

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

FORM 8-K

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

Date of Report (Date of earliest event reported):
April 25, 2013

United Community Banks, Inc.
(Exact name of registrant as specified in its charter)

Georgia
(State or other jurisdiction of
incorporation)

No. 001-35095
(Commission File Number)

No. 58-180-7304
(IRS Employer
Identification No.)

125 Highway 515 East
Blairsville, Georgia 30512
(Address of principal executive offices)

Registrant's telephone number, including area code:
(706) 781-2265

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))
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Results of Operations and Financial Condition.

On April 25, 2013, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter ended March 31, 2013 (the “News Release”). The News Release, including financial schedules, is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. In connection with issuing the News Release, on April 25, 2013 at 11:00 a.m. EDT, the Registrant intends to hold a conference call/webcast to discuss the News Release. In addition to the News Release, during the conference call the Registrant intends to discuss certain financial information contained in the March 31, 2013 Investor Presentation (the “Investor Presentation”), which will be posted to the Registrant’s website at www.ucbi.com. The Investor Presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The presentation of the Registrant’s financial results includes core earnings measures, which are measures of performance determined by methods other than in accordance with generally accepted accounting principles, or GAAP. Management included non-GAAP core earnings measures because it believes they are useful for evaluating the Registrant’s operations and performance over periods of time, and uses core earnings measures in managing and evaluating the Registrant’s business and intends to refer to them in discussions about the Registrant’s operations and performance. Core earnings measures exclude credit related costs such as the provision for loan losses and foreclosed property expense, securities gains and losses, income taxes and other items of a non-recurring nature. Core earnings measures are useful in evaluating the underlying earnings performance trends of the Registrant. Management believes these non-GAAP performance measures may provide users of the Registrant’s financial information with a meaningful measure for assessing the Registrant’s financial results and comparing those financial results to prior periods.

Core earnings measures should be viewed in addition to, and not as an alternative to or substitute for, the Registrant’s performance measures determined in accordance with GAAP, and are not necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit No. | Description |
|------------------------|---|
| 99.1 | Press Release, dated April 25, 2013 |
| 99.2 | Investor Presentation, First Quarter 2013 |

SIGNATURES

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

UNITED COMMUNITY BANKS, INC.

By: /s/ Rex S. Schuette

Rex S. Schuette
Executive Vice President and
Chief Financial Officer

Date: April 25, 2013



For Immediate Release

For more information:

Rex S. Schuette
Chief Financial Officer
(706) 781-2266
Rex_Schuette@ucbi.com

**UNITED COMMUNITY BANKS, INC. REPORTS
EARNINGS OF \$11.8 MILLION FOR FIRST QUARTER 2013**

- Net income of \$11.8 million, or 15 cents per share
- Loans up \$18.6 million from fourth quarter, or 2 percent annualized
- Core transaction deposits up \$81.2 million in first quarter, or 10 percent annualized
- Solid improvement in key credit quality measures

BLAIRSVILLE, GA – April 25, 2013 – United Community Banks, Inc. (NASDAQ: UCBI) today reported net income of \$11.8 million, or 15 cents per share, for the first quarter of 2013. The first quarter results reflect modest loan growth, improved credit quality, strong core transaction deposit growth, and lower operating expenses compared with the same period a year ago.

“We are off to a good start to what we expect to be another productive year,” said Jimmy Tallent, president and chief executive officer. “The first quarter continued our trend of meaningful improvement in every key measure of credit quality. We made particularly strong progress slowing nonperforming loan inflows which, at \$9.67 million, were less than half the fourth quarter level. Nonperforming assets were \$113 million and 1.65 percent of total assets at the end of the first quarter. That is down \$15 million, or 12 percent, from the end of the fourth quarter, and down \$49 million, or 30 percent, from a year ago. Additionally, core transaction deposits increased by \$81 million, or 10 percent annualized.”

Tallent continued, “We grew our loan portfolio by \$19 million from the fourth quarter, for an annualized rate of 2 percent. Achieving quality loan growth remains a challenge in what continues to be a sluggish economy. We achieved this growth by bringing on new commercial lenders and by offering new retail loan products that are tailored to meet our customers’ financing needs at competitive rates.”

The first quarter provision for loan losses was \$11 million, down \$4 million from a year ago and \$3 million from the fourth quarter. First quarter net charge-offs were \$12.4 million compared to \$14.5 million in the fourth quarter and \$15.9 million a year ago.

“The inflow of nonperforming loans was the lowest quarterly total since the beginning of the economic cycle,” Tallent said. “The benefit of this trend, which we expect to continue, was clearly evident in our lower net charge-offs and provisioning.”

Taxable equivalent net interest revenue totaled \$54.7 million, down \$1.37 million from the fourth quarter and down \$4.21 million from the first quarter a year ago. “The decrease primarily reflects lower yields on our loan and investment securities portfolios,” said Tallent. “The lower loan portfolio yield reflects ongoing pricing pressure on new and renewed loans, and new retail product offerings with low introductory rates. The lower investment securities yield is due to reinvestment of cash flows at record low rates. We continue to look for reinvestment opportunities, with a focus on floating-rate securities, to alleviate market and duration risk. Floating-rate securities account for 34 percent of the investment securities portfolio, and improve our interest sensitivity position by reducing exposure to rising interest rates. We would like a higher yield but will not go out on the curve to chase one.”

The taxable equivalent net interest margin was down six basis points from the fourth quarter, and 15 basis points from a year ago, to 3.38 percent. “Our net interest margin will remain under pressure as long as interest rates remain at this unprecedented low level,” stated Tallent. “To offset the impact on net interest revenue, we remain sharply focused on growing our loan portfolio in the mid-single digit range by focusing on retail loans and by continuing to add commercial lenders in key markets.”

First quarter fee revenue was \$12.8 million, compared to \$14.8 million in the fourth quarter and \$15.4 million a year ago. The decrease from the preceding quarter was primarily due to a slow-down in mortgage refinancing activity, a lower overdraft fee total related to transaction and activity levels, and an incentive in the fourth quarter from our debit card network services provider. Closed mortgage loans totaled \$69.8 million in the first quarter compared with \$100 million in the fourth quarter and \$81.7 million in the first quarter of 2012. The decrease in other fee revenue compared to a year earlier was primarily due to two non-core items in the first quarter of 2012: a federal tax refund of \$1.1 million and \$728,000 in gains from the sale of low income housing tax credits.

Operating expenses, excluding foreclosed property costs and a \$4 million fourth quarter charge for settlement of litigation, were \$41.4 million in the first quarter of 2013 compared to \$42.1 million for the fourth quarter of 2012 and \$43.1 million a year ago. The decrease from both periods was due to management's efforts to reduce costs and operate more efficiently, primarily through reduction in staff levels and related costs.

Foreclosed property costs were \$2.33 million in the first quarter of 2013, compared to \$4.61 million in the fourth quarter of 2012 and \$3.83 million a year ago. First quarter 2013 costs included \$1.19 million for maintenance and \$1.15 million in net losses and write-downs. For the fourth quarter of 2012, foreclosed property costs included \$1.42 million in maintenance and \$3.19 million in net losses and write-downs. First quarter 2012 foreclosed property costs included \$1.62 million in maintenance and \$2.20 million in net losses and write-downs.

As of March 31, 2013, capital ratios were as follows: Tier 1 Risk-Based of 14.3 percent; Tier 1 Leverage of 9.7 percent; Total Risk-Based of 15.9 percent; Tier 1 Common Risk-Based of 8.9 percent; and, Tangible Equity-to-Assets of 8.5 percent.

"We know that challenges remain as the economy continues to struggle and interest rates are at record lows," Tallent continued. "Our focus is on growing net interest revenue by growing loans in a prudent and balanced manner, and pursuing opportunities to grow mortgage and advisory services market share. The environment forces us to be more efficient and work smarter to achieve our goals, and this team is fully committed and up to the challenge. We do expect continued improvement in credit measures that will translate into lower charge-off and provisioning levels."

Tallent concluded, “We constantly look for ways to improve our financial performance by growing our business and improving operating efficiency, all while maintaining the best customer satisfaction scores in the industry. We remain firmly committed to improving our financial results while delivering the best banking experience and growing shareholder value.”

Conference Call

United will hold a conference call today, Thursday, April 25, 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 31826472. 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 \$6.8 billion and operates 103 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina, east Tennessee and northwest 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 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.

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UNITED COMMUNITY BANKS, INC.
Financial Highlights
Selected Financial Information

| <i>(in thousands, except per share data; taxable equivalent)</i> | 2013 | | 2012 | | | First Quarter 2013-2012 Change |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------|
| | First Quarter | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | |
| INCOME SUMMARY | | | | | | |
| Interest revenue | \$ 62,134 | \$ 64,450 | \$ 65,978 | \$ 66,780 | \$ 70,221 | |
| Interest expense | 7,475 | 8,422 | 8,607 | 9,944 | 11,357 | |
| Net interest revenue | 54,659 | 56,028 | 57,371 | 56,836 | 58,864 | (7) % |
| Provision for loan losses | 11,000 | 14,000 | 15,500 | 18,000 | 15,000 | |
| Fee revenue | 12,826 | 14,761 | 13,764 | 12,867 | 15,379 | (17) |
| Total revenue | 56,485 | 56,789 | 55,635 | 51,703 | 59,243 | |
| Operating expenses | 43,770 | 50,726 | 44,783 | 44,310 | 46,955 | (7) |
| Income before income taxes | 12,715 | 6,063 | 10,852 | 7,393 | 12,288 | 3 |
| Income tax expense | 950 | 802 | 284 | 894 | 760 | |
| Net income | 11,765 | 5,261 | 10,568 | 6,499 | 11,528 | 2 |
| Preferred dividends and discount accretion | 3,052 | 3,045 | 3,041 | 3,032 | 3,030 | |
| Net income available to common shareholders | <u>\$ 8,713</u> | <u>\$ 2,216</u> | <u>\$ 7,527</u> | <u>\$ 3,467</u> | <u>\$ 8,498</u> | 3 |
| PERFORMANCE MEASURES | | | | | | |
| Per common share: | | | | | | |
| Diluted income | \$.15 | \$.04 | \$.13 | \$.06 | \$.15 | - |
| Book value | 6.85 | 6.67 | 6.75 | 6.61 | 6.68 | 3 |
| Tangible book value ⁽²⁾ | 6.76 | 6.57 | 6.64 | 6.48 | 6.54 | 3 |
| Key performance ratios: | | | | | | |
| Return on equity ⁽¹⁾⁽³⁾ | 8.51% | 2.15% | 7.43% | 3.51% | 8.78 % | |
| Return on assets ⁽³⁾ | .70 | .31 | .63 | .37 | .66 | |
| Net interest margin ⁽³⁾ | 3.38 | 3.44 | 3.60 | 3.43 | 3.53 | |
| Efficiency ratio | 64.97 | 71.69 | 62.95 | 63.84 | 63.31 | |
| Equity to assets | 8.60 | 8.63 | 8.75 | 8.33 | 8.19 | |
| Tangible equity to assets ⁽²⁾ | 8.53 | 8.55 | 8.66 | 8.24 | 8.08 | |
| Tangible common equity to assets ⁽²⁾ | 5.66 | 5.67 | 5.73 | 5.45 | 5.33 | |
| Tangible common equity to risk-weighted assets ⁽²⁾ | 8.45 | 8.26 | 8.44 | 8.37 | 8.21 | |
| ASSET QUALITY * | | | | | | |
| Non-performing loans | \$ 96,006 | \$ 109,894 | \$ 115,001 | \$ 115,340 | \$ 129,704 | |
| Foreclosed properties | 16,734 | 18,264 | 26,958 | 30,421 | 31,887 | |
| Total non-performing assets (NPAs) | 112,740 | 128,158 | 141,959 | 145,761 | 161,591 | |
| Allowance for loan losses | 105,753 | 107,137 | 107,642 | 112,705 | 113,601 | |
| Net charge-offs | 12,384 | 14,505 | 20,563 | 18,896 | 15,867 | |
| Allowance for loan losses to loans | 2.52% | 2.57% | 2.60% | 2.74% | 2.75 % | |
| Net charge-offs to average loans ⁽³⁾ | 1.21 | 1.39 | 1.99 | 1.85 | 1.55 | |
| NPAs to loans and foreclosed properties | 2.68 | 3.06 | 3.41 | 3.51 | 3.88 | |
| NPAs to total assets | 1.65 | 1.88 | 2.12 | 2.16 | 2.25 | |
| AVERAGE BALANCES (\$ in millions) | | | | | | |
| Loans | \$ 4,197 | \$ 4,191 | \$ 4,147 | \$ 4,156 | \$ 4,168 | 1 |
| Investment securities | 2,141 | 2,088 | 1,971 | 2,145 | 2,153 | (1) |
| Earning assets | 6,547 | 6,482 | 6,346 | 6,665 | 6,700 | (2) |
| Total assets | 6,834 | 6,778 | 6,648 | 6,993 | 7,045 | (3) |
| Deposits | 5,946 | 5,873 | 5,789 | 5,853 | 6,028 | (1) |
| Shareholders' equity | 588 | 585 | 582 | 583 | 577 | 2 |
| Common shares - basic (thousands) | 58,081 | 57,971 | 57,880 | 57,840 | 57,764 | |
| Common shares - diluted (thousands) | 58,081 | 57,971 | 57,880 | 57,840 | 57,764 | |
| AT PERIOD END (\$ in millions) | | | | | | |
| Loans * | \$ 4,194 | \$ 4,175 | \$ 4,138 | \$ 4,119 | \$ 4,128 | 2 |
| Investment securities | 2,141 | 2,079 | 2,025 | 1,984 | 2,202 | (3) |

| | | | | | | |
|--|--------|--------|--------|--------|--------|-----|
| Total assets | 6,849 | 6,802 | 6,699 | 6,737 | 7,174 | (5) |
| Deposits | 6,026 | 5,952 | 5,823 | 5,822 | 6,001 | - |
| Shareholders' equity | 592 | 581 | 585 | 576 | 580 | 2 |
| Common shares outstanding (thousands) | 57,767 | 57,741 | 57,710 | 57,641 | 57,603 | |

