\$ 25,015</u>	<u>\$ (26,817)</u>	<u>\$ 12,350</u>	<u>\$ 5,682</u>	<u>\$ 10,433</u>

Income tax expense (benefit) reconciliation

Income tax expense (benefit)	\$ 9,885	\$ (256,413)	\$ 950	\$ 802	\$ 284
Taxable equivalent adjustment	<u>(370)</u>	<u>(368)</u>	<u>(365)</u>	<u>(381)</u>	<u>(419)</u>
Income tax expense (benefit) (GAAP)	<u>\$ 9,515</u>	<u>\$ (256,781)</u>	<u>\$ 585</u>	<u>\$ 421</u>	<u>\$ (135)</u>

Book value per common share reconciliation

Tangible book value per common share	\$ 10.95	\$ 10.82	\$ 6.76	\$ 6.57	\$ 6.64
Effect of goodwill and other intangibles	<u>.04</u>	<u>.08</u>	<u>.09</u>	<u>.10</u>	<u>.11</u>
Book value per common share (GAAP)	<u>\$ 10.99</u>	<u>\$ 10.90</u>	<u>\$ 6.85</u>	<u>\$ 6.67</u>	<u>\$ 6.75</u>

Average equity to assets reconciliation

Tangible common equity to assets	9.02 %	8.79 %	5.66 %	5.67 %	5.73 %
Effect of preferred equity	<u>2.74</u>	<u>2.74</u>	<u>2.87</u>	<u>2.88</u>	<u>2.93</u>
Tangible equity to assets	11.76	11.53	8.53	8.55	8.66
Effect of goodwill and other intangibles	<u>.04</u>	<u>.04</u>	<u>.07</u>	<u>.08</u>	<u>.09</u>
Equity to assets (GAAP)	<u>11.80 %</u>	<u>11.57 %</u>	<u>8.60 %</u>	<u>8.63 %</u>	<u>8.75 %</u>

Tangible common equity to risk-weighted assets reconciliation

Tangible common equity to risk-weighted assets	13.34 %	13.16 %	8.45 %	8.26 %	8.44 %
Effect of other comprehensive income	.49	.29	.49	.51	.36
Effect of deferred tax limitation	<u>(4.72)</u>	<u>(4.99)</u>	-	-	-
Effect of trust preferred	1.09	1.11	1.15	1.15	1.17
Effect of preferred equity	<u>4.01</u>	<u>4.11</u>	<u>4.22</u>	<u>4.24</u>	<u>4.29</u>
Tier I capital ratio (Regulatory)	<u>14.21 %</u>	<u>13.68 %</u>	<u>14.31 %</u>	<u>14.16 %</u>	<u>14.26 %</u>

UNITED COMMUNITY BANKS, INC.

Non-GAAP Performance Measures Reconciliation

Selected Financial Information

(in thousands, except per share data; taxable equivalent)

