

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):
October 24, 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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Item 2.02 Results of Operations and Financial Condition.

On October 24, 2013, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter ended September 30, 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 October 24, 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 Third Quarter 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

News Release, dated October 24, 2013

99.2

Investor Presentation, Third 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: October 24, 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 \$15.5 MILLION FOR THIRD QUARTER 2013**

- 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

BLAIRSVILLE, GA – October 24, 2013 – 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.

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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		Third Quarter	For the Nine Months Ended		YTD
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	2013-2012 Change	September 30, 2013	2012	2013-2012 Change
INCOME SUMMARY									
Interest revenue	\$61,363	\$ 61,693	\$ 62,134	\$ 64,450	\$ 65,978		\$ 185,190	\$ 202,979	
Interest expense	7,025	7,131	7,475	8,422	8,607		21,631	29,908	
Net interest revenue	54,338	54,562	54,659	56,028	57,371	(5)%	163,559	173,071	(5)%
Provision for loan losses	3,000	48,500	11,000	14,000	15,500		62,500	48,500	
Fee revenue	14,144	16,312	12,826	14,761	13,764	3	43,282	42,010	3
Total revenue	65,482	22,374	56,485	56,789	55,635		144,341	166,581	
Operating expenses	40,097	48,823	43,770	50,726	44,783	(10)	132,690	136,048	(2)
Income (loss) before income taxes	25,385	(26,449)	12,715	6,063	10,852	134	11,651	30,533	(62)
Income tax expense (benefit)	9,885	(256,413)	950	802	284		(245,578)	1,938	
Net income	15,500	229,964	11,765	5,261	10,568	47	257,229	28,595	800
Preferred dividends and discount accretion	3,059	3,055	3,052	3,045	3,041		9,166	9,103	
Net income available to common shareholders	\$12,441	\$ 226,909	\$ 8,713	\$ 2,216	\$ 7,527	65	\$ 248,063	\$ 19,492	1,173
PERFORMANCE MEASURES									
Per common share:									
Diluted income	\$.21	\$ 3.90	\$.15	\$.04	\$.13	62	\$ 4.24	\$.34	1,147
Book value	10.99	10.90	6.85	6.67	6.75	63	10.99	6.75%	63
Tangible book value ⁽²⁾	10.95	10.82	6.76	6.57	6.64	65	10.95	6.64	65
Key performance ratios:									
Return on equity ⁽¹⁾⁽³⁾	7.38%	197.22%	8.51%	2.15%	7.43%		64.29%	6.57	
Return on assets ⁽³⁾	.86	13.34	.70	.31	.63		4.93	.53	
Net interest margin ⁽³⁾	3.26	3.31	3.38	3.44	3.60		3.32	3.52	%
Efficiency ratio	58.55	68.89	64.97	71.69	62.95		64.19	63.36	
Equity to assets	11.80	11.57 ⁽⁴⁾	8.60	8.63	8.75		9.91	8.42	
Tangible equity to assets ⁽²⁾	11.76	11.53 ⁽⁴⁾	8.53	8.55	8.66		9.85	8.32	
Tangible common equity to assets ⁽²⁾	9.02	8.79 ⁽⁴⁾	5.66	5.67	5.73		7.04	5.50	
Tangible common equity to risk-weighted assets ⁽²⁾	13.34	13.16	8.45	8.26	8.44		13.34	8.44	
ASSET QUALITY *									
Non-performing loans	\$26,088	\$ 27,864	\$ 96,006	\$109,894	\$ 115,001		\$ 26,088	\$ 115,001	
Foreclosed properties	4,467	3,936	16,734	18,264	26,958		4,467	26,958	
Total non-performing assets (NPAs)	30,555	31,800	112,740	128,158	141,959		30,555	141,959	
Allowance for loan losses	80,372	81,845	105,753	107,137	107,642		80,372	107,642	
Net charge-offs	4,473	72,408	12,384	14,505	20,563		89,265	55,326	
Allowance for loan losses to loans	1.88%	1.95%	2.52%	2.57%	2.60%		1.88%	2.60%	
Net charge-offs to average loans ⁽³⁾	.42	6.87	1.21	1.39	1.99		2.84	1.80	
NPAs to loans and foreclosed properties	.72	.76	2.68	3.06	3.41		.72	3.41	
NPAs to total assets	.42	.44	1.65	1.88	2.12		.42	2.12	
AVERAGE BALANCES (\$ in millions)									
Loans	\$ 4,250	\$ 4,253	\$ 4,197	\$ 4,191	\$ 4,147	2	\$ 4,234	\$ 4,157	2
Investment securities	2,178	2,161	2,141	2,088	1,971	11	2,160	2,089	3
Earning assets	6,615	6,608	6,547	6,482	6,346	4	6,590	6,569	-
Total assets	7,170	6,915	6,834	6,778	6,648	8	6,974	6,894	1
Deposits	5,987	5,983	5,946	5,873	5,789	3	5,972	5,890	1
Shareholders' equity	846	636	588	585	582	45	691	580	19
Common shares - basic (thousands)	59,100	58,141	58,081	57,971	57,880		58,443	57,826	
Common shares - diluted (thousands)	59,202	58,141	58,081	57,971	57,880		58,444	57,826	
AT PERIOD END (\$ in millions)									
Loans *	\$ 4,267	\$ 4,189	\$ 4,194	\$ 4,175	\$ 4,138	3	\$ 4,267	\$ 4,138	3
Investment securities	2,169	2,152	2,141	2,079	2,025	7	2,169	2,025	7
Total assets	7,243	7,163	6,849	6,802	6,699	8	7,243	6,699	8
Deposits	6,113	6,012	6,026	5,952	5,823	5	6,113	5,823	5
Shareholders' equity	852	829	592	581	585	46	852	585	46
Common shares outstanding (thousands)	59,412	57,831	57,767	57,741	57,710		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.