⁽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

| | 2013 | | 2012 | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | First Quarter | Fourth Quarter | Third Quarter | Second Quarter | First Quarter |
| <i>(in thousands, except per share data; taxable equivalent)</i> | | | | | |
| Interest revenue reconciliation | | | | | |
| Interest revenue - taxable equivalent | \$ 62,134 | \$ 64,450 | \$ 65,978 | \$ 66,780 | \$ 70,221 |
| Taxable equivalent adjustment | (365) | (381) | (419) | (444) | (446) |
| Interest revenue (GAAP) | <u>\$ 61,769</u> | <u>\$ 64,069</u> | <u>\$ 65,559</u> | <u>\$ 66,336</u> | <u>\$ 69,775</u> |
| Net interest revenue reconciliation | | | | | |
| Net interest revenue - taxable equivalent | \$ 54,659 | \$ 56,028 | \$ 57,371 | \$ 56,836 | \$ 58,864 |
| Taxable equivalent adjustment | (365) | (381) | (419) | (444) | (446) |
| Net interest revenue (GAAP) | <u>\$ 54,294</u> | <u>\$ 55,647</u> | <u>\$ 56,952</u> | <u>\$ 56,392</u> | <u>\$ 58,418</u> |
| Total revenue reconciliation | | | | | |
| Total operating revenue | \$ 56,485 | \$ 56,789 | \$ 55,635 | \$ 51,703 | \$ 59,243 |
| Taxable equivalent adjustment | (365) | (381) | (419) | (444) | (446) |
| Total revenue (GAAP) | <u>\$ 56,120</u> | <u>\$ 56,408</u> | <u>\$ 55,216</u> | <u>\$ 51,259</u> | <u>\$ 58,797</u> |
| Income before taxes reconciliation | | | | | |
| Income before taxes | \$ 12,715 | \$ 6,063 | \$ 10,852 | \$ 7,393 | \$ 12,288 |
| Taxable equivalent adjustment | (365) | (381) | (419) | (444) | (446) |
| Income before taxes (GAAP) | <u>\$ 12,350</u> | <u>\$ 5,682</u> | <u>\$ 10,433</u> | <u>\$ 6,949</u> | <u>\$ 11,842</u> |
| Income tax expense reconciliation | | | | | |
| Income tax expense | \$ 950 | \$ 802 | \$ 284 | \$ 894 | \$ 760 |
| Taxable equivalent adjustment | (365) | (381) | (419) | (444) | (446) |
| Income tax expense (GAAP) | <u>\$ 585</u> | <u>\$ 421</u> | <u>\$ (135)</u> | <u>\$ 450</u> | <u>\$ 314</u> |
| Book value per common share reconciliation | | | | | |
| Tangible book value per common share | \$ 6.76 | \$ 6.57 | \$ 6.64 | \$ 6.48 | \$ 6.54 |
| Effect of goodwill and other intangibles | .09 | .10 | .11 | .13 | .14 |
| Book value per common share (GAAP) | <u>\$ 6.85</u> | <u>\$ 6.67</u> | <u>\$ 6.75</u> | <u>\$ 6.61</u> | <u>\$ 6.68</u> |
| Average equity to assets reconciliation | | | | | |
| Tangible common equity to assets | 5.66% | 5.67% | 5.73% | 5.45% | 5.33% |
| Effect of preferred equity | 2.87 | 2.88 | 2.93 | 2.79 | 2.75 |
| Tangible equity to assets | <u>8.53</u> | <u>8.55</u> | <u>8.66</u> | <u>8.24</u> | <u>8.08</u> |
| Effect of goodwill and other intangibles | .07 | .08 | .09 | .09 | .11 |
| Equity to assets (GAAP) | <u>8.60%</u> | <u>8.63%</u> | <u>8.75%</u> | <u>8.33%</u> | <u>8.19%</u> |
| Tangible common equity to risk-weighted assets reconciliation | | | | | |
| Tangible common equity to risk-weighted assets | 8.45% | 8.26% | 8.44% | 8.37% | 8.21% |
| Effect of other comprehensive income | .49 | .51 | .36 | .28 | .10 |
| Effect of trust preferred | 1.15 | 1.15 | 1.17 | 1.19 | 1.15 |
| Effect of preferred equity | <u>4.22</u> | <u>4.24</u> | <u>4.29</u> | <u>4.35</u> | <u>4.23</u> |
| Tier I capital ratio (Regulatory) | <u>14.31%</u> | <u>14.16%</u> | <u>14.26%</u> | <u>14.19%</u> | <u>13.69%</u> |

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Loan Portfolio Composition at Period-End ⁽¹⁾

| <i>(in millions)</i> | 2013 | | 2012 | | | Linked Quarter Change | Year over Year Change |
|---------------------------------------|------------------|-------------------|------------------|-------------------|------------------|-----------------------------|-----------------------------|
| | First Quarter | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | | |
| LOANS BY CATEGORY | | | | | | | |
| Owner occupied commercial RE | \$ 1,130 | \$ 1,131 | \$ 1,126 | \$ 1,140 | \$ 1,137 | \$ (1) | \$ (7) |
| Income producing commercial RE | 674 | 682 | 693 | 697 | 706 | (8) | (32) |
| Commercial & industrial | 454 | 458 | 460 | 450 | 440 | (4) | 14 |
| Commercial construction | 152 | 155 | 161 | 169 | 167 | (3) | (15) |
| Total commercial | 2,410 | 2,426 | 2,440 | 2,456 | 2,450 | (16) | (40) |
| Residential mortgage | 850 | 829 | 833 | 834 | 836 | 21 | 14 |
| Home equity lines of credit | 396 | 385 | 341 | 294 | 295 | 11 | 101 |
| Residential construction | 372 | 382 | 389 | 409 | 436 | (10) | (64) |
| Consumer installment | 166 | 153 | 135 | 126 | 111 | 13 | 55 |
| Total loans | \$ 4,194 | \$ 4,175 | \$ 4,138 | \$ 4,119 | \$ 4,128 | 19 | 66 |
| LOANS BY MARKET | | | | | | | |
| North Georgia | \$ 1,363 | \$ 1,364 | \$ 1,383 | \$ 1,387 | \$ 1,408 | (1) | (45) |
| Atlanta MSA | 1,317 | 1,288 | 1,257 | 1,252 | 1,239 | 29 | 78 |
| North Carolina | 575 | 579 | 579 | 576 | 588 | (4) | (13) |
| Coastal Georgia | 398 | 400 | 380 | 369 | 366 | (2) | 32 |
| Gainesville MSA | 259 | 261 | 256 | 259 | 262 | (2) | (3) |
| East Tennessee | 282 | 283 | 283 | 276 | 265 | (1) | 17 |
| Total loans | \$ 4,194 | \$ 4,175 | \$ 4,138 | \$ 4,119 | \$ 4,128 | 19 | 66 |
| RESIDENTIAL CONSTRUCTION | | | | | | | |
| Dirt loans | | | | | | | |
| Acquisition & development | \$ 57 | \$ 62 | \$ 71 | \$ 78 | \$ 86 | (5) | (29) |
| Land loans | 42 | 46 | 41 | 45 | 57 | (4) | (15) |
| Lot loans | 188 | 193 | 196 | 203 | 204 | (5) | (16) |
| Total | 287 | 301 | 308 | 326 | 347 | (14) | (60) |
| House loans | | | | | | | |
| Spec | 40 | 41 | 44 | 49 | 57 | (1) | (17) |
| Sold | 45 | 40 | 37 | 34 | 32 | 5 | 13 |
| Total | 85 | 81 | 81 | 83 | 89 | 4 | (4) |
| Total residential construction | \$ 372 | \$ 382 | \$ 389 | \$ 409 | \$ 436 | (10) | (64) |

⁽¹⁾ Excludes total loans of \$28.3 million, \$33.4 million, \$37.0 million, \$41.5 million and \$47.2 million as of March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Credit Quality ⁽¹⁾

| <i>(in thousands)</i> | First Quarter 2013 | | | Fourth Quarter 2012 | | | Third Quarter 2012 | | |
|---|--------------------|------------------|-------------------|---------------------|------------------|-------------------|--------------------|------------------|-------------------|
| | Non-performing | Foreclosed | Total | Non-performing | Foreclosed | Total | Non-performing | Foreclosed | Total |
| | Loans | Properties | NPAs | Loans | Properties | NPAs | Loans | Properties | NPAs |
| NPAs BY CATEGORY | | | | | | | | | |
| Owner occupied CRE | \$ 8,142 | \$ 4,750 | \$ 12,892 | \$ 12,599 | \$ 4,989 | \$ 17,588 | \$ 14,140 | \$ 7,170 | \$ 21,310 |
| Income producing CRE | 9,162 | 834 | 9,996 | 9,549 | 490 | 10,039 | 11,756 | 1,597 | 13,353 |
| Commercial & industrial | 29,545 | - | 29,545 | 31,817 | - | 31,817 | 32,678 | - | 32,678 |
| Commercial construction | 22,359 | 3,027 | 25,386 | 23,843 | 2,204 | 26,047 | 18,590 | 3,121 | 21,711 |
| Total commercial | 69,208 | 8,611 | 77,819 | 77,808 | 7,683 | 85,491 | 77,164 | 11,888 | 89,052 |
| Residential mortgage | 10,901 | 3,463 | 14,364 | 11,151 | 4,753 | 15,904 | 12,629 | 6,031 | 18,660 |
| Home equity lines of credit | 916 | - | 916 | 1,438 | - | 1,438 | 1,367 | - | 1,367 |
| Residential construction | 14,592 | 4,660 | 19,252 | 18,702 | 5,828 | 24,530 | 22,935 | 9,039 | 31,974 |
| Consumer installment | 389 | - | 389 | 795 | - | 795 | 906 | - | 906 |
| Total NPAs | \$ 96,006 | \$ 16,734 | \$ 112,740 | \$ 109,894 | \$ 18,264 | \$ 128,158 | \$ 115,001 | \$ 26,958 | \$ 141,959 |
| Balance as a % of Unpaid Principal | | | | | | | | | |
| | 66.3% | 45.0% | 62.0% | 69.5% | 39.7% | 62.8% | 68.8% | 36.4% | 58.8% |
| NPAs BY MARKET | | | | | | | | | |
| North Georgia Atlanta MSA | \$ 63,210 | \$ 6,616 | \$ 69,826 | \$ 69,950 | \$ 8,219 | \$ 78,169 | \$ 72,211 | \$ 14,582 | \$ 86,793 |
| North Carolina Coastal | 17,380 | 3,524 | 20,904 | 18,556 | 3,442 | 21,998 | 21,349 | 5,926 | 27,275 |
| Georgia Gainesville MSA | 8,519 | 2,533 | 11,052 | 11,014 | 2,579 | 13,593 | 9,622 | 2,771 | 12,393 |
| East Tennessee | 3,523 | 1,449 | 4,972 | 3,810 | 1,609 | 5,419 | 6,822 | 864 | 7,686 |
| Total NPAs | 911 | 370 | 1,281 | 903 | 556 | 1,459 | 840 | 1,328 | 2,168 |
| Total NPAs | \$ 96,006 | \$ 16,734 | \$ 112,740 | \$ 109,894 | \$ 18,264 | \$ 128,158 | \$ 115,001 | \$ 26,958 | \$ 141,959 |
| NPA ACTIVITY | | | | | | | | | |
| Beginning Balance | \$ 109,894 | \$ 18,264 | \$ 128,158 | \$ 115,001 | \$ 26,958 | \$ 141,959 | \$ 115,340 | \$ 30,421 | \$ 145,761 |
| Loans placed on non-accrual | 9,665 | - | 9,665 | 20,211 | - | 20,211 | 30,535 | - | 30,535 |
| Payments received | (6,809) | - | (6,809) | (6,458) | - | (6,458) | (3,646) | - | (3,646) |
| Loan charge-offs | (10,456) | - | (10,456) | (11,722) | - | (11,722) | (19,227) | - | (19,227) |
| Foreclosures | (6,288) | 6,288 | - | (7,138) | 7,138 | - | (8,001) | 8,001 | - |
| Capitalized costs | - | 54 | 54 | - | 201 | 201 | - | 102 | 102 |
| Note / property sales | - | (6,726) | (6,726) | - | (12,845) | (12,845) | - | (8,822) | (8,822) |
| Write downs | - | (1,041) | (1,041) | - | (1,438) | (1,438) | - | (2,394) | (2,394) |
| Net losses on sales | - | (105) | (105) | - | (1,750) | (1,750) | - | (350) | (350) |
| Ending Balance | \$ 96,006 | \$ 16,734 | \$ 112,740 | \$ 109,894 | \$ 18,264 | \$ 128,158 | \$ 115,001 | \$ 26,958 | \$ 141,959 |