**For the Nine Months
Ended September 30,**

2013

2012

Interest revenue reconciliation		
Interest revenue - taxable equivalent	\$ 185,190	\$ 202,979
Taxable equivalent adjustment	(1,103)	(1,309)
Interest revenue (GAAP)	<u>\$ 184,087</u>	<u>\$ 201,670</u>
Net interest revenue reconciliation		
Net interest revenue - taxable equivalent	\$ 163,559	\$ 173,071
Taxable equivalent adjustment	(1,103)	(1,309)
Net interest revenue (GAAP)	<u>\$ 162,456</u>	<u>\$ 171,762</u>
Total revenue reconciliation		
Total operating revenue	\$ 144,341	\$ 166,581
Taxable equivalent adjustment	(1,103)	(1,309)
Total revenue (GAAP)	<u>\$ 143,238</u>	<u>\$ 165,272</u>
Income (loss) before taxes reconciliation		
Income (loss) before taxes	\$ 11,651	\$ 30,533
Taxable equivalent adjustment	(1,103)	(1,309)
Income (loss) before taxes (GAAP)	<u>\$ 10,548</u>	<u>\$ 29,224</u>
Income tax expense (benefit) reconciliation		
Income tax expense (benefit)	\$ (245,578)	\$ 1,938
Taxable equivalent adjustment	(1,103)	(1,309)
Income tax expense (benefit) (GAAP)	<u>\$ (246,681)</u>	<u>\$ 629</u>
Book value per common share reconciliation		
Tangible book value per common share	\$ 10.95	\$ 6.64
Effect of goodwill and other intangibles	.04	.11
Book value per common share (GAAP)	<u>\$ 10.99</u>	<u>\$ 6.75</u>
Average equity to assets reconciliation		
Tangible common equity to assets	7.04 %	5.50 %
Effect of preferred equity	2.81	2.82
Tangible equity to assets	9.85	8.32
Effect of goodwill and other intangibles	.06	.10
Equity to assets (GAAP)	<u>9.91 %</u>	<u>8.42 %</u>
Tangible common equity to risk-weighted assets reconciliation		
Tangible common equity to risk-weighted assets	13.34 %	8.44 %
Effect of other comprehensive income	.49	.36
Effect of deferred tax limitation	(4.72)	-
Effect of trust preferred	1.09	1.17
Effect of preferred equity	4.01	4.29
Tier I capital ratio (Regulatory)	<u>14.21 %</u>	<u>14.26 %</u>

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End ⁽¹⁾

<i>(in millions)</i>	2013			2012	
	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>	<u>Third Quarter</u>
LOANS BY CATEGORY					
Owner occupied commercial RE	\$ 1,129	\$ 1,119	\$ 1,130	\$ 1,131	\$ 1,126
Income producing commercial RE	614	629	674	682	693
Commercial & industrial	457	437	454	458	460
Commercial construction	137	133	152	155	161
Total commercial	<u>2,337</u>	<u>2,318</u>	<u>2,410</u>	<u>2,426</u>	<u>2,440</u>

Residential mortgage	888	876	850	829	833
Home equity lines of credit	421	402	396	385	341
Residential construction	318	332	372	382	389
Consumer installment	303	261	166	153	135
Total loans	\$ 4,267	\$ 4,189	\$ 4,194	\$ 4,175	\$ 4,138

LOANS BY MARKET

North Georgia	\$ 1,262	\$ 1,265	\$ 1,363	\$ 1,364	\$ 1,383
Atlanta MSA	1,246	1,227	1,262	1,250	1,238
North Carolina	575	576	575	579	579
Coastal Georgia	421	397	398	400	380
Gainesville MSA	253	256	259	261	256
East Tennessee	277	282	282	283	283
South Carolina	47	34	-	-	-
Other ⁽²⁾	186	152	55	38	19
Total loans	\$ 4,267	\$ 4,189	\$ 4,194	\$ 4,175	\$ 4,138

RESIDENTIAL CONSTRUCTION

Dirt loans					
Acquisition & development	\$ 40	\$ 42	\$ 57	\$ 62	\$ 71
Land loans	35	36	42	46	41
Lot loans	167	173	188	193	196
Total	242	251	287	301	308
House loans					
Spec	30	34	40	41	44
Sold	46	47	45	40	37
Total	76	81	85	81	81
Total residential construction	\$ 318	\$ 332	\$ 372	\$ 382	\$ 389

⁽¹⁾ Excludes total loans of \$23.3 million, \$25.7 million, \$28.3 million, \$33.4 million and \$37.0 million as of September 30, 2013, June 30, 2013, March 31, 2013, December 31, 2012 and September 30, 2012, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank. ⁽²⁾ Includes purchased indirect auto loans that are not assigned to a geographic region.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End ⁽¹⁾