(4) Calculated as of period-end.

* 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

<i>(in thousands, except per share data; taxable equivalent)</i>	2013			2012		For the Nine Months Ended September 30,	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	2013	2012
Interest revenue reconciliation							
Interest revenue - taxable equivalent	\$ 61,363	\$ 61,693	\$ 62,134	\$ 64,450	\$ 65,978	\$ 185,190	\$ 202,979
Taxable equivalent adjustment	(370)	(368)	(365)	(381)	(419)	(1,103)	(1,309)
Interest revenue (GAAP)	<u>\$ 60,993</u>	<u>\$ 61,325</u>	<u>\$ 61,769</u>	<u>\$ 64,069</u>	<u>\$ 65,559</u>	<u>\$ 184,087</u>	<u>\$ 201,670</u>
Net interest revenue reconciliation							
Net interest revenue - taxable equivalent	\$ 54,338	\$ 54,562	\$ 54,659	\$ 56,028	\$ 57,371	\$ 163,559	\$ 173,071
Taxable equivalent adjustment	(370)	(368)	(365)	(381)	(419)	(1,103)	(1,309)
Net interest revenue (GAAP)	<u>\$ 53,968</u>	<u>\$ 54,194</u>	<u>\$ 54,294</u>	<u>\$ 55,647</u>	<u>\$ 56,952</u>	<u>\$ 162,456</u>	<u>\$ 171,762</u>
Total revenue reconciliation							
Total operating revenue	\$ 65,482	\$ 22,374	\$ 56,485	\$ 56,789	\$ 55,635	\$ 144,341	\$ 166,581
Taxable equivalent adjustment	(370)	(368)	(365)	(381)	(419)	(1,103)	(1,309)
Total revenue (GAAP)	<u>\$ 65,112</u>	<u>\$ 22,006</u>	<u>\$ 56,120</u>	<u>\$ 56,408</u>	<u>\$ 55,216</u>	<u>\$ 143,238</u>	<u>\$ 165,272</u>
Income (loss) before taxes reconciliation							
Income (loss) before taxes	\$ 25,385	\$ (26,449)	\$ 12,715	\$ 6,063	\$ 10,852	\$ 11,651	\$ 30,533
Taxable equivalent adjustment	(370)	(368)	(365)	(381)	(419)	(1,103)	(1,309)
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>	<u>\$ 10,548</u>	<u>\$ 29,224</u>
Income tax expense (benefit) reconciliation							
Income tax expense (benefit)	\$ 9,885	\$(256,413)	\$ 950	\$ 802	\$ 284	\$(245,578)	\$ 1,938
Taxable equivalent adjustment	(370)	(368)	(365)	(381)	(419)	(1,103)	(1,309)
Income tax expense (benefit) (GAAP)	<u>\$ 9,515</u>	<u>\$(256,781)</u>	<u>\$ 585</u>	<u>\$ 421</u>	<u>\$ (135)</u>	<u>\$(246,681)</u>	<u>\$ 629</u>
Book value per common share reconciliation							
Tangible book value per common share	\$ 10.95	\$ 10.82	\$ 6.76	\$ 6.57	\$ 6.64	\$ 10.95	\$ 6.64
Effect of goodwill and other intangibles	.04	.08	.09	.10	.11	.04	.11
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>	<u>\$ 10.99</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%	7.04%	5.50%
Effect of preferred equity	2.74	2.74	2.87	2.88	2.93	2.81	2.82
Tangible equity to assets	<u>11.76</u>	<u>11.53</u>	<u>8.53</u>	<u>8.55</u>	<u>8.66</u>	<u>9.85</u>	<u>8.32</u>
Effect of goodwill and other intangibles	.04	.04	.07	.08	.09	.06	.10
Equity to assets (GAAP)	<u>11.80%</u>	<u>11.57%</u>	<u>8.60%</u>	<u>8.63%</u>	<u>8.75%</u>	<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%	13.16%	8.45%	8.26%	8.44%	13.34%	8.44%
Effect of other comprehensive income	.49	.29	.49	.51	.36	.49	.36
Effect of deferred tax limitation	(4.72)	(4.99)	—	—	—	(4.72)	—
Effect of trust preferred	1.09	1.11	1.15	1.15	1.17	1.09	1.17
Effect of preferred equity	4.01	4.11	4.22	4.24	4.29	4.01	4.29
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>	<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		Linked Quarter Change	Year over Year Change
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter		
LOANS BY CATEGORY							
Owner occupied commercial RE	\$ 1,129	\$ 1,119	\$ 1,130	\$ 1,131	\$ 1,126	\$ 10	\$ 3
Income producing commercial RE	614	629	674	682	693	(15)	(79)
Commercial & industrial	457	437	454	458	460	20	(3)
Commercial construction	137	133	152	155	161	4	(24)
Total commercial	<u>2,337</u>	<u>2,318</u>	<u>2,410</u>	<u>2,426</u>	<u>2,440</u>	19	(103)
Residential mortgage	888	876	850	829	833	12	55
Home equity lines of credit	421	402	396	385	341	19	80
Residential construction	318	332	372	382	389	(14)	(71)
Consumer installment	303	261	166	153	135	42	168
Total loans	<u>\$ 4,267</u>	<u>\$ 4,189</u>	<u>\$ 4,194</u>	<u>\$ 4,175</u>	<u>\$ 4,138</u>	78	129
LOANS BY MARKET							
North Georgia	\$ 1,262	\$ 1,265	\$ 1,363	\$ 1,364	\$ 1,383	(3)	(121)
Atlanta MSA	1,246	1,227	1,262	1,250	1,238	19	8
North Carolina	575	576	575	579	579	(1)	(4)
Coastal Georgia	421	397	398	400	380	24	41
Gainesville MSA	253	256	259	261	256	(3)	(3)
East Tennessee	277	282	282	283	283	(5)	(6)
South Carolina	47	34	—	—	—	13	47
Other ⁽²⁾	186	152	55	38	19	34	167
Total loans	<u>\$ 4,267</u>	<u>\$ 4,189</u>	<u>\$ 4,194</u>	<u>\$ 4,175</u>	<u>\$ 4,138</u>	78	129
RESIDENTIAL CONSTRUCTION							
Dirt loans							
Acquisition & development	\$ 40	\$ 42	\$ 57	\$ 62	\$ 71	(2)	(31)
Land loans	35	36	42	46	41	(1)	(6)
Lot loans	167	173	188	193	196	(6)	(29)
Total	<u>242</u>	<u>251</u>	<u>287</u>	<u>301</u>	<u>308</u>	(9)	(66)
House loans							
Spec	30	34	40	41	44	(4)	(14)
Sold	46	47	45	40	37	(1)	9
Total	<u>76</u>	<u>81</u>	<u>85</u>	<u>81</u>	<u>81</u>	(5)	(5)
Total residential construction	<u>\$ 318</u>	<u>\$ 332</u>	<u>\$ 372</u>	<u>\$ 382</u>	<u>\$ 389</u>	(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⁾