| <i>(in thousands)</i> | First Quarter 2013 | | Fourth Quarter 2012 | | Third Quarter 2012 | |
|------------------------------------|--------------------|---|---------------------|---|--------------------|---|
| | 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 | \$ 1,922 | .69% | \$ 4,997 | 1.76% | \$ 6,192 | 3.56% |
| Income producing CRE | 3,321 | 1.99 | 1,153 | .67 | 1,982 | .70 |
| Commercial & industrial | 1,501 | 1.34 | 135 | .12 | (259) | (.23) |
| Commercial construction | (4) | (.01) | 1,688 | 4.25 | 3,190 | 7.74 |
| Total commercial | 6,740 | 1.14 | 7,973 | 1.30 | 11,105 | 1.81 |
| Residential mortgage | 1,635 | .79 | 3,254 | 1.55 | 2,846 | 1.40 |
| Home equity lines of credit | 512 | .53 | 445 | .49 | 681 | .80 |
| Residential construction | 2,973 | 3.22 | 2,435 | 2.52 | 5,676 | 5.69 |
| Consumer installment | 524 | 1.35 | 398 | 1.10 | 255 | .78 |
| Total | \$ 12,384 | 1.21 | \$ 14,505 | 1.39 | \$ 20,563 | 1.99 |

NET CHARGE-OFFS BY MARKET

| | | | | | | |
|-----------------|------------------|-------------|------------------|-------------|------------------|-------------|
| North Georgia | \$ 4,910 | 1.42% | \$ 4,474 | 1.26% | \$ 6,451 | 1.84% |
| Atlanta MSA | 3,295 | 1.07 | 3,977 | 1.27 | 9,344 | 3.02 |
| North Carolina | 2,249 | 1.59 | 2,032 | 1.39 | 1,674 | 1.15 |
| Coastal Georgia | 821 | .85 | 574 | .60 | 2,486 | 2.67 |
| Gainesville | | | | | | |
| MSA | 430 | .67 | 1,331 | 2.04 | 294 | .45 |
| East Tennessee | 679 | .98 | 2,117 | 2.98 | 314 | .45 |
| Total | \$ 12,384 | 1.21 | \$ 14,505 | 1.39 | \$ 20,563 | 1.99 |

⁽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.

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

| | Three Months Ended March 31, | |
|--|---|-----------------|
| | 2013 | 2012 |
| <i>(in thousands, except per share data)</i> | | |
| 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 | <u>61,769</u> | <u>69,775</u> |
| Interest expense: | | |
| Deposits: | | |
| NOW | 454 | 637 |
| Money market | 562 | 641 |
| Savings | 36 | 37 |
| Time | 3,226 | 6,159 |
| Total deposit interest expense | <u>4,278</u> | <u>7,474</u> |
| Short-term borrowings | 516 | 1,045 |
| Federal Home Loan Bank advances | 19 | 466 |
| Long-term debt | 2,662 | 2,372 |
| Total interest expense | <u>7,475</u> | <u>11,357</u> |
| Net interest revenue | <u>54,294</u> | <u>58,418</u> |
| Provision for loan losses | <u>11,000</u> | <u>15,000</u> |
| Net interest revenue after provision for loan losses | <u>43,294</u> | <u>43,418</u> |
| 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 | <u>12,826</u> | <u>15,379</u> |
| Total revenue | <u>56,120</u> | <u>58,797</u> |
| 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 | <u>43,770</u> | <u>46,955</u> |
| Net income before income taxes | <u>12,350</u> | <u>11,842</u> |
| Income tax expense | <u>585</u> | <u>314</u> |
| Net income | <u>11,765</u> | <u>11,528</u> |
| Preferred stock dividends and discount accretion | <u>3,052</u> | <u>3,030</u> |
| Net income available to common shareholders | <u>\$ 8,713</u> | <u>\$ 8,498</u> |
| Earnings per common share - basic / diluted | <u>\$.15</u> | <u>\$.15</u> |
| Weighted average common shares outstanding - basic / diluted | 58,081 | 57,764 |

UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet

(in thousands, except share and per share data)

| | March 31, 2013 | December 31, 2012 | March 31, 2012 |
|---|---------------------------|------------------------------|---------------------------|
| | <i>(unaudited)</i> | <i>(audited)</i> | <i>(audited)</i> |
| 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 | <u>82,000</u> | <u>60,000</u> | <u>235,000</u> |
| 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 | <u>(105,753)</u> | <u>(107,137)</u> | <u>(113,601)</u> |
| 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 | <u>23,643</u> | <u>29,191</u> | <u>73,252</u> |
| 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 | <u>332,220</u> | <u>245,033</u> | <u>167,521</u> |
| 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 | <u>54,349</u> | <u>51,210</u> | <u>36,755</u> |
| Total liabilities | 6,257,150 | 6,220,854 | 6,594,154 |
| 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 | <u>(22,825)</u> | <u>(23,640)</u> | <u>(9,065)</u> |
| Total shareholders' equity | 592,218 | 581,405 | 579,539 |
| Total liabilities and shareholders' equity | \$ 6,849,368 | \$ 6,802,259 | \$ 7,173,693 |

UNITED COMMUNITY BANKS, INC.
Average Consolidated Balance Sheets and Net Interest Analysis
For the Three Months Ended March 31,

| <i>(dollars in thousands, taxable equivalent)</i> | 2013 | | | 2012 | | |
|--|---------------------|------------------|--------------|---------------------|------------------|--------------|
| | Average Balance | Interest | Avg. Rate | Average Balance | Interest | Avg. Rate |
| Assets: | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans, net of unearned income ⁽¹⁾⁽²⁾ | \$ 4,196,757 | \$ 50,999 | 4.93% | \$ 4,168,440 | \$ 55,842 | 5.39% |
| Taxable securities ⁽³⁾ | 2,119,085 | 9,753 | 1.84 | 2,127,794 | 12,754 | 2.40 |
| Tax-exempt securities ⁽¹⁾⁽³⁾ | 21,733 | 347 | 6.39 | 25,438 | 410 | 6.45 |
| Federal funds sold and other interest-earning assets | 209,674 | 1,035 | 1.97 | 377,988 | 1,215 | 1.29 |
| Total interest-earning assets | 6,547,249 | 62,134 | 3.84 | 6,699,660 | 70,221 | 4.21 |
| Non-interest-earning assets: | | | | | | |
| Allowance for loan losses | (110,941) | | | (117,803) | | |
| Cash and due from banks | 64,294 | | | 54,664 | | |
| Premises and equipment | 169,280 | | | 174,849 | | |
| Other assets ⁽³⁾ | 164,250 | | | 233,676 | | |
| Total assets | \$ 6,834,132 | | | \$ 7,045,046 | | |
| Liabilities and Shareholders' Equity: | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits: | | | | | | |
| NOW | \$ 1,303,308 | 454 | .14 | \$ 1,458,112 | 637 | .18 |
| Money market | 1,257,409 | 562 | .18 | 1,069,658 | 641 | .24 |
| Savings | 234,110 | 36 | .06 | 205,402 | 37 | .07 |
| Time less than \$100,000 | 1,039,707 | 1,749 | .68 | 1,271,351 | 3,026 | .96 |
| Time greater than \$100,000 | 694,553 | 1,477 | .86 | 821,164 | 2,415 | 1.18 |
| Brokered time deposits | 175,128 | - | .00 | 161,335 | 718 | 1.79 |
| Total interest-bearing deposits | 4,704,215 | 4,278 | .37 | 4,987,022 | 7,474 | .60 |
| Federal funds purchased and other borrowings | 72,157 | 516 | 2.90 | 102,258 | 1,045 | 4.11 |
| Federal Home Loan Bank advances | 33,069 | 19 | .23 | 138,372 | 466 | 1.35 |
| Long-term debt | 124,816 | 2,662 | 8.65 | 120,237 | 2,372 | 7.93 |
| Total borrowed funds | 230,042 | 3,197 | 5.64 | 360,867 | 3,883 | 4.33 |
| Total interest-bearing liabilities | 4,934,257 | 7,475 | .61 | 5,347,889 | 11,357 | .85 |
| Non-interest-bearing liabilities: | | | | | | |
| Non-interest-bearing deposits | 1,241,527 | | | 1,040,587 | | |
| Other liabilities | 70,839 | | | 79,612 | | |
| Total liabilities | 6,246,623 | | | 6,468,088 | | |
| Shareholders' equity | 587,509 | | | 576,958 | | |
| Total liabilities and shareholders' equity | \$ 6,834,132 | | | \$ 7,045,046 | | |
| Net interest revenue | | \$ 54,659 | | | \$ 58,864 | |
| Net interest-rate spread | | | <u>3.23%</u> | | | <u>3.36%</u> |
| Net interest margin ⁽⁴⁾ | | | <u>3.38%</u> | | | <u>3.53%</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. Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$17.1 million in 2013 and \$23.6 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.

First Quarter 2013 Investor Presentation

Jimmy C. Tallent
President &
Chief Executive Officer

H. Lynn Harton
Chief Operating Officer

Rex S. Schuette
Executive Vice President &
Chief Financial Officer
rex_schuette@ucbi.com
(706) 781-2266

David P. Shearrow
Executive Vice President &
Chief Risk Officer

United Community Banks, Inc.

Cautionary Statement

This investor presentation may contain 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 Community Banks, Inc.'s filings with the Securities and Exchange Commission including its 2012 Annual Report on Form 10-K under the sections entitled "Forward-Looking Statements". Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

Non-GAAP Measures

This presentation also contains financial measures determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). Such non-GAAP financial measures include the following: core fee revenue, core operating expense, core earnings, tangible common equity to tangible assets, tangible equity to tangible assets and tangible common equity to risk-weighted assets. The most comparable GAAP measures to these measures are: fee revenue, operating expense, net income (loss), and equity to assets.

Management uses these non-GAAP financial measures because we believe it is useful for evaluating our operations and performance over periods of time, as well as in managing and evaluating our business and in discussions about our operations and performance. Management believes these non-GAAP financial measures provide users of our financial information with a meaningful measure for assessing our financial results and credit trends, as well as for comparison to financial results for prior periods. These non-GAAP financial measures should not be considered as a substitute for financial measures determined in accordance with GAAP and may not be comparable to other similarly titled financial measures used by other companies. For a reconciliation of the differences between our non-GAAP financial measures and the most comparable GAAP measures, please refer to the 'Non-GAAP Reconciliation Tables' at the end of the Appendix to this presentation.