(in millions)	2013		2012		Linked Quarter Change	Year over Year Change
	Third Quarter	Second Quarter	Third Quarter	Third Quarter		
LOANS BY CATEGORY						
Owner occupied commercial RE	\$ 1,129	\$ 1,119	\$ 1,126	\$ 10	\$ 3	
Income producing commercial RE	614	629	693	(15)	(79)	
Commercial & industrial	457	437	460	20	(3)	
Commercial construction	137	133	161	4	(24)	
Total commercial	2,337	2,318	2,440	19	(103)	
Residential mortgage	888	876	833	12	55	
Home equity lines of credit	421	402	341	19	80	
Residential construction	318	332	389	(14)	(71)	
Consumer installment	303	261	135	42	168	
Total loans	\$ 4,267	\$ 4,189	\$ 4,138	78	129	

LOANS BY MARKET

North Georgia	\$	1,262	\$	1,265	\$	1,383	(3)	(121)
Atlanta MSA		1,246		1,227		1,238	19	8
North Carolina		575		576		579	(1)	(4)
Coastal Georgia		421		397		380	24	41
Gainesville MSA		253		256		256	(3)	(3)
East Tennessee		277		282		283	(5)	(6)
South Carolina		47		34		-	13	47
Other ⁽²⁾		186		152		19	34	167
Total loans	\$	4,267	\$	4,189	\$	4,138	78	129

RESIDENTIAL CONSTRUCTION

Dirt loans								
Acquisition & development	\$	40	\$	42	\$	71	(2)	(31)
Land loans		35		36		41	(1)	(6)
Lot loans		167		173		196	(6)	(29)
Total		242		251		308	(9)	(66)
House loans								
Spec		30		34		44	(4)	(14)
Sold		46		47		37	(1)	9
Total		76		81		81	(5)	(5)
Total residential construction	\$	318	\$	332	\$	389	(14)	(71)

⁽¹⁾ Excludes total loans of \$23.3 million, \$25.7 million, \$28.3 million, \$33.4 million and \$37.0 million as of September 30, 2013, June 30, 2013, March 31, 2013, December 31, 2012 and September 30, 2012, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank. ⁽²⁾ Includes purchased indirect auto loans that are not assigned to a geographic region.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality ⁽¹⁾

(in thousands)	Third Quarter 2013		
	Non-performing Loans	Foreclosed Properties	Total NPAs
NONPERFORMING ASSETS BY CATEGORY			
Owner occupied CRE	\$ 6,358	\$ 591	\$ 6,949
Income producing CRE	1,657	139	1,796
Commercial & industrial	609	-	609
Commercial construction	343	376	719
Total commercial	8,967	1,106	10,073
Residential mortgage	11,335	1,679	13,014
Home equity lines of credit	1,169	475	1,644
Residential construction	4,097	1,207	5,304
Consumer installment	520	-	520
Total NPAs	\$ 26,088	\$ 4,467	\$ 30,555
Balance as a % of Unpaid Principal	61.6 %	41.5 %	57.6 %
NONPERFORMING ASSETS BY MARKET			
North Georgia	\$ 13,652	\$ 1,726	\$ 15,378
Atlanta MSA	3,096	1,026	4,122
North Carolina	5,680	762	6,442
Coastal Georgia	995	928	1,923
Gainesville MSA	1,036	-	1,036
East Tennessee	1,629	25	1,654

South Carolina	-	-	-
Other ⁽³⁾	-	-	-
Total NPAs	\$ 26,088	\$ 4,467	\$ 30,555

NONPERFORMING ASSETS ACTIVITY

Beginning Balance	\$ 27,864	\$ 3,936	\$ 31,800
Loans placed on non-accrual	9,959	-	9,959
Payments received	(3,601)	-	(3,601)
Loan charge-offs	(5,395)	-	(5,395)
Foreclosures	(2,739)	2,739	-
Capitalized costs	-	7	7
Property sales	-	(2,534)	(2,534)
Write downs	-	(329)	(329)
Net gains (losses) on sales	-	648	648
Ending Balance	\$ 26,088	\$ 4,467	\$ 30,555

(1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

(2) Annualized.