	Third Quarter 2013			Second Quarter 2013			First Quarter 2013		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
<i>(in thousands)</i>									
NONPERFORMING ASSETS BY CATEGORY									
Owner occupied CRE	\$ 6,358	\$ 591	\$ 6,949	\$ 5,283	\$ 547	\$ 5,830	\$ 8,142	\$ 4,750	\$ 12,892
Income producing CRE	1,657	139	1,796	1,954	—	1,954	9,162	834	9,996
Commercial & industrial	609	—	609	548	—	548	29,545	—	29,545
Commercial construction	343	376	719	504	376	880	22,359	3,027	25,386
Total commercial	8,967	1,106	10,073	8,289	923	9,212	69,208	8,611	77,819
Residential mortgage	11,335	1,679	13,014	12,847	1,303	14,150	10,901	3,463	14,364
Home equity lines of credit	1,169	475	1,644	1,491	140	1,631	916	—	916
Residential construction	4,097	1,207	5,304	4,838	1,570	6,408	14,592	4,660	19,252
Consumer installment	520	—	520	399	—	399	389	—	389
Total NPAs	\$ 26,088	\$ 4,467	\$ 30,555	\$ 27,864	\$ 3,936	\$ 31,800	\$ 96,006	\$ 16,734	\$ 112,740
Balance as a % of Unpaid Principal	61.6%	41.5%	57.6%	62.6%	31.6%	55.8%	66.3%	45.0%	62.0%

NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 13,652	\$ 1,726	\$ 15,378	\$ 12,830	\$ 1,617	\$ 14,447	\$ 63,210	\$ 6,616	\$ 69,826
Atlanta MSA	3,096	1,026	4,122	3,803	1,197	5,000	17,380	3,524	20,904
North Carolina	5,680	762	6,442	6,512	295	6,807	8,519	2,533	11,052
Coastal Georgia	995	928	1,923	2,588	627	3,215	3,523	1,449	4,972
Gainesville MSA	1,036	—	1,036	1,008	—	1,008	911	370	1,281
East Tennessee	1,629	25	1,654	1,123	200	1,323	2,463	2,242	4,705
South Carolina	—	—	—	—	—	—	—	—	—
Other ⁽³⁾	—	—	—	—	—	—	—	—	—
Total NPAs	\$ 26,088	\$ 4,467	\$ 30,555	\$ 27,864	\$ 3,936	\$ 31,800	\$ 96,006	\$ 16,734	\$ 112,740