United at a Glance

- ❑ Founded in 1950
- ❑ Third-largest bank holding company in Georgia
- ❑ Headquartered in Blairsville, Georgia with 103 locations throughout north Georgia, metro Atlanta, coastal Georgia, western North Carolina, western South Carolina, and east Tennessee
- ❑ 1,540 employees



| Deposit Market Share ⁽¹⁾ | | | |
|-------------------------------------|---------|---------------|------|
| Market | Offices | Deposit Share | Rank |
| North Georgia | 22 | 32% | 1 |
| Atlanta MSA | 37 | 4 | 7 |
| Gainesville MSA | 5 | 12 | 5 |
| Coastal Georgia | 8 | 4 | 8 |
| Western North Carolina | 20 | 12 | 3 |
| East Tennessee | 11 | 2 | 9 |

| Key Statistics as of 3/31/13 | |
|------------------------------|--------|
| <i>(billions)</i> | |
| Total assets | \$6.85 |
| Total deposits | \$6.03 |
| Loans | \$4.19 |

¹ FDIC deposit market share and rank as of June 30, 2012 for markets where United takes deposits. Source: SNL and FDIC. Excludes 2 Loan Production Offices

Business and Operating Model



Service is Point of Differentiation

- #1 in Customer Satisfaction according to Customer Service Profiles
- J.D. Power 2013 Retail Banking Satisfaction Study rates United among the top 2 banks in the southeast
- Golden rule of banking – treating people the way we want to be treated
- “The Bank that SERVICE Built”
- Customer surveys continue with 95% satisfaction rate

“Community bank service, large bank resources”

Twenty-seven “community banks”

Local CEOs with deep roots in their communities
Resources of a \$6.8 billion bank

Strategic footprint with substantial banking opportunities

Operates in a number of the more demographically attractive U.S. markets

Disciplined growth strategy

Organic supported by de novos and selective acquisitions

United Community Banks, Inc.

PERFORMANCE - TRENDS

Highlights First Quarter



Improving Quarterly Results

- Net income of \$11.8 million, or 15 cents per share
- Seventh quarterly profit in past eight quarters
- Core earnings (pre-tax, pre-credit) of \$26.4 million



Modest Loan Growth, Both Linked Quarter and Year Ago

- Increased commercial and retail lending opportunities
 - New retail mortgage and home equity products
 - Expansion into Greenville, SC market



Solid Improvement in All Credit Quality Metrics

- NPAs decline 12% to \$112.7 million and 1.65% of total assets
- NPL inflow declines 52% to \$9.7 million
- Net charge-offs decline \$2.1 million to \$12.4 million; lowest level in 5 years



Strong Core Transaction Deposit Growth

- Up 10%, annualized, from last quarter
- Building customer deposit base
- Represents 58% of total customer deposits compared to 34% at the end of 2008



Regulatory Highlights

- SEC investigation surrounding deferred tax assets closed with no enforcement action issued
- U.S. Department of the Treasury owned securities (TARP) remarketed and closed generating among the highest pricing in the nation of similar transactions

Net Income

\$ in millions

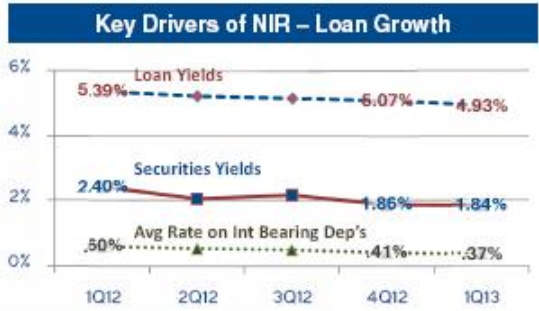


Key Drivers of Net Interest Revenue / Margin



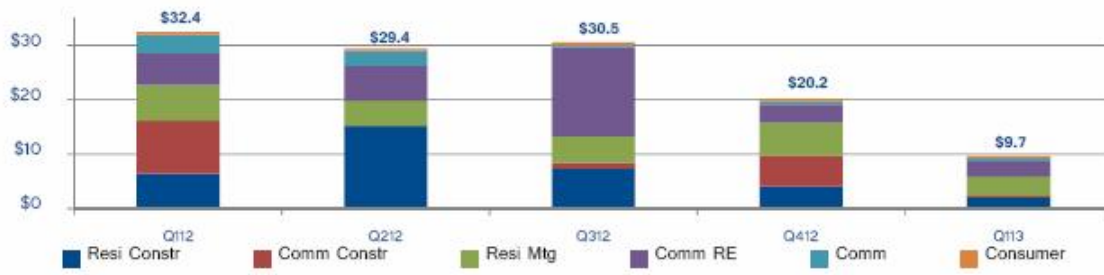
Net Interest Revenue

- Offset margin compression by growing loans
- 1Q13 growth impacted by:
 - Two fewer days in quarter
 - New / renewed loan repricing, including new mortgage and HELOC program
 - Securities pricing under pressure



Non-Performing Loans (NPLs) Inflow Trends

Quarterly NPL Inflows



Total NPLs



United Community Banks, Inc.

OUTLOOK

Outlook



Our Goal: Leverage Our Strengths

- Strong local leadership
- Funding advantage in our legacy markets
- Consistent and attractive culture
 - Class leading customer satisfaction
 - Low employee turnover



To Grow Our Business The Right Way

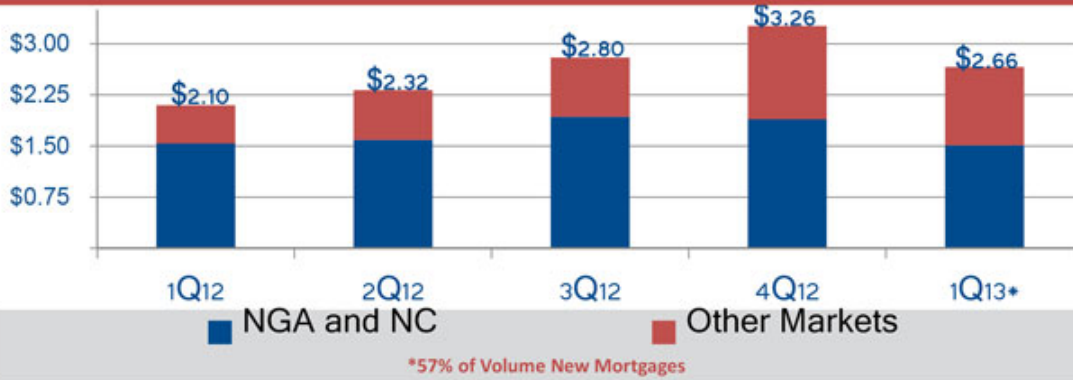
- Become better retail and small business bank
 - Grow sales: Better product design, merchandising, campaign execution
 - Streamline delivery process that focuses on *how we serve our customer* in the end
 - HELOC program success: \$125 million in new balances
 - Invest in people
- Continue to invest in, and improve commercial and retail capabilities
 - Diversify portfolio – focus on C&I, owner occupied, and consumer lending
 - Momentum building across footprint
 - Invest in people: 31 lenders past 2 years in growth opportunity markets
 - Enter new markets: Opened LPO in Greenville, SC (4Q12); expand territory and commercial loan potential
 - Positive net loan growth going forward
- Customer derivative swap program – meeting customer needs while adding fee revenue
- Deferred Tax Asset Recovery

Grow Existing Fee Businesses at Faster Pace



- Mortgage first priority
 - Performing well, but at 50% of peers
 - Focus on home purchase product as well as refinancings
 - Focus on lower performing markets
 - Invest in management, people and new markets
- Advisory Services
 - Customer satisfaction high
 - Invest in management, people, and new markets

Mortgage Fee Revenue





Summary

- Focus on core earnings growth – fee revenue, expenses, efficiencies
- Offsetting margin headwinds through loan growth and improving deposit mix
 - Goal loan growth in 2013 – mid-single digit range
 - Expecting quarterly margin compression in 2013 – 2 to 4 basis points
- Steady progress on credit; improving through 2013
- Solid strengths – size, culture, capital
- Well-positioned in all areas for opportunities

United Community Banks, Inc.

FINANCIAL REVIEW

Core Earnings & Core Fee Revenue



Core Earnings - \$26.4 Million



- Down \$2.7 million from 4Q12 and \$2.9 million from a year ago
- NIR impacted by fewer days and margin
- Fee revenue decline due to seasonal impact and lower mortgage volume

- Net Interest Revenue
- Core Operating Expenses
- Core Earnings
- Core Fee Revenue

| CORE EARNINGS | | | CORE FEE REVENUE | | | | |
|-------------------------------|---------------|----------------------------------|------------------|---------------------------------|----------------------------------|-------------------|-------------------|
| | 1Q13 | Variance - Increase / (Decrease) | | | Variance - Increase / (Decrease) | | |
| | | 4Q12 | 1Q12 | | 4Q12 | 1Q12 | |
| Net Interest Revenue | \$ 54,659 | \$ (1,369) | \$ (4,205) | Overdraft Fees | \$ 2,991 | \$ (473) | \$ (254) |
| Fee Revenue | 12,618 | (1,933) | (473) | Debit Card Fees | 3,227 | (474) | 125 |
| Gross Revenue | 67,277 | (3,302) | (4,678) | Other Service Charges | 1,185 | (25) | (251) |
| Operating Expense (Excl OREO) | 40,900 | (589) | (1,770) | Total Service Charges and Fees | 7,403 | (972) | (380) |
| Pre-Tax, Pre-Credit (Core) | \$ 26,377 | \$ (2,713) | \$ (2,908) | Mortgage Loan & Related Fees | 2,655 | (607) | 556 |
| Net Interest Margin | 3.38 % | (.06) % | (.15) % | Brokerage Fees | 767 | 16 | (46) |
| | | | | Other | 1,793 | (370) | (603) |
| | | | | Total Fee Revenue - Core | 12,618 | (1,933) | (473) |
| | | | | Non-Core ⁽¹⁾ | 208 | (2) | (2,080) |
| | | | | Reported - GAAP | \$ 12,826 | \$ (1,935) | \$ (2,553) |

⁽¹⁾ Includes securities gains (losses), gains from hedge ineffectiveness, gains from the sale of low income housing credits, deferred compensation gains, and interest on federal income tax refund.

Core Operating Expenses

\$ in thousands

| | Variance - Increase / (Decrease) | | |
|--------------------------------|----------------------------------|-------------------|-------------------|
| | 1Q13 | 4Q12 | 1Q12 |
| Salaries & Employee Benefits | \$ 23,055 | \$ 95 | \$ (1,710) |
| Communications & Equipment | 3,046 | (274) | (109) |
| Occupancy | 3,367 | (88) | (404) |
| FDIC Assessment | 2,505 | - | (5) |
| Advertising & Public Relations | 938 | (49) | 92 |
| Postage, Printing & Supplies | 863 | (187) | (116) |
| Professional Fees | 2,366 | (319) | 391 |
| Other Expense | 4,760 | 233 | 91 |
| Core Operating Expenses | 40,900 | (589) | (1,770) |
| Non-Core ⁽¹⁾ | 2,870 | (6,367) | (1,415) |
| Reported GAAP | \$ 43,770 | \$ (6,956) | \$ (3,185) |

⁽¹⁾ Includes foreclosed property costs, severance, deferred compensation gains, and provision for litigation settlement.

Net Income

\$ in
thousands

NET OPERATING INCOME

| | 1Q13 | Variance - Increase / (Decrease) | |
|---|------------------|----------------------------------|----------------|
| | | 4Q12 | 1Q12 |
| Core Earnings (Pre-Tax, Pre-Credit) | \$ 26,377 | \$ (2,713) | \$ (2,908) |
| Provision for Loan Loss | (11,000) | (3,000) | (4,000) |
| NON-CORE FEE REVENUE: | | | |
| Hedge Ineffectiveness Gains (Losses) | (85) | (201) | (200) |
| Securities Gains (Losses) | 116 | 85 | (441) |
| Losses from Prepayment of Borrowings | - | - | 482 |
| Interest on Federal Income Tax Refund | - | - | (1,100) |
| Gains from Sale of Low Income Housing Tax Credits | - | - | (728) |
| Gains (Losses) on Deferred Compensation Plan Assets | 177 | 114 | (93) |
| Total Non-Core Fee Revenue | 208 | (2) | (2,080) |
| NON-CORE OPERATING EXPENSES: | | | |
| Foreclosed Property Write Downs | 1,041 | (397) | (1,070) |
| Foreclosed Property (Gains) Losses on Sales | 105 | (1,645) | 12 |
| Foreclosed Property Maintenance Expenses | 1,187 | (236) | (434) |
| Severance Costs | 360 | (203) | 170 |
| Provision for Litigation Settlement | - | (4,000) | - |
| Gains (Losses) on Deferred Comp Plan Liability | 177 | 114 | (93) |
| Total Non-Core Operating Expenses | 2,870 | (6,367) | (1,415) |
| Income Tax Expense | (950) | 148 | 190 |
| Net Income | \$ 11,765 | \$ 6,504 | \$ 237 |