(3) Includes purchased indirect auto loans that are not assigned to a geographic region.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality⁽¹⁾

<i>(in thousands)</i>	Second Quarter 2013		
	Non-performing Loans	Foreclosed Properties	Total NPAs
NONPERFORMING ASSETS BY CATEGORY			
Owner occupied CRE	\$ 5,283	\$ 547	\$ 5,830
Income producing CRE	1,954	-	1,954
Commercial & industrial	548	-	548
Commercial construction	504	376	880
Total commercial	8,289	923	9,212
Residential mortgage	12,847	1,303	14,150
Home equity lines of credit	1,491	140	1,631
Residential construction	4,838	1,570	6,408
Consumer installment	399	-	399
Total NPAs	\$ 27,864	\$ 3,936	\$ 31,800
Balance as a % of Unpaid Principal	62.6 %	31.6 %	55.8 %
NONPERFORMING ASSETS BY MARKET			
North Georgia	\$ 12,830	\$ 1,617	\$ 14,447
Atlanta MSA	3,803	1,197	5,000
North Carolina	6,512	295	6,807
Coastal Georgia	2,588	627	3,215
Gainesville MSA	1,008	-	1,008
East Tennessee	1,123	200	1,323
South Carolina	-	-	-
Other ⁽³⁾	-	-	-
Total NPAs	\$ 27,864	\$ 3,936	\$ 31,800
NONPERFORMING ASSETS ACTIVITY			
Beginning Balance	\$ 96,006	\$ 16,734	\$ 112,740

Loans placed on non-accrual	13,200	-	13,200
Payments received	(47,937)	-	(47,937)
Loan charge-offs	(23,972)	-	(23,972)
Foreclosures	(9,433)	9,433	-
Capitalized costs	-	55	55
Property sales	-	(17,972)	(17,972)
Write downs	-	(1,369)	(1,369)
Net gains (losses) on sales	-	(2,945)	(2,945)
Ending Balance	\$ 27,864	\$ 3,936	\$ 31,800

(1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

(2) Annualized.

(3) Includes purchased indirect auto loans that are not assigned to a geographic region.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality⁽¹⁾

(in thousands)	First Quarter 2013		
	Non-performing Loans	Foreclosed Properties	Total NPAs
NONPERFORMING ASSETS BY CATEGORY			
Owner occupied CRE	\$ 8,142	\$ 4,750	\$ 12,892
Income producing CRE	9,162	834	9,996
Commercial & industrial	29,545	-	29,545
Commercial construction	22,359	3,027	25,386
Total commercial	69,208	8,611	77,819
Residential mortgage	10,901	3,463	14,364
Home equity lines of credit	916	-	916
Residential construction	14,592	4,660	19,252
Consumer installment	389	-	389
Total NPAs	\$ 96,006	\$ 16,734	\$ 112,740
Balance as a % of Unpaid Principal	66.3 %	45.0 %	62.0 %
NONPERFORMING ASSETS BY MARKET			
North Georgia	\$ 63,210	\$ 6,616	\$ 69,826
Atlanta MSA	17,380	3,524	20,904
North Carolina	8,519	2,533	11,052
Coastal Georgia	3,523	1,449	4,972
Gainesville MSA	911	370	1,281
East Tennessee	2,463	2,242	4,705
South Carolina	-	-	-
Other ⁽³⁾	-	-	-
Total NPAs	\$ 96,006	\$ 16,734	\$ 112,740
NONPERFORMING ASSETS ACTIVITY			
Beginning Balance	\$ 109,894	\$ 18,264	\$ 128,158
Loans placed on non-accrual	9,665	-	9,665
Payments received	(6,809)	-	(6,809)
Loan charge-offs	(10,456)	-	(10,456)
Foreclosures	(6,288)	6,288	-
Capitalized costs	-	54	54

Property sales	-	(6,726)	(6,726)
Write downs	-	(1,041)	(1,041)
Net gains (losses) on sales	-	(105)	(105)
Ending Balance	\$ 96,006	\$ 16,734	\$ 112,740

(1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

(2) Annualized.