NONPERFORMING ASSETS ACTIVITY

Beginning Balance	\$ 27,864	\$ 3,936	\$ 31,800	\$ 96,006	\$ 16,734	\$ 112,740	\$ 109,894	\$ 18,264	\$ 128,158
Loans placed on non-accrual	9,959	—	9,959	13,200	—	13,200	9,665	—	9,665
Payments received	(3,601)	—	(3,601)	(47,937)	—	(47,937)	(6,809)	—	(6,809)
Loan charge-offs	(5,395)	—	(5,395)	(23,972)	—	(23,972)	(10,456)	—	(10,456)
Foreclosures	(2,739)	2,739	—	(9,433)	9,433	—	(6,288)	6,288	—
Capitalized costs	—	7	7	—	55	55	—	54	54
Property sales	—	(2,534)	(2,534)	—	(17,972)	(17,972)	—	(6,726)	(6,726)
Write downs	—	(329)	(329)	—	(1,369)	(1,369)	—	(1,041)	(1,041)
Net gains (losses) on sales	—	648	648	—	(2,945)	(2,945)	—	(105)	(105)
Ending Balance	\$ 26,088	\$ 4,467	\$ 30,555	\$ 27,864	\$ 3,936	\$ 31,800	\$ 96,006	\$ 16,734	\$ 112,740

	Third Quarter 2013		Second Quarter 2013		First Quarter 2013	
	Net Charge- Offs to Average	Loans ⁽²⁾	Net Charge- Offs to Average	Loans ⁽²⁾	Net Charge- Offs to Average	Loans ⁽²⁾
<i>(in thousands)</i>						
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	<u>\$ 4,473</u>	.42	<u>\$ 72,408</u>	6.87	<u>\$ 12,384</u>	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)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
<i>(in thousands, except per share data)</i>	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	3,000	15,500	62,500	48,500
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)	9,515	(135)	(246,681)	629
Net income	<u>15,500</u>	<u>10,568</u>	<u>257,229</u>	<u>28,595</u>
Preferred stock dividends and discount accretion	3,059	3,041	9,166	9,103
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)

	September 30, 2013 (unaudited)	December 31, 2012 (audited)	September 30, 2012 (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	62,000	60,000	45,000
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	(80,372)	(107,137)	(107,642)
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	37,366	34,954	34,690
Total assets	\$ 7,243,293	\$ 6,802,259	\$ 6,699,235
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	419,344	245,033	223,474
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	82,800	51,210	43,309
Total liabilities	6,391,076	6,220,854	6,113,980
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	852,217	581,405	585,255
Total liabilities and shareholders' equity	\$ 7,243,293	\$ 6,802,259	\$ 6,699,235

UNITED COMMUNITY BANKS, INC.
Average Consolidated Balance Sheets and Net Interest Analysis
For the Three Months Ended September 30,

(dollars in thousands, taxable equivalent)	2013			2012		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
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	186,544	1,145	2.46	227,950	1,166	2.05
Total interest-earning assets	6,614,797	61,363	3.69	6,345,845	65,978	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⁾	407,912			190,439		
Total assets	\$ 7,170,097			\$ 6,647,563		
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	233,842	(112)	(.19)	176,114	476	1.08
Total interest-bearing deposits	4,630,358	3,481	.30	4,625,973	5,695	.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	144,601	3,003	8.24	120,276	2,372	7.85
Total borrowed funds	243,975	3,544	5.76	220,743	2,912	5.25
Total interest-bearing liabilities	4,874,333	7,025	.57	4,846,716	8,607	.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,

<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⁾	\$ 4,233,531	\$ 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	<u>196,445</u>	<u>3,252</u>	2.21	<u>322,998</u>	<u>3,636</u>	1.50
Total interest-earning assets	<u>6,590,112</u>	<u>185,190</u>	3.76	<u>6,569,354</u>	<u>202,979</u>	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	<u>\$ 6,974,256</u>			<u>\$ 6,894,335</u>		
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	201,599	(136)	(.09)	162,682	1,684	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	131,491	8,331	8.47	120,256	7,119	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	<u>4,910,251</u>	<u>21,631</u>	.59	<u>5,142,962</u>	<u>29,908</u>	.78
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,305,133			1,105,607		
Other liabilities	68,312			65,390		
Total liabilities	<u>6,283,696</u>			<u>6,313,959</u>		
Shareholders' equity	690,560			580,376		
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.

Third 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
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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.