58 Million
Shares
Outstanding

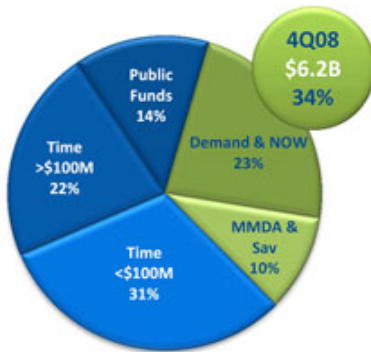
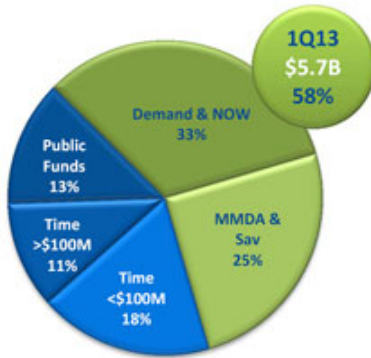
NET INCOME

| | 1Q13 | Variance - Increase / (Decrease) | |
|---|-----------------|----------------------------------|---------------|
| | | 4Q12 | 1Q12 |
| Net Income | \$ 11,765 | \$ 6,504 | \$ 237 |
| Preferred Stock Dividends | (3,052) | 7 | 22 |
| Net Income Available to Common Shareholders | \$ 8,713 | \$ 6,497 | \$ 215 |
| Net Income Per Share | \$.15 | \$.11 | \$ - |
| Tangible Book Value (DTA Allowance \$271 Million) | \$ 6.76 | \$.19 | \$.22 |

Customer Deposit Mix & Core Growth

\$ in millions

Deposits by % / Customer Mix



Total Deposit Mix

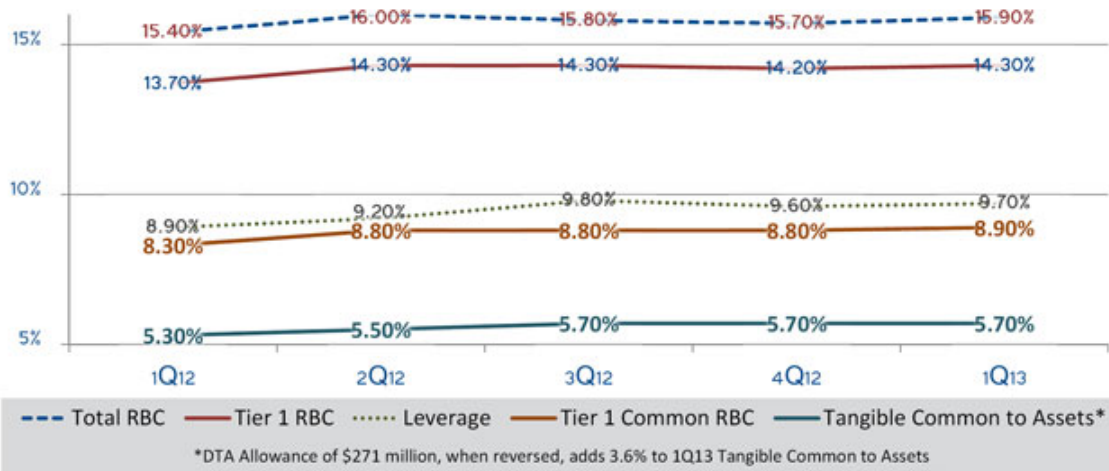
Significant growth in core transaction deposits since 4Q08

| | 1Q13 | 4Q12 | 1Q12 | 4Q08 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| Demand / NOW | \$ 1,894 | \$ 1,841 | \$ 1,722 | \$ 1,457 |
| MMDA / Savings | 1,401 | 1,372 | 1,331 | 630 |
| Core Transaction | 3,295 | 3,213 | 3,053 | 2,087 |
| Time < \$100,000 | 1,014 | 1,050 | 1,201 | 1,945 |
| Public Deposits | 700 | 739 | 782 | 755 |
| Total Core | 5,009 | 5,002 | 5,036 | 4,787 |
| Time >\$100,000 | 653 | 674 | 759 | 1,336 |
| Public Deposits | 32 | 31 | 38 | 87 |
| Total Customer | 5,694 | 5,707 | 5,833 | 6,210 |
| Brokered Deposits | 332 | 245 | 168 | 793 |
| Total Deposits | \$ 6,026 | \$ 5,952 | \$ 6,001 | \$ 7,003 |

Core Deposit Growth – Category & Market

| CATEGORY | Growth | | MARKET | Growth | |
|-----------------------------|--------|------|-----------------|--------|----|
| | 1Q13 | | | 1Q13 | |
| Demand | \$ | 52 | Atlanta | \$ | 39 |
| MM Accounts | | 13 | N. Georgia | | 24 |
| Savings | | 16 | North Carolina | | 11 |
| NOW | | - | Coastal Georgia | | 3 |
| Total Categories | \$ | 81 | Tennessee | | 2 |
| | | | Gainesville | | 2 |
| Percent Growth (Annualized) | | 10 % | | \$ | 81 |

Capital Ratios



| | Well-Capitalized | MAR '13 | DEC '12 | MAR '12 |
|---------------------------|------------------|---------|---------|---------|
| Bank | | | | |
| Tier 1 RBC | 6 % | 14.7 % | 14.5 % | 13.7 % |
| Total RBC | 10 | 16.0 | 15.7 | 15.0 |
| Leverage | 5 | 10.0 | 9.9 | 9.0 |
| Holding Company | | | | |
| Tangible Equity to Assets | | 8.5 | 8.6 | 8.1 |

United Community Banks, Inc.

LOAN PORTFOLIO & CREDIT QUALITY

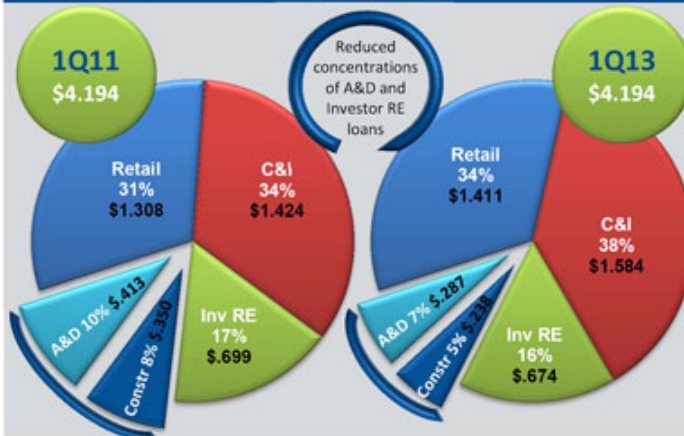
Loan Portfolio (total \$4.19 billion)

\$ in billions

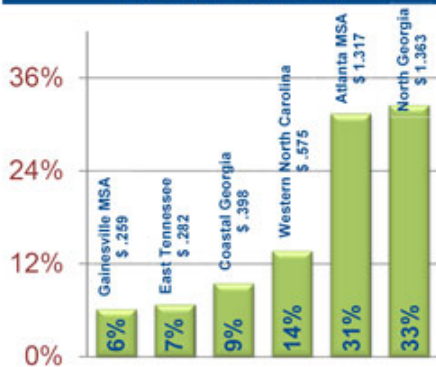
By Loan Type



Diversifying Portfolio



Geographic Diversity



Total Loans

| Period | \$ in Billions |
|--------|----------------|
| 1Q13 | \$4.194 |
| 4Q12 | \$4.175 |
| 3Q12 | \$4.138 |
| 2Q12 | \$4.119 |
| 1Q12 | \$4.128 |

Loan Diversification & Type

- Reducing land exposure
- Focus on small business and C&I
- Enhanced retail products

New Loans Funded and Advances⁽¹⁾

\$ in millions

CATEGORY

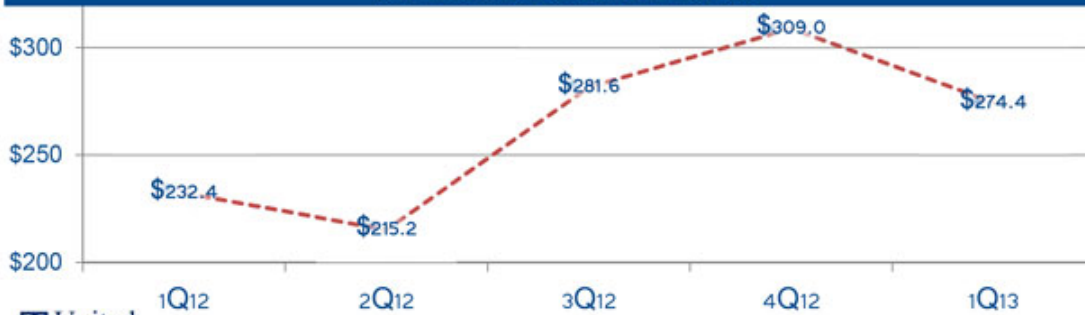
| | 1Q13 | 1Q12 |
|--------------------------|--------------|--------------|
| Commercial C & I | \$ 39.9 | \$ 49.5 |
| Owner Occupied CRE | 58.0 | 72.6 |
| Income Producing CRE | 14.5 | 19.6 |
| Commercial Constr. | 1.6 | 3.0 |
| Total Commercial | 114.0 | 144.9 |
| Residential Mortgage | 56.2 | 35.1 |
| Residential HELOC | 40.4 | 15.1 |
| Residential Construction | 30.1 | 22.4 |
| Consumer ⁽²⁾ | 33.7 | 15.0 |
| Total Categories | 274.4 | 232.4 |

(1) Represents new loans funded and net loan advances (net of payments on lines of credit)
 (2) Includes \$19.6 and \$-0-, respectively, of purchased Indirect Auto Loans

MARKET

| | 1Q13 | 1Q12 |
|--------------------------------|-----------------|-----------------|
| Atlanta | \$ 86.5 | \$ 90.6 |
| Coastal Georgia ⁽²⁾ | 37.7 | 32.0 |
| N. Georgia | 70.2 | 57.8 |
| North Carolina | 32.2 | 19.9 |
| Tennessee | 21.7 | 22.6 |
| Gainesville | 26.1 | 9.5 |
| Total Markets | \$ 274.4 | \$ 232.4 |

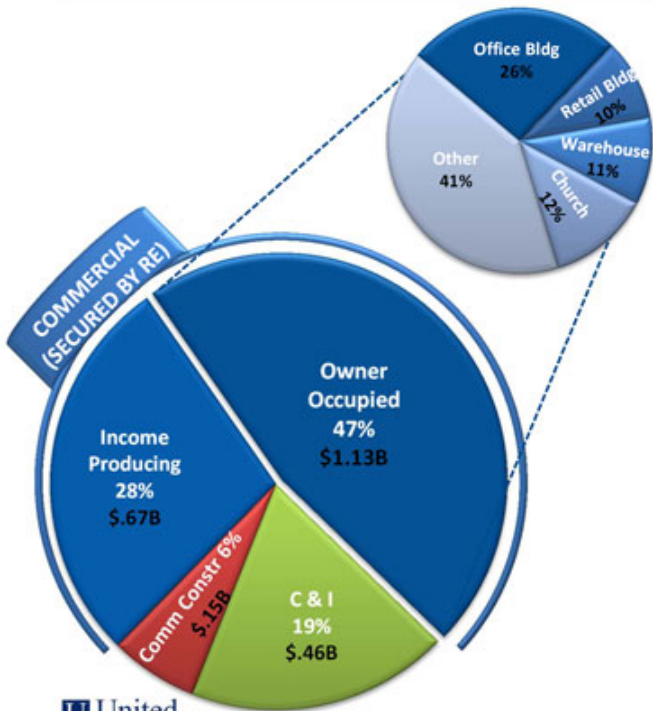
New Loans Funded and Advances



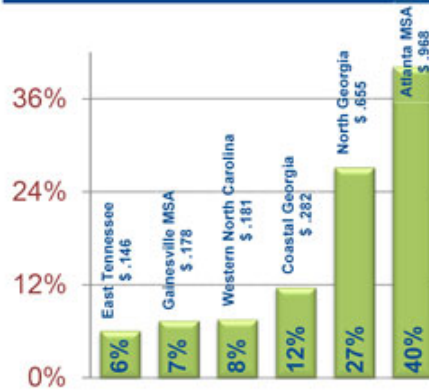
Commercial Loans (total \$2.41 billion)