(3) Includes purchased indirect auto loans that are not assigned to a geographic region.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality⁽¹⁾

(in thousands)	Third Quarter 2013		Second Quarter 2013		First Quarter 2013	
	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾
NET CHARGE-OFFS BY CATEGORY						
Owner occupied CRE	\$ 1,641	.58 %	\$ 16,545	5.85 %	\$ 1,922	.69 %
Income producing CRE	216	.14	8,921	5.45	3,321	1.99
Commercial & industrial	136	.12	15,576	13.91	1,501	1.34
Commercial construction	133	.39	6,295	17.53	(4)	(.01)
Total commercial	2,126	.36	47,337	7.96	6,740	1.14
Residential mortgage	693	.31	5,469	2.52	1,635	.79
Home equity lines of credit	382	.37	1,040	1.04	512	.53
Residential construction	1,072	1.31	18,506	20.91	2,973	3.22
Consumer installment	200	.28	56	.10	524	1.35
Total	\$ 4,473	.42	\$ 72,408	6.87	\$ 12,384	1.21

NET CHARGE-OFFS BY MARKET

North Georgia	\$ 2,090	.66 %	\$ 59,102	17.20 %	\$ 4,868	1.45 %
Atlanta MSA	1,013	.33	9,986	3.21	3,295	1.07
North Carolina	704	.49	1,952	1.36	2,249	1.59
Coastal Georgia	139	.14	480	.49	821	.85
Gainesville MSA	97	.15	123	.19	430	.67
East Tennessee	359	.51	711	1.01	679	.98
South Carolina	-	-	-	-	-	-
Other ⁽³⁾	71	.17	54	.24	42	.39
Total	\$ 4,473	.42	\$ 72,408	6.87	\$ 12,384	1.21

(1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

(2) Annualized.

(3) Includes purchased indirect auto loans that are not assigned to a geographic region.

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Income (Unaudited)

(in thousands, except per share data)	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2013	2012	2013	2012

Interest revenue:

Loans, including fees	\$ 50,114	\$ 53,868	\$ 151,776	\$ 163,805
Investment securities, including tax exempt of \$202, \$225, \$624 and \$737	9,872	10,706	29,518	34,772
Deposits in banks and short-term investments	1,007	985	2,793	3,093
Total interest revenue	<u>60,993</u>	<u>65,559</u>	<u>184,087</u>	<u>201,670</u>

Interest expense:

Deposits:				
NOW	413	447	1,286	1,587
Money market	545	599	1,641	1,901
Savings	37	37	109	112
Time	2,486	4,612	8,636	15,844
Total deposit interest expense	<u>3,481</u>	<u>5,695</u>	<u>11,672</u>	<u>19,444</u>
Short-term borrowings	525	514	1,563	2,463
Federal Home Loan Bank advances	16	26	65	882
Long-term debt	3,003	2,372	8,331	7,119
Total interest expense	<u>7,025</u>	<u>8,607</u>	<u>21,631</u>	<u>29,908</u>
Net interest revenue	53,968	56,952	162,456	171,762
Provision for loan losses	<u>3,000</u>	<u>15,500</u>	<u>62,500</u>	<u>48,500</u>
Net interest revenue after provision for loan losses	<u>50,968</u>	<u>41,452</u>	<u>99,956</u>	<u>123,262</u>

Fee revenue:

Service charges and fees	8,456	7,696	23,831	23,295
Mortgage loan and other related fees	2,554	2,800	8,212	7,221
Brokerage fees	1,274	709	3,104	2,331
Securities gains, net	-	-	116	7,047
Loss from prepayment of debt	-	-	-	(6,681)
Other	1,860	2,559	8,019	8,797
Total fee revenue	<u>14,144</u>	<u>13,764</u>	<u>43,282</u>	<u>42,010</u>
Total revenue	<u>65,112</u>	<u>55,216</u>	<u>143,238</u>	<u>165,272</u>