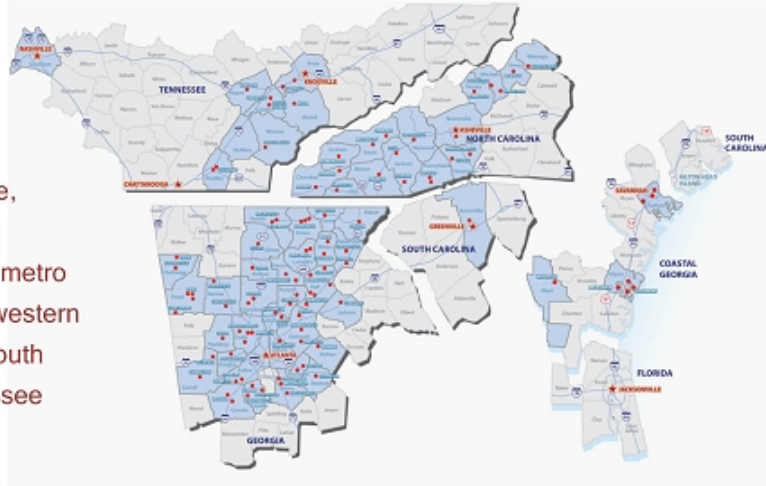
Non-GAAP Measures

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
- ❑ 1,496 employees



Deposit Market Share ⁽¹⁾			
Market	Offices	Deposit Share	Rank
North Georgia	22	34%	1
Atlanta MSA	36	4	6
Gainesville MSA	5	12	4
Coastal Georgia	8	4	7
Western North Carolina	20	13	3
East Tennessee	8	2	8

Key Statistics as of 9/30/13	
<i>(billions)</i>	
Total assets	\$7.24
Total deposits	\$6.11
Loans	\$4.27

¹ FDIC deposit market share and rank as of June 30, 2013 for markets where United takes deposits. Source: SNL and FDIC.

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 \$7.24 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.

KEY EVENTS & BACKGROUND

Highlights Third Quarter



Improving Quarterly Results

- Net income of \$15.5 million, or \$.21 per share
- Core earnings (pre-tax, pre-credit) of \$29.0 million, up \$2.4 million from second quarter
- Return on assets of .86%



Solid Improvement in All Credit Quality Metrics

- Credit metrics at pre-credit crisis levels
- Credit costs decline substantially: Provision of \$3 million / foreclosure costs of \$.2 million
- Net charge-offs decline to \$4.5 million or .42% of total loans
- Allowance of \$80.4 million or 1.88% of total loans
- NPAs declined to \$30.6 million and .42% of total assets
- Classified assets of \$204 million (26% of Tier 1 + ALL vs. 27% for 2Q13 and 55% for 3Q13)



Operating Efficiencies Strengthen

- Efficiency ratio of 58.6% at lowest level since pre-credit crisis
- Core operating expenses down \$2.7 million to second quarter and down \$1.2 million to last year
- Continued focus on reducing costs and improving fee revenue
- Also impacted by lower credit related costs due to second quarter classified asset sales

Highlights Third Quarter



Core Fee Revenue Retains Strength

- Up \$1 million compared to last year and down slightly from 2Q13
- Higher service charges and brokerage fees
- Offset slightly by lower mortgage volume and fees



Loan Growth Returns to Mid-Single Digit Levels

- Net loan growth of \$78 million, or 7.4% annualized



Continued Strong Core Transaction Deposit Growth

- Up \$94 million in the third quarter or 11% annualized
- Up \$278 million from year ago or 9%
- Represents 60% of total customer deposits compared to 34% at the end of 2008



Solid Capital Ratios and Improved Debt Position

- Added \$19.4 million of common equity with warrant exercise
- Tier I Common to Risk Weighted Assets of 9.11%
- Tier 1 Risk Based Capital of 14.21% and Tier I Leverage of 10.0%
- Repaid 7.5% (\$35 million) sub-debt with 6% (\$40 million) Senior Notes

United Community Banks, Inc.

GOALS

Goals



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

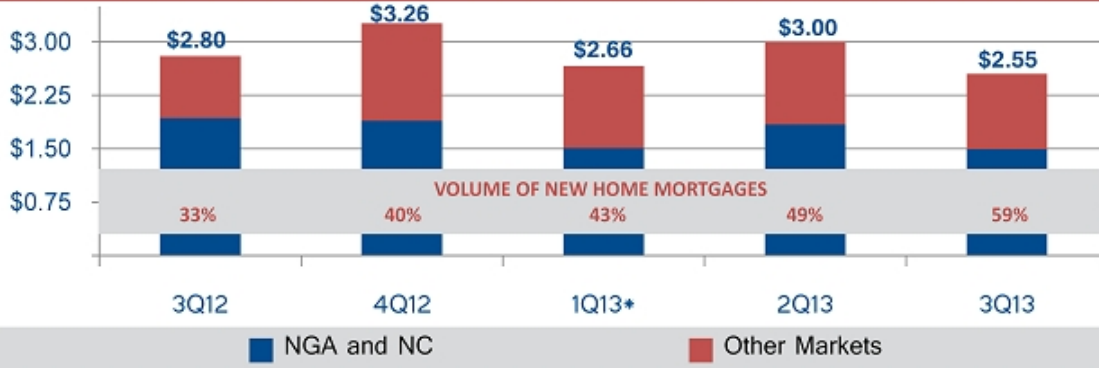
- Become better retail and small business bank
 - Grow sales: Better product design, merchandising, campaign execution
 - Streamline delivery process that focuses on *how we serve our customer* in the end
 - HELOC program success: \$32 million growth in 3Q to \$187 million
 - Smarter Mortgage added \$45 million growth in 3Q to \$149 million
- 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: 25 strategic hires past year in the front and back office initiatives and position for long term growth
 - Enter new markets: LPO in Greenville, SC (4Q12); Nashville, TN (2Q13) with healthcare industry focus; expand territory and commercial loan potential
 - Positive net loan growth going forward
- Customer derivative swap program – meeting customer needs while adding revenue