\$ in billions

By Loan Type



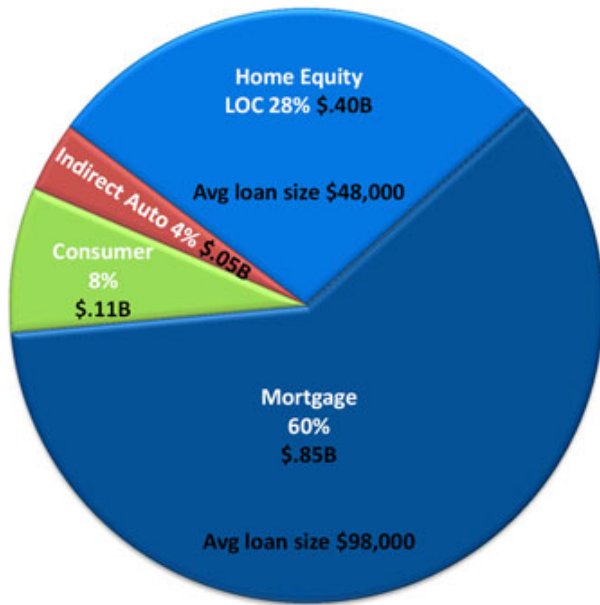
Geographic Diversity



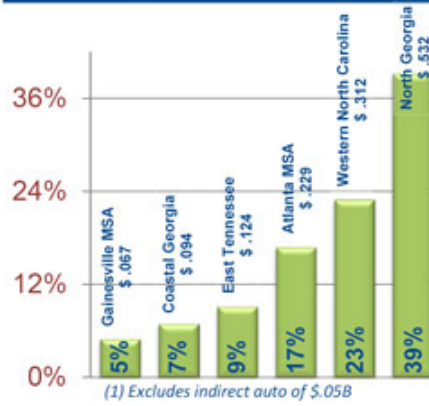
Average Loan Size

| Type | ,000 |
|---------------|-------|
| Owner Occup'd | \$423 |
| Income Prod | 603 |
| C & I | 92 |
| Comm Constr | 417 |

By Loan Type



Geographic Diversity⁽¹⁾



Success with new portfolio products and HELOCs

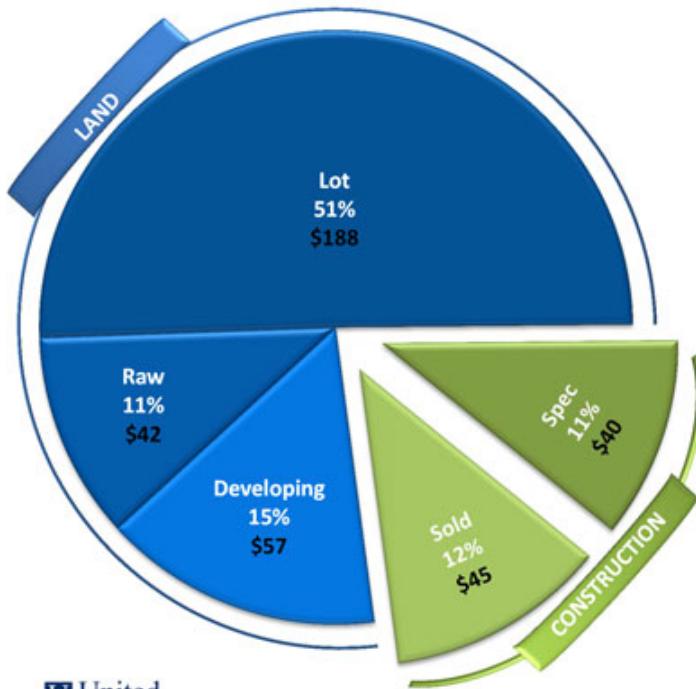
Conservative underwriting

62% of HE Primary Lien

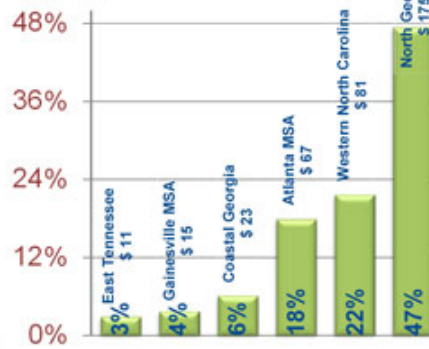
Residential Construction (total \$372 million)

\$ in millions

By Loan Type



Geographic Diversity

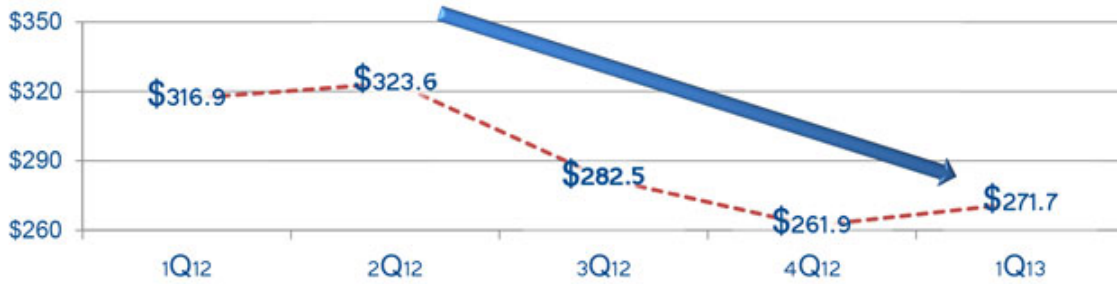


| | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 1Q13 vs. 1Q12 |
|----------------------|--------|--------|--------|--------|--------|---------------|
| TOTAL COMPANY | | | | | | |
| Land Loans | | | | | | |
| Developing | \$ 57 | \$ 62 | \$ 71 | \$ 78 | \$ 86 | \$ (29) |
| Raw | 42 | 46 | 41 | 45 | 57 | (15) |
| Lot | 188 | 193 | 196 | 203 | 204 | (16) |
| Total | 287 | 301 | 308 | 326 | 347 | (60) |
| Construction Loans | | | | | | |
| Spec | 40 | 41 | 44 | 49 | 57 | (17) |
| Sold | 45 | 40 | 37 | 34 | 32 | 13 |
| Total | 85 | 81 | 81 | 83 | 89 | (4) |
| Total | \$ 372 | \$ 382 | \$ 389 | \$ 409 | \$ 436 | \$ (64) |

| | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 |
|---|----------|----------|----------|----------|----------|
| Net Charge-offs | \$ 12.4 | \$ 14.5 | \$ 20.6 | \$ 18.9 | \$ 15.9 |
| as % of Average Loans | 1.21 % | 1.39 % | 1.99 % | 1.85 % | 1.55 % |
| Allowance for Loan Losses | \$ 105.8 | \$ 107.1 | \$ 107.6 | \$ 112.7 | \$ 113.6 |
| as % of Total Loans | 2.52 % | 2.57 % | 2.60 % | 2.74 % | 2.75 % |
| as % of NPLs | 110 | 97 | 94 | 98 | 88 |
| Past Due Loans (30 - 89 Days) | .67 % | .65 % | .68 % | .65 % | .86 % |
| Non-Performing Loans | \$ 96.0 | \$ 109.9 | \$ 115.0 | \$ 115.4 | \$ 129.7 |
| OREO | 16.7 | 18.3 | 27.0 | 30.4 | 31.9 |
| Total NPAs | 112.7 | 128.2 | 142.0 | 145.8 | 161.6 |
| Performing Classified Loans | 271.7 | 261.9 | 284.0 | 324.0 | 317.0 |
| Total Classified Assets | \$ 384.4 | \$ 390.1 | \$ 426.0 | \$ 469.8 | \$ 478.6 |
| as % of Tier 1 / Allowance | 49 % | 50 % | 55 % | 62 % | 64 % |
| Accruing TDRs (see page 28) | \$ 126.0 | \$ 122.8 | \$ 138.3 | \$ 141.6 | \$ 125.8 |
| As % of Original Principal Balance | | | | | |
| Non-Performing Loans | 66.3 % | 69.5 % | 68.8 % | 68.8 % | 70.6 % |
| OREO | 45.0 | 39.7 | 36.4 | 39.3 | 36.1 |
| Total NPAs | | | | | |
| as % of Total Assets | 1.65 | 1.88 | 2.12 | 2.16 | 2.25 |
| as % of Loans & OREO | 2.69 | 3.06 | 3.41 | 3.51 | 3.88 |

Performing Classified Loans

\$ in millions



| BY CATEGORY | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Commercial: | | | | | |
| Commercial & Industrial | \$ 17 | \$ 16 | \$ 19 | \$ 18 | \$ 20 |
| Owner Occupied | 78 | 54 | 77 | 65 | 71 |
| Total C & I | 95 | 70 | 96 | 83 | 91 |
| Income Producing CRE | 56 | 94 | 49 | 53 | 57 |
| Commercial Constr | 23 | 38 | 27 | 19 | 18 |
| Total Commercial | 174 | 202 | 172 | 155 | 166 |
| Residential Mortgage | 76 | 73 | 73 | 65 | 64 |
| Residential Construction | 64 | 46 | 35 | 38 | 38 |
| Consumer / Installment | 3 | 3 | 3 | 4 | 3 |
| Total Performing Classified | \$ 317 | \$ 324 | \$ 283 | \$ 262 | \$ 271 |

TDRs

\$ in millions

| LOAN TYPE | Accruing ⁽¹⁾ | | Non-Accruing | | Total TDRs | |
|--------------------------|-------------------------|----------|--------------|----------|------------|----------|
| | 1Q13 | vs. 1Q12 | 1Q13 | vs. 1Q12 | 1Q13 | vs. 1Q12 |
| Commercial (Sec by RE) | \$ 65.7 | \$ 70.3 | \$ 9.0 | \$ 9.5 | \$ 74.7 | \$ 79.8 |
| Commercial & Industrial | 8.6 | 3.3 | .2 | .2 | 8.8 | 3.5 |
| Commercial Construction | 15.8 | 17.9 | 16.8 | 16.2 | 32.6 | 34.1 |
| Total Commercial | 90.1 | 91.5 | 26.0 | 25.9 | 116.1 | 117.4 |
| Residential Mortgage | 16.8 | 12.5 | 2.2 | 2.3 | 19.0 | 14.8 |
| Residential Construction | 18.9 | 21.6 | 4.5 | 4.4 | 23.4 | 26.0 |
| Consumer Installment | .2 | .2 | .1 | .1 | .3 | .3 |
| Total | \$ 126.0 | \$ 125.8 | \$ 32.8 | \$ 32.7 | \$ 158.8 | \$ 158.5 |

Accruing TDRs



⁽¹⁾ 78 percent of accruing TDR loans have an interest rate of 4 percent or greater

Accruing TDR past due 30 – 89 days – 2.03%

79% of accruing TDRs are classified loans

Net Charge-offs by Category & Market

\$ in thousands

NET CHARGE-OFFS BY CATEGORY

| | 1Q13 | | % of Average Loans (Annualized) | | | |
|------------------------------|------------------|----------------|---------------------------------|-------------|-------------|-------------|
| | Total | % of Avg Loans | 4Q12 | 3Q12 | 2Q12 | 1Q12 |
| Commercial (Sec. by RE): | | | | | | |
| Owner Occupied | \$ 1,922 | .69 % | 1.76 % | 3.56 % | .46 % | .87 % |
| Income Producing | 3,321 | 1.99 | .67 | .70 | 1.75 | .70 |
| Total Comm (Sec. by RE) | 5,243 | 1.18 | 1.35 | 1.79 | .95 | .81 |
| Commercial & Industrial | 1,501 | 1.34 | .12 | (.23) | .70 | .62 |
| Commercial Construction | (4) | (.01) | 4.25 | 7.74 | .21 | .81 |
| Total Commercial | 6,740 | 1.14 | 1.30 | 1.81 | .86 | .78 |
| Residential Mortgage | 1,635 | .79 | 1.55 | 1.40 | .70 | 1.98 |
| Home Equity LOC | 512 | .53 | .49 | .80 | 2.60 | 1.70 |
| Residential Construction | 2,973 | 3.22 | 2.52 | 5.69 | 9.14 | 4.84 |
| Consumer/ Installment | 524 | 1.35 | 1.10 | .78 | .88 | 1.72 |
| Total Net Charge-offs | \$ 12,384 | 1.21 | 1.39 | 1.99 | 1.85 | 1.55 |

NET CHARGE-OFFS BY MARKET

| | | | | | | |
|-----------------|----------|--------|--------|--------|--------|--------|
| North Georgia | \$ 4,910 | 1.42 % | 1.26 % | 1.84 % | 3.58 % | 2.56 % |
| Atlanta MSA | 3,295 | 1.07 | 1.27 | 3.02 | .75 | .89 |
| North Carolina | 2,249 | 1.59 | 1.39 | 1.15 | 2.52 | 1.14 |
| Coastal Georgia | 821 | .85 | .60 | 2.67 | .23 | 1.53 |
| Gainesville MSA | 430 | .67 | 2.04 | .45 | (.29) | 1.35 |
| East Tennessee | 679 | .98 | 2.98 | .45 | .68 | .34 |