Operating expenses:

Salaries and employee benefits	23,090	22,918	71,416	72,440
Communications and equipment	3,305	3,254	9,819	9,620
Occupancy	3,379	3,539	10,195	10,849
Advertising and public relations	962	934	2,937	2,868
Postage, printing and supplies	644	954	2,401	2,849
Professional fees	2,650	2,180	7,515	6,107
Foreclosed property	194	3,706	7,678	9,382
FDIC assessments and other regulatory charges	2,405	2,537	7,415	7,592
Amortization of intangibles	427	728	1,623	2,190
Other	3,041	4,033	11,691	12,151
Total operating expenses	<u>40,097</u>	<u>44,783</u>	<u>132,690</u>	<u>136,048</u>
Net income before income taxes	25,015	10,433	10,548	29,224
Income tax expense (benefit)	<u>9,515</u>	<u>(135)</u>	<u>(246,681)</u>	<u>629</u>
Net income	<u>15,500</u>	<u>10,568</u>	<u>257,229</u>	<u>28,595</u>
Preferred stock dividends and discount accretion	<u>3,059</u>	<u>3,041</u>	<u>9,166</u>	<u>9,103</u>
Net income available to common shareholders	<u>\$ 12,441</u>	<u>\$ 7,527</u>	<u>\$ 248,063</u>	<u>\$ 19,492</u>

Earnings per common share

Basic	\$.21	\$.13	\$ 4.24	\$.34
Diluted	.21	.13	4.24	.34

Weighted average common shares outstanding

Basic	59,100	57,880	58,443	57,826
Diluted	59,202	57,880	58,444	57,826

UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet

(in thousands, except share and per share data)

	<u>September 30, 2013</u>	<u>December 31, 2012</u>	<u>September 30, 2012</u>
	(unaudited)	(audited)	(audited)
ASSETS			
Cash and due from banks	\$ 70,986	\$ 66,536	\$ 57,270
Interest-bearing deposits in banks	131,147	124,613	119,355
Short-term investments	<u>62,000</u>	<u>60,000</u>	<u>45,000</u>
Cash and cash equivalents	264,133	251,149	221,625
Securities available for sale	1,963,424	1,834,593	1,761,994
Securities held to maturity (fair value \$214,651, \$261,131 and \$281,336)	205,613	244,184	262,648
Mortgage loans held for sale	11,987	28,821	30,571
Loans, net of unearned income	4,267,067	4,175,008	4,137,845
Less allowance for loan losses	<u>(80,372)</u>	<u>(107,137)</u>	<u>(107,642)</u>
Loans, net	4,186,695	4,067,871	4,030,203
Assets covered by loss sharing agreements with the FDIC	31,207	47,467	53,070
Premises and equipment, net	165,993	168,920	170,532
Bank owned life insurance	80,537	81,867	81,574
Accrued interest receivable	18,199	18,659	19,133
Goodwill and other intangible assets	3,888	5,510	6,237
Foreclosed property	4,467	18,264	26,958
Net deferred tax asset	269,784	-	-
Other assets	<u>37,366</u>	<u>34,954</u>	<u>34,690</u>
Total assets	<u>\$ 7,243,293</u>	<u>\$ 6,802,259</u>	<u>\$ 6,699,235</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Demand	\$ 1,418,782	\$ 1,252,605	\$ 1,210,703
NOW	1,279,134	1,316,453	1,184,341
Money market	1,197,495	1,149,912	1,126,312
Savings	249,044	227,308	222,431
Time:			
Less than \$100,000	925,089	1,055,271	1,123,672
Greater than \$100,000	624,019	705,558	731,766
Brokered	<u>419,344</u>	<u>245,033</u>	<u>223,474</u>
Total deposits	6,112,907	5,952,140	5,822,699
Short-term borrowings	53,769	52,574	53,243
Federal Home Loan Bank advances	125	40,125	50,125
Long-term debt	129,865	124,805	120,285
Unsettled securities purchases	11,610	-	24,319
Accrued expenses and other liabilities	<u>82,800</u>	<u>51,210</u>	<u>43,309</u>
Total liabilities	<u>6,391,076</u>	<u>6,220,854</u>	<u>6,113,980</u>
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	179,714	178,557	178,183
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; 45,222,839,			