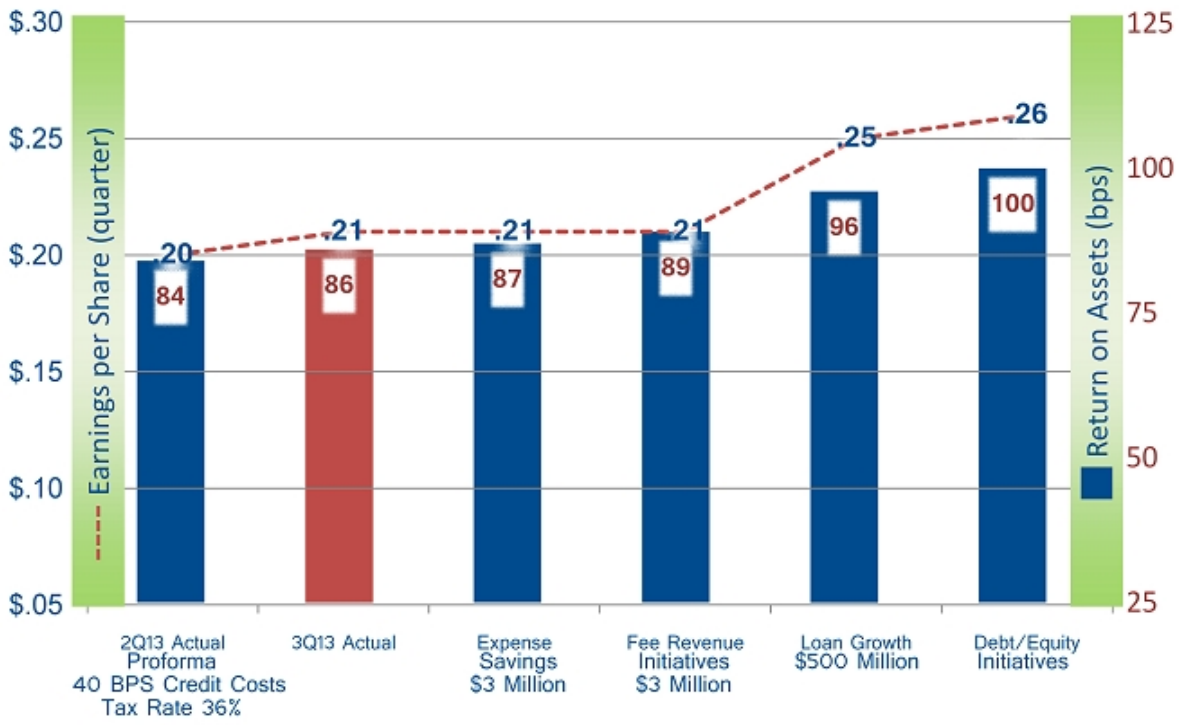
Grow Existing Fee Businesses at Faster Pace

- 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



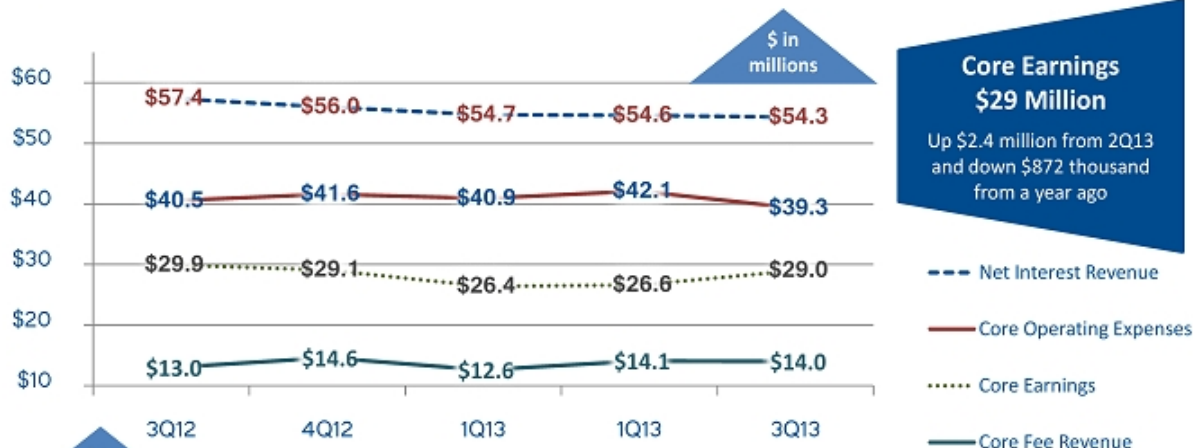
Goals – Earnings per Share / Return on Assets



United Community Banks, Inc.