NPAs by Loan Category & Market

\$ in thousands

1Q13

| LOAN CATEGORY | NPLs | OREO | Total NPAs |
|---------------------------------|------------------|------------------|-------------------|
| Commercial (sec. by RE): | | | |
| Owner Occupied | \$ 8,142 | \$ 4,750 | \$ 12,892 |
| Income Producing | 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 |
| HELOC | 916 | - | 916 |
| Residential Construction | 14,592 | 4,660 | 19,252 |
| Consumer/ Installment | 389 | - | 389 |
| Total | \$ 96,006 | \$ 16,734 | \$ 112,740 |

| MARKET | NPLs | OREO | Total NPAs |
|-----------------|--------|--------|------------|
| Gainesville | \$ 911 | \$ 370 | \$ 1,281 |
| Coastal Georgia | 3,523 | 1,449 | 4,972 |
| East Tennessee | 2,463 | 2,242 | 4,705 |
| North Carolina | 8,519 | 2,533 | 11,052 |
| Atlanta MSA | 17,380 | 3,524 | 20,904 |
| North Georgia | 63,210 | 6,816 | 69,826 |

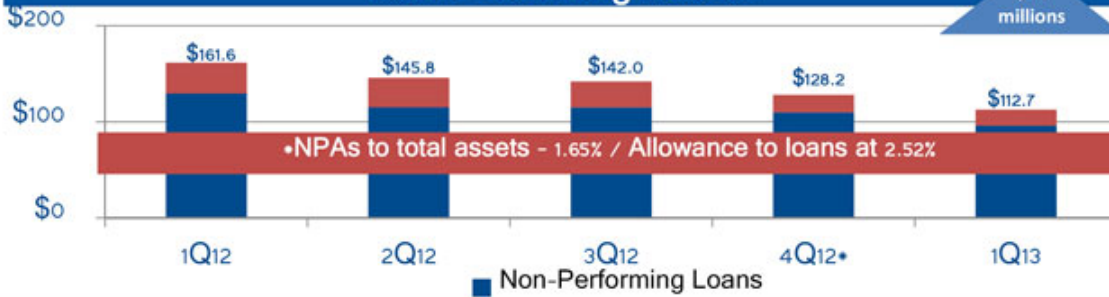
1Q12

| LOAN CATEGORY | NPLs | OREO | Total NPAs |
|---------------------------------|-------------------|------------------|-------------------|
| Commercial (sec. by RE): | | | |
| Owner Occupied | \$ 12,830 | \$ 7,892 | \$ 20,722 |
| Income Producing | 13,251 | 2,916 | 16,167 |
| Commercial & Industrial | 36,314 | - | 36,314 |
| Commercial Construction | 23,319 | 3,266 | 26,585 |
| Total Commercial | 85,714 | 14,074 | 99,788 |
| Residential Mortgage | 18,741 | 5,882 | 24,623 |
| Residential Construction | 24,341 | 11,931 | 36,272 |
| Consumer/ Installment | 908 | - | 908 |
| Total | \$ 129,704 | \$ 31,887 | \$ 161,591 |

| MARKET | NPLs | OREO | Total NPAs |
|-----------------|----------|----------|------------|
| Gainesville | \$ 2,210 | \$ 3,387 | \$ 5,597 |
| Coastal Georgia | 5,622 | 1,268 | 6,890 |
| East Tennessee | 2,669 | 376 | 3,045 |
| North Carolina | 15,765 | 4,650 | 20,415 |
| Atlanta MSA | 22,321 | 7,647 | 29,968 |
| North Georgia | 81,117 | 14,559 | 95,676 |

Non Performing Assets

\$ in millions



United Community Banks, Inc.

APPENDIX

Experienced Proven Leadership

- Over 39 years in banking
- Led company from \$42 million in assets in 1989 to \$6.8 billion today
- Trustee of Young Harris College
- Georgia Power Company Board Member
- GA Economic Developers Association Spirit of Georgia Award recipient

Jimmy C. Tallent
President & CEO
Joined 1984



- Over 30 years in banking
- Responsible for overall operations
- Former Consultant and Special Assistant to the CEO and EVP of Commercial Banking for TD Bank Financial Group; and President & CEO of The South Financial Group

H. Lynn Harton
Chief Operating Officer
Joined 2012



- Over 35 years in banking
- Responsible for accounting, finance and reporting activities, M&A, and investor relations
- Former CAO and Controller for State Street Corporation
- Former ABA Accounting Committee Chairman

Rex S. Schuette
EVP & CFO
Joined 2001



- Over 30 years in banking
- Responsible for Risk Management and Credit Risk Administration; Co-Chairman of Risk Management Committee; also responsible for credit underwriting, review, policy and special assets
- Former EVP & SCO for SunTrust Banks

David P. Shearrow
EVP & CRO
Joined 2007



- Over 35 years in banking
- Responsible for 27 community banks with 103 branch offices
- Formerly of Riegel Textile Credit Union; President of Farmers and Merchants Bank
- Former Georgia Board of Natural Resources Board Chairman

Bill M. Gilbert
Director of Banking
Joined 2000



- Over 20 years in financial services and banking
- Responsible for strategic planning and implementation
- Former President of American Savings Bank; and CFO & CRO of The South Financial Group

Timothy K. Schools
Chief Strategy Officer
Joined 2011



Market Share Opportunities & Demographics

EXCELLENT GROWTH OPPORTUNITIES

| Markets | Market Deposits (in billions) ⁽¹⁾ | Deposits (in billions) ^(2,3) | Banks ⁽¹⁾ | Offices | Deposit Share ⁽¹⁾ | Rank ⁽¹⁾ |
|------------------------|---|--|----------------------|------------|------------------------------|---------------------|
| North Georgia | \$ 6.4 | \$ 2.0 | 11 | 22 | 32 % | 1 |
| Western North Carolina | 6.4 | .9 | 1 | 20 | 12 | 3 |
| Gainesville MSA | 2.6 | .3 | 1 | 5 | 12 | 5 |
| Atlanta MSA | 50.2 | 2.1 | 10 | 37 | 4 | 7 |
| Coastal Georgia | 7.3 | .3 | 2 | 8 | 4 | 8 |
| East Tennessee | 16.0 | .3 | 2 | 11 | 2 | 9 |
| Total Markets | \$ 88.9 | \$ 5.9 | 27 | 103 | | |

¹ FDIC deposit market share and rank as of 6/12 for markets where United takes deposits. Data Source: SNL and FDIC.

² Based on current quarter.

³ Excludes two loan production offices

FAST GROWING MARKETS

| Markets ¹ | Population (in thousands) | Population Growth (%) | |
|-----------------------------------|------------------------------|-----------------------|--------------------------|
| | | Actual 2010 - 2012 | Projected 2012 - 2017 |
| Atlanta, GA MSA | 5,365 | 2 % | 5 % |
| East Tennessee | 868 | 2 | 4 |
| Greenville-Mauldin-Easley, SC MSA | 651 | 2 | 6 |
| Western North Carolina | 446 | 2 | 4 |
| Coastal Georgia | 390 | 2 | 7 |
| North Georgia | 387 | 1 | 2 |
| Gainesville, GA MSA | 182 | 1 | 6 |
| Total Markets | | | |
| Georgia | 9,858 | 2 | 5 |
| North Carolina | 9,759 | 2 | 6 |
| Tennessee | 6,452 | 2 | 4 |
| South Carolina | 4,740 | 2 | 6 |
| United States | 313,129 | 1 | 3 |

¹ Population data is for 2012 and includes those markets where United takes deposits. No deposits in SC.
Data Source: DNL.

“Without continual growth and progress, such words as improvement, achievement, and success have no meaning.”

-Benjamin Franklin

Liquidity

\$ in millions

| | Unused Capacity | 1Q13 | 4Q12 | 1Q12 | Variance | |
|-----------------------------|-------------------------|---------------|---------------|---------------|--------------|-----------------|
| | | | | | vs 4Q12 | vs 1Q12 |
| Wholesale Borrowings | | | | | | |
| Brokered Deposits | \$ 1,394 ⁽¹⁾ | \$ 332 | \$ 245 | \$ 168 | \$ 87 | \$ 164 |
| FHLB | 1,351 | - | 40 | 215 | (40) | (215) |
| Fed Funds | 130 | - | - | - | - | - |
| Other Wholesale | - | 52 | 53 | 102 | (1) | (50) |
| Total | \$ 2,875 | \$ 384 | \$ 338 | \$ 485 | \$ 46 | \$ (101) |
| Long-Term Debt | | | | | | |
| Senior Debt | \$ 35 | \$ 35 | \$ - | \$ - | \$ - | \$ 35 |
| Sub-Debt | 35 | 35 | 65 | - | - | (30) |
| Trust Preferred Securities | 55 | 55 | 55 | - | - | - |
| Total Long-Term Debt | \$ 125 | \$ 125 | \$ 120 | \$ - | \$ - | \$ 5 |

(1) Estimated Brokered Deposit Total Capacity at 25% of Assets

WHOLESALE BORROWINGS

LOANS / DEPOSITS

| | 1Q13 | 4Q12 | 1Q12 | Variance | | |
|--|-----------------|-----------------|-----------------|----------------|-----------------|--|
| | | | | vs 4Q12 | vs 1Q12 | |
| Loans | \$ 4,194 | \$ 4,175 | \$ 4,128 | \$ 19 | \$ 66 | |
| Core (DDA, MMDA, Savings) | \$ 3,295 | \$ 3,213 | \$ 3,053 | \$ 82 | \$ 242 | |
| Public Funds | 732 | 770 | 819 | (38) | (87) | |
| CD's | 1,667 | 1,724 | 1,960 | (57) | (293) | |
| Total Deposits (excl Brokered) | \$ 5,694 | \$ 5,707 | \$ 5,832 | \$ (13) | \$ (138) | |
| Loan to Deposit Ratio | 74% | 73% | 71% | | | |
| Investment Securities: | | | | | | |
| Available for Sale - Fixed | \$ 1,193 | \$ 1,126 | \$ 1,359 | \$ 67 | \$ (166) | |
| - Floating | 716 | 712 | 540 | 4 | 176 | |
| Held to Maturity - Fixed | 211 | 222 | 277 | (11) | (66) | |
| - Floating | 21 | 22 | 27 | (1) | (6) | |
| Total Investment Securities | 2,141 | 2,082 | 2,203 | 59 | (62) | |
| Percent of Assets (Excludes Floating) | 20% | 20% | 23% | | | |

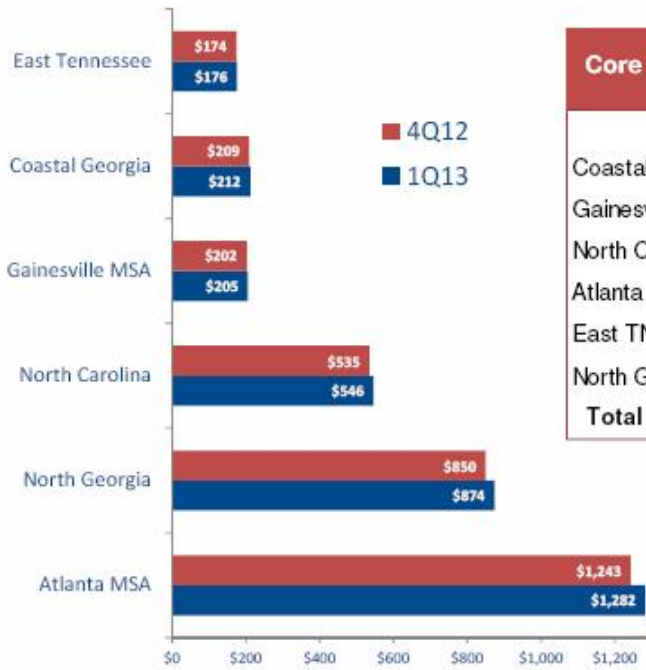
Business Mix – Deposits *at quarter-end*

\$ in
millions

| DEPOSITS BY CATEGORY | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 1Q13 vs. 1Q12 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------|
| Demand & Now | \$ 1,894 | \$ 1,841 | \$ 1,796 | \$ 1,735 | \$ 1,722 | \$ 172 |
| MMDA & Savings | 1,401 | 1,372 | 1,342 | 1,330 | 1,331 | 70 |
| Core Transaction Deposits | 3,295 | 3,213 | 3,138 | 3,065 | 3,053 | 242 |
| Time < \$100,000 | 1,014 | 1,050 | 1,118 | 1,159 | 1,201 | (187) |
| Time ≥ \$100,000 < \$250,000 | 528 | 547 | 598 | 625 | 654 | (126) |
| Public Deposits | 700 | 739 | 612 | 623 | 782 | (82) |
| Total Core Deposits | 5,537 | 5,549 | 5,466 | 5,472 | 5,690 | (153) |
| Time ≥ \$250,000 | 125 | 127 | 101 | 103 | 105 | 20 |
| Public Deposits | 32 | 31 | 32 | 36 | 38 | (6) |
| Total Customer Deposits | 5,694 | 5,707 | 5,599 | 5,611 | 5,833 | (139) |
| Brokered Deposits | 332 | 245 | 224 | 211 | 168 | 164 |
| Total Deposits | \$ 6,026 | \$ 5,952 | \$ 5,823 | \$ 5,822 | \$ 6,001 | \$ 25 |