42,423,870 and 42,393,319 shares issued and outstanding	45,223	42,424	42,393
Common stock, non-voting, \$1 par value; 30,000,000 shares authorized; 14,189,006, 15,316,794 and 15,316,794 shares issued and outstanding	14,189	15,317	15,317
Common stock issuable; 242,262, 133,238 and 129,270 shares	3,979	3,119	3,247
Capital surplus	1,077,536	1,057,951	1,056,998
Accumulated deficit	(461,090)	(709,153)	(711,369)
Accumulated other comprehensive loss	(24,164)	(23,640)	(16,344)
Total shareholders' equity	<u>852,217</u>	<u>581,405</u>	<u>585,255</u>
Total liabilities and shareholders' equity	<u>\$ 7,243,293</u>	<u>\$ 6,802,259</u>	<u>\$ 6,699,235</u>

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended September 30,

	<u>2013</u>			<u>2012</u>		
<i>(dollars in thousands, taxable equivalent)</i>	<u>Average Balance</u>	<u>Interest</u>	<u>Avg. Rate</u>	<u>Average Balance</u>	<u>Interest</u>	<u>Avg. Rate</u>
Assets:						
Interest-earning assets:						
Loans, net of unearned income ⁽¹⁾ ⁽²⁾	\$ 4,249,892	\$ 50,217	4.69 %	\$ 4,147,220	\$ 53,963	5.18 %
Taxable securities ⁽³⁾	2,157,448	9,670	1.79	1,947,780	10,481	2.15
Tax-exempt securities ⁽¹⁾⁽³⁾	20,913	331	6.32	22,895	368	6.43
Federal funds sold and other interest-earning assets	<u>186,544</u>	<u>1,145</u>	2.46	<u>227,950</u>	<u>1,166</u>	2.05
Total interest-earning assets	<u>6,614,797</u>	<u>61,363</u>	3.69	<u>6,345,845</u>	<u>65,978</u>	4.14
Non-interest-earning assets:						
Allowance for loan losses	(83,408)			(112,034)		
Cash and due from banks	63,890			51,705		
Premises and equipment	166,906			171,608		
Other assets ⁽³⁾	<u>407,912</u>			<u>190,439</u>		
Total assets	<u>\$ 7,170,097</u>			<u>\$ 6,647,563</u>		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,222,334	413	.13	\$ 1,176,087	447	.15
Money market	1,328,661	545	.16	1,157,655	599	.21
Savings	248,937	37	.06	221,186	37	.07
Time less than \$100,000	952,320	1,369	.57	1,144,103	2,260	.79
Time greater than \$100,000	644,264	1,229	.76	750,828	1,876	.99
Brokered time deposits	<u>233,842</u>	<u>(112)</u>	(.19)	<u>176,114</u>	<u>476</u>	1.08
Total interest-bearing deposits	<u>4,630,358</u>	<u>3,481</u>	.30	<u>4,625,973</u>	<u>5,695</u>	.49
Federal funds purchased and other borrowings	67,292	525	3.10	55,994	514	3.65
Federal Home Loan Bank advances	32,082	16	.20	44,473	26	.23
Long-term debt	<u>144,601</u>	<u>3,003</u>	8.24	<u>120,276</u>	<u>2,372</u>	7.85
Total borrowed funds	<u>243,975</u>	<u>3,544</u>	5.76	<u>220,743</u>	<u>2,912</u>	5.25
Total interest-bearing liabilities	<u>4,874,333</u>	<u>7,025</u>	.57	<u>4,846,716</u>	<u>8,607</u>	.71

Non-interest-bearing liabilities:			
Non-interest-bearing deposits	1,356,792		1,163,471
Other liabilities	93,247		55,607
Total liabilities	6,324,372		6,065,794
Shareholders' equity	845,725		581,769
Total liabilities and shareholders' equity	\$ 7,170,097		\$ 6,647,563
Net interest revenue		\$ 54,338	\$ 57,371
Net interest-rate spread		3.12 %	3.43 %
Net interest margin ⁽⁴⁾		3.26 %	3.60 %

(1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.