FINANCIAL REVIEW

Core Earnings & Core Fee Revenue



Core Earnings \$29 Million

Up \$2.4 million from 2Q13
and down \$872 thousand
from a year ago

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

CORE EARNINGS				CORE FEE REVENUE			
	3Q13	Variance - Increase / (Decrease)			3Q13	Variance - Increase / (Decrease)	
		2Q13	3Q12			2Q13	3Q12
Net Interest Revenue	\$ 64,338	\$ (224)	\$ (3,033)	Overdraft Fees	\$ 3,203	\$ 171	\$ (159)
Fee Revenue	13,966	(97)	963	Interchange Fees	3,952	314	889
Gross Revenue	68,304	(321)	(2,070)	Other Service Charges	1,301	(1)	30
Operating Expense (Excl OREO)	39,325	(2,742)	(1,198)	Total Service Charges and Fees	8,456	484	760
Pre-Tax, Pre-Credit (Core)	\$ 28,979	\$ 2,421	\$ (872)	Mortgage Loan & Related Fees	2,554	(449)	(246)
				Brokerage Fees	1,274	211	565
				Other	1,682	(343)	(116)
Net Interest Margin	3.26 %	(.05) %	(.34) %	Total Fee Revenue - Core	13,968	(97)	963
				Non-Core ⁽¹⁾	178	(2,071)	(583)
				Reported - GAAP	\$ 14,144	\$ (2,168)	\$ 380

⁽¹⁾ Includes securities gains (losses), gains from hedge ineffectiveness, gains from the sale of low income housing credits, deferred compensation gains, and BOLI death benefit gain.

Core Operating Expenses

\$ in thousands

	Variance - Increase / (Decrease)		
	3Q13	2Q13	3Q12
Salaries & Employee Benefits	\$ 22,512	\$ (617)	\$ 148
Communications & Equipment	3,305	(163)	51
Occupancy	3,379	(70)	(160)
FDIC Assessment	2,405	(100)	(132)
Advertising & Public Relations	962	(75)	28
Postage, Printing & Supplies	644	(250)	(310)
Professional Fees	2,650	151	470
Other Expense	3,468	(1,618)	(1,293)
Core Operating Expenses	39,325	(2,742)	(1,198)
Non-Core ⁽¹⁾	772	(5,984)	(3,488)
Reported GAAP	\$ 40,097	\$ (8,726)	\$ (4,686)

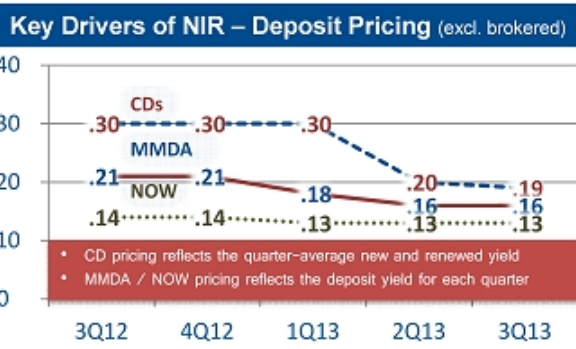
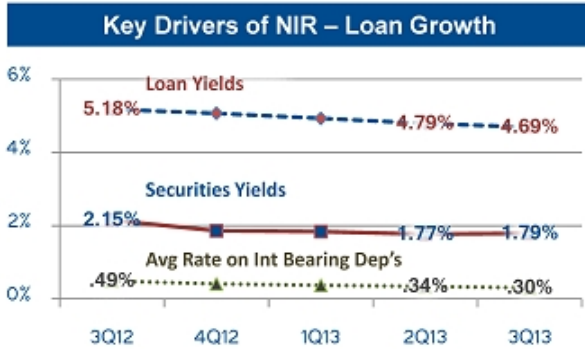
⁽¹⁾ Includes foreclosed property costs, severance, and deferred compensation gains and losses.

Key Drivers of Net Interest Revenue / Margin



Net Interest Revenue

- Offset margin compression by growing loans
- 3Q13 growth impacted by:
 - ✓ Loan pricing competition
 - ✓ Offset slightly by higher securities yields



NET OPERATING INCOME

	3Q13	Variance - Increase / (Decrease)	
		2Q13	3Q12
Core Earnings (Pre-Tax, Pre-Credit)	\$ 28,979	\$ 2,421	\$ (872)
Provision for Loan Loss	3,000	(45,500)	(12,500)
NON-CORE FEE REVENUE:			
Hedge Ineffectiveness Gains (Losses)	(81)	(450)	(689)
BOLI Death Benefit Gain	86	(1,280)	86
Gains from Sale of Low Income Housing Tax Credits	-	(468)	-
Gains (Losses) on Deferred Compensation Plan Assets	173	127	20
Total Non-Core Fee Revenue	178	(2,071)	(583)
NON-CORE OPERATING EXPENSES:			
Foreclosed Property Write Downs	329	(1,040)	(2,065)
Foreclosed Property (Gains) Losses on Sales	(648)	(3,593)	(998)
Foreclosed Property Maintenance Expenses	513	(324)	(449)
Severance Costs	405	(1,154)	4
Gains (Losses) on Deferred Comp Plan Liability	173	127	20
Total Non-Core Operating Expenses	772	(5,984)	(3,488)
Income Tax Expense (Benefit)	9,885	266,298	9,601
Net Income	\$ 15,500	\$ (214,464)	\$ 4,932
Preferred Stock Dividends	3,059	4	18
Net Income Available to Common Shareholders	\$ 12,441	\$ (214,468)	\$ 4,914
Net Income Per Share	\$.21	\$ (3.69)	\$.08
Tangible Book Value	\$ 10.95	\$.13	\$ 4.31