Core Transaction Deposits

\$ in millions



| Core Transactions / Total Deposits | | |
|------------------------------------|---------------|---------------|
| | 1Q13 | 4Q12 |
| Coastal GA | 68.0 % | 67.8 % |
| Gainesville MSA | 65.0 | 63.7 |
| North Carolina | 60.1 | 58.9 |
| Atlanta MSA | 61.9 | 59.9 |
| East TN | 60.2 | 57.9 |
| North Georgia | 69.7 | 54.8 |
| Total | 57.9 % | 56.3 % |

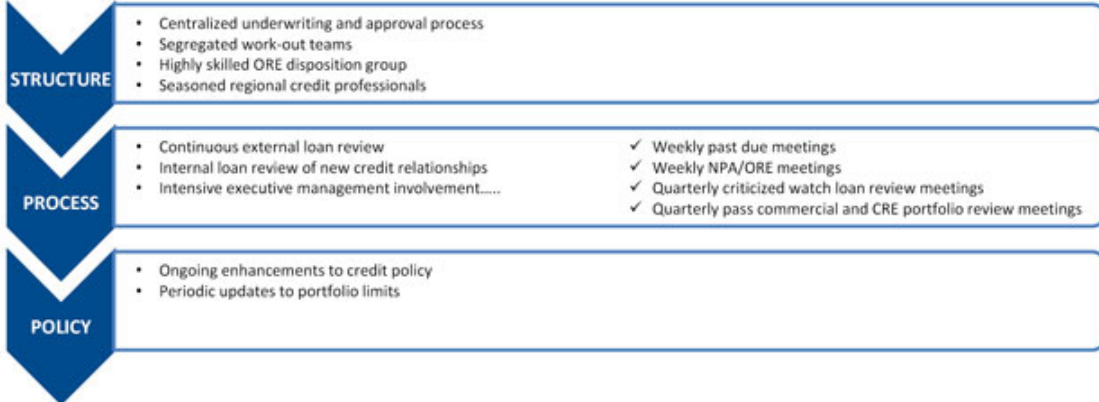
Lending & Credit Environment

Regional Credit Review – Standard Underwriting



| | |
|------------------------|-------|
| •Legal Lending Limit | \$166 |
| •House Lending Limit | 20 |
| •Project Lending Limit | 12 |
| •Top 25 Relationships | 372 |

PROACTIVELY ADDRESSING CREDIT ENVIRONMENT



Commercial Construction & Real Estate

\$ in millions

| | 31-Mar-13 | |
|--------------------------------------|----------------|---------|
| | Amount | Percent |
| Land Develop - Vacant (Improved) | \$ 64.2 | 42 % |
| Raw Land - Vacant (Unimproved) | 42.6 | 28 |
| Commercial Land Development | 20.7 | 14 |
| Office Buildings | 9.2 | 6 |
| Churches | 7.2 | 5 |
| Warehouse | 2.6 | 2 |
| Hotels / Motels | .6 | - |
| Miscellaneous Construction | 5.3 | 3 |
| Total Commercial Construction | \$152.4 | |

| Average Loan Size (,000) | |
|---------------------------|-------|
| • Commercial Construction | \$417 |
| • Commercial RE: | |
| • Composite CRE | 465 |
| • Owner Occupied | 423 |
| • Income Producing | 603 |

| Commercial RE Characteristics | |
|--|--|
| • 62.7% owner occupied | |
| • Small business, doctors, dentists, attorneys, CPAs | |
| • \$12 million project limit | |

| | 31-Mar-13 | | | |
|--------------------------------------|-------------------|------------------|-------------------|---------|
| | Owner Occupied | Income Producing | Total | Percent |
| Office Buildings | \$ 295.9 | \$ 199.0 | \$ 494.9 | 27 % |
| Retail | 111.7 | 136.1 | 247.8 | 14 |
| Small Warehouses / Storage | 119.9 | 63.8 | 183.7 | 10 |
| Multi-Residential / Other Properties | 69.1 | 93.1 | 162.2 | 9 |
| Churches | 141.0 | - | 141.0 | 8 |
| Convenience Stores | 87.7 | 16.2 | 103.9 | 6 |
| Hotels / Motels | - | 84.1 | 84.1 | 5 |
| Franchise / Restaurants | 37.9 | 33.4 | 71.3 | 4 |
| Farmland | 60.2 | - | 60.2 | 3 |
| Manufacturing Facility | 48.4 | 6.7 | 55.1 | 3 |
| Auto Dealership / Service | 41.4 | 9.4 | 50.8 | 3 |
| Leasehold Property | 16.2 | 17.0 | 33.2 | 2 |
| Golf Course / Recreation | 32.5 | - | 32.5 | 2 |
| Daycare Facility | 12.9 | 7.2 | 20.1 | 1 |
| Funeral Home | 16.4 | 0.6 | 17.0 | 1 |
| Carwash | 15.9 | 0.3 | 16.2 | 1 |
| Movie Theater / Bowling Recreation | 14.1 | - | 14.1 | 1 |
| Marina | 9.2 | - | 9.2 | - |
| Mobile Home Parks | - | 6.7 | 6.7 | - |
| Total Commercial Real Estate | \$ 1,130.4 | \$ 673.6 | \$ 1,804.0 | |

Loans by Business Mix and Region

\$ in millions

| | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 1Q13 vs. 1Q12 |
|---|----------|----------|----------|----------|----------|------------------|
| QUARTERLY LOANS - BUSINESS MIX BY CATEGORY | | | | | | |
| Commercial: | | | | | | |
| Comm & Indus | \$ 454 | \$ 458 | \$ 460 | \$ 450 | \$ 440 | \$ 14 |
| Owner Occ'd | 1,130 | 1,131 | 1,126 | 1,140 | 1,137 | (7) |
| Total C & I | 1,584 | 1,589 | 1,586 | 1,590 | 1,577 | 7 |
| Income Prod CRE | 674 | 682 | 693 | 697 | 706 | (32) |
| Comm Constr | 152 | 155 | 161 | 169 | 167 | (15) |
| Total Comm | 2,410 | 2,426 | 2,440 | 2,456 | 2,450 | (40) |
| Resi Mortgage | 1,246 | 1,214 | 1,174 | 1,128 | 1,131 | 115 |
| Resi Constr | 372 | 382 | 389 | 409 | 436 | (64) |
| Consum / Install | 166 | 153 | 135 | 126 | 111 | 55 |
| Total Loans | \$ 4,194 | \$ 4,175 | \$ 4,138 | \$ 4,119 | \$ 4,128 | \$ 66 |

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|----------|----------|----------|----------|----------|
| ANNUAL LOANS - BUSINESS MIX BY CATEGORY | | | | | |
| Commercial: | | | | | |
| Comm & Indus | \$ 458 | \$ 428 | \$ 441 | \$ 390 | \$ 410 |
| Owner Occ'd | 1,131 | 1,112 | 980 | 963 | 956 |
| Total C & I | 1,589 | 1,540 | 1,421 | 1,353 | 1,366 |
| Income Prod CRE | 682 | 710 | 781 | 816 | 671 |
| Comm Constr | 155 | 164 | 297 | 363 | 500 |
| Total Comm | 2,426 | 2,414 | 2,499 | 2,532 | 2,537 |
| Resi Mortgage | 1,214 | 1,135 | 1,279 | 1,427 | 1,526 |
| Resi Constr | 382 | 448 | 695 | 1,050 | 1,479 |
| Consum / Install | 153 | 113 | 131 | 142 | 163 |
| Total Loans | \$ 4,175 | \$ 4,110 | \$ 4,604 | \$ 5,151 | \$ 5,705 |

| | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 1Q13 vs. 1Q12 |
|------------------------------------|----------|----------|----------|----------|----------|------------------|
| QUARTERLY LOANS - BY REGION | | | | | | |
| North Georgia | \$ 1,363 | \$ 1,364 | \$ 1,383 | \$ 1,387 | \$ 1,408 | \$ (45) |
| Atlanta MSA | 1,317 | 1,288 | 1,257 | 1,252 | 1,239 | 78 |
| North Carolina | 575 | 579 | 579 | 576 | 588 | (13) |
| Coastal Georgia | 398 | 400 | 380 | 369 | 366 | 32 |
| Gainesville MSA | 259 | 261 | 256 | 259 | 262 | (3) |
| East Tennessee | 282 | 283 | 283 | 276 | 265 | 17 |
| Total Loans | \$ 4,194 | \$ 4,175 | \$ 4,138 | \$ 4,119 | \$ 4,128 | \$ 66 |

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---------------------------------|----------|----------|----------|----------|----------|
| ANNUAL LOANS - BY REGION | | | | | |
| North Georgia | \$ 1,364 | \$ 1,426 | \$ 1,689 | \$ 1,884 | \$ 2,040 |
| Atlanta MSA | 1,288 | 1,220 | 1,310 | 1,435 | 1,706 |
| North Carolina | 579 | 597 | 702 | 772 | 810 |
| Coastal Georgia | 400 | 346 | 335 | 405 | 464 |
| Gainesville MSA | 261 | 265 | 312 | 390 | 420 |
| East Tennessee | 283 | 256 | 256 | 265 | 265 |
| Total Loans | \$ 4,175 | \$ 4,110 | \$ 4,604 | \$ 5,151 | \$ 5,705 |

Non GAAP Reconciliation Tables

\$ in thousands

Operating Earnings to GAAP Earnings Reconciliation

| | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 |
|--|------------------|------------------|------------------|------------------|------------------|
| CORE FEE REVENUE | | | | | |
| Core fee revenue | \$ 12,618 | \$ 14,551 | \$ 13,003 | \$ 12,764 | \$ 13,091 |
| Securities gains, net | 116 | 31 | - | 6,490 | 557 |
| Loss on prepayment of borrowings | - | - | - | (6,199) | (482) |
| Gains from sales of low income housing tax credits | - | - | - | - | 728 |
| Hedge ineffectiveness gains (losses) | (85) | 116 | 608 | (180) | 115 |
| Interest on Federal tax refund | - | - | - | - | 1,100 |
| Mark to market on deferred compensation plan assets | 177 | 63 | 153 | (8) | 270 |
| Fee revenue (GAAP) | \$ 12,826 | \$ 14,761 | \$ 13,764 | \$ 12,867 | \$ 15,379 |
| CORE OPERATING EXPENSE | | | | | |
| Core operating expense | \$ 40,900 | \$ 41,489 | \$ 40,523 | \$ 41,312 | \$ 42,670 |
| Foreclosed property expense | 2,333 | 4,611 | 3,706 | 1,851 | 3,825 |
| Severance | 360 | 563 | 401 | 1,155 | 190 |
| Provision for litigation settlement | - | 4,000 | - | - | - |
| Mark to market on deferred compensation plan liability | 177 | 63 | 153 | (8) | 270 |
| Operating expense (GAAP) | \$ 43,770 | \$ 50,726 | \$ 44,783 | \$ 44,310 | \$ 46,955 |
| TANGIBLE COMMON EQUITY AND TANGIBLE EQUITY TO TANGIBLE ASSETS | | | | | |
| Tangible common equity to tangible assets | 5.66 % | 5.67 % | 5.73 % | 5.45 % | 5.33 % |
| Effect of preferred equity | 2.87 | 2.88 | 2.93 | 2.79 | 2.75 |
| Tangible equity to tangible assets | 8.53 | 8.55 | 8.66 | 8.24 | 8.08 |
| Effect of goodwill and other intangibles | .07 | .08 | .09 | .09 | .11 |
| Equity to assets (GAAP) | 8.60 % | 8.63 % | 8.75 % | 8.33 % | 8.19 % |
| TANGIBLE COMMON EQUITY TO RISK-WEIGHTED ASSETS | | | | | |
| Tangible common equity to risk-weighted assets | 8.39 % | 8.26 % | 8.44 % | 8.37 % | 8.21 % |
| Effect of preferred equity | 4.19 | 4.24 | 4.29 | 4.35 | 4.23 |
| Tangible equity to risk weighted assets | 12.58 | 12.50 | 12.73 | 12.72 | 12.44 |
| Effect of other comprehensive income | .49 | .51 | .36 | .28 | .10 |
| Effect of trust preferred | 1.14 | 1.15 | 1.17 | 1.19 | 1.15 |
| Tier I capital ratio (Regulatory) | 14.21 % | 14.16 % | 14.26 % | 14.19 % | 13.69 % |