(2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued and loans that are held for sale.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized losses of \$10.6 million in 2013 and pretax unrealized gains of \$22.9 million in 2012 are included in other assets for purposes of this presentation.

(4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Nine Months Ended September 30,

	2013			2012		
(dollars in thousands, taxable equivalent)	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
Assets:						
Interest-earning assets:						
Loans, net of unearned income ⁽¹⁾ ⁽²⁾	\$ 4,233,531	\$ 152,022	4.80 %	\$ 4,157,057	\$ 164,101	5.27 %
Taxable securities ⁽³⁾	2,138,725	28,894	1.80	2,065,112	34,035	2.20
Tax-exempt securities ⁽¹⁾⁽³⁾	21,411	1,022	6.36	24,187	1,207	6.65
Federal funds sold and other interest-earning assets	196,445	3,252	2.21	322,998	3,636	1.50
Total interest-earning assets	6,590,112	185,190	3.76	6,569,354	202,979	4.13
Non-interest-earning assets:						
Allowance for loan losses	(100,154)			(115,252)		
Cash and due from banks	63,879			52,755		
Premises and equipment	168,144			173,410		
Other assets ⁽³⁾	252,275			214,068		
Total assets	\$ 6,974,256			\$ 6,894,335		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,256,684	1,286	.14	\$ 1,304,159	1,587	.16
Money market	1,297,792	1,641	.17	1,120,091	1,901	.23
Savings	242,807	109	.06	214,280	112	.07
Time less than \$100,000	997,193	4,686	.63	1,199,563	7,806	.87
Time greater than \$100,000	670,821	4,086	.81	783,370	6,354	1.08

Brokered time deposits	<u>201,599</u>	<u>(136)</u>	(.09)	<u>162,682</u>	<u>1,684</u>	1.38
Total interest-bearing deposits	<u>4,666,896</u>	<u>11,672</u>	.33	<u>4,784,145</u>	<u>19,444</u>	.54
Federal funds purchased and other borrowings	70,512	1,563	2.96	85,022	2,463	3.87
Federal Home Loan Bank advances	41,352	65	.21	153,539	882	.77
Long-term debt	<u>131,491</u>	<u>8,331</u>	8.47	<u>120,256</u>	<u>7,119</u>	7.91
Total borrowed funds	<u>243,355</u>	<u>9,959</u>	5.47	<u>358,817</u>	<u>10,464</u>	3.90
Total interest-bearing liabilities	4,910,251	<u>21,631</u>	.59	5,142,962	<u>29,908</u>	.78
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,305,133			1,105,607		
Other liabilities	<u>68,312</u>			<u>65,390</u>		
Total liabilities	6,283,696			6,313,959		
Shareholders' equity	<u>690,560</u>			<u>580,376</u>		
Total liabilities and shareholders' equity	<u>\$ 6,974,256</u>			<u>\$ 6,894,335</u>		
Net interest revenue		<u>\$ 163,559</u>			<u>\$ 173,071</u>	
Net interest-rate spread			<u>3.17 %</u>			<u>3.35 %</u>
Net interest margin ⁽⁴⁾			<u>3.32 %</u>			<u>3.52 %</u>

(1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.

(2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued and loans that are held for sale.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$7.96 million in 2013 and pretax unrealized gains of \$24.1 million in 2012 are included in other assets for purposes of this presentation.

(4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

For more information:

Rex S. Schuette
Chief Financial Officer
(706) 781-2266
[Email Contact](#)

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