\$ in millions

Prior Quarterly Net Income

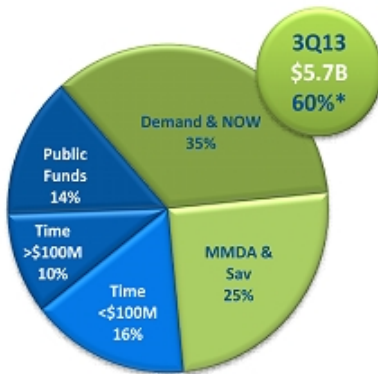
2Q13	\$ 230.0
1Q13	11.8
4Q12	5.3
3Q12	10.6

59.4 Million Shares Outstanding

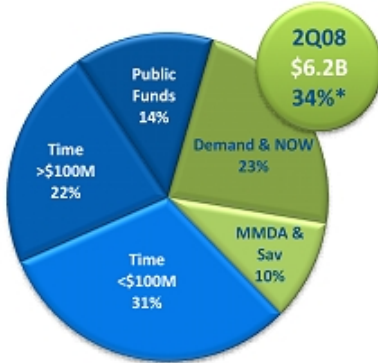
Customer Deposit Mix & Core Growth

\$ in millions

Deposits by % / Customer Mix



*% of core transaction customer deposits



Total Deposit Mix

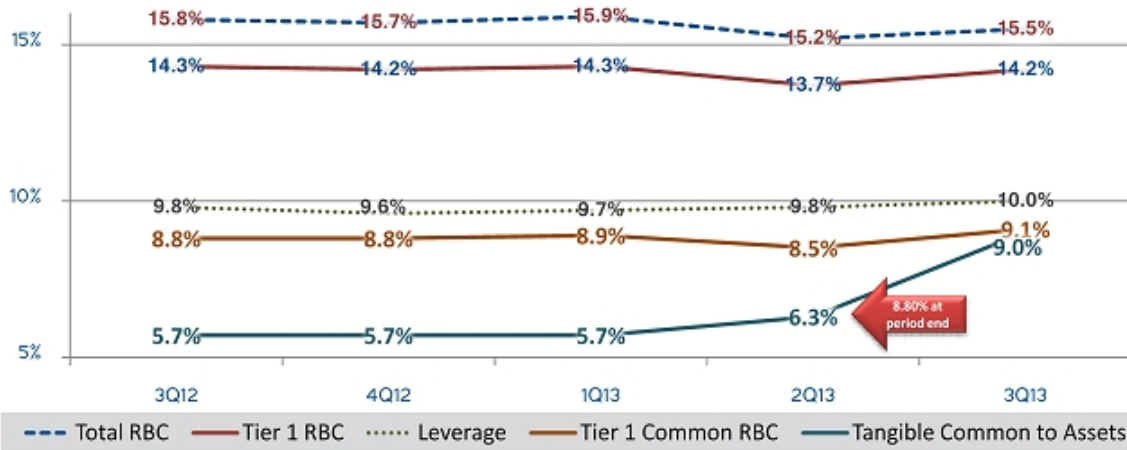
	3Q13	2Q13	3Q12	4Q08
Demand / NOW	\$ 1,979	\$ 1,916	\$ 1,796	\$ 1,457
MMDA / Savings	1,437	1,406	1,342	630
Core Transaction	3,416	3,322	3,138	2,087
Time < \$100,000	920	977	1,118	1,945
Public Deposits	734	674	612	755
Total Core	5,070	4,973	4,868	4,787
Time >\$100,000	593	632	699	1,336
Public Deposits	31	32	32	87
Total Customer	5,694	5,637	5,599	6,210
Brokered Deposits	419	375	224	793
Total Deposits	\$ 6,113	\$ 6,012	\$ 5,823	\$ 7,003

Significant growth in core transaction deposits since 4Q08

Core Deposit Growth – Category & Market

CATEGORY	Growth		MARKET	Growth	
	3Q13	YTD		3Q13	YTD
Demand	\$ 65.8	\$149.0	Atlanta	\$ 39.0	\$ 66.8
MM Accounts	29.3	43.0	N. Georgia	36.7	72.9
Savings	1.3	21.8	North Carolina	10.5	42.4
NOW	(2.3)	(11.1)	Coastal Georgia	3.8	5.4
Total Categories	\$ 94.1	\$202.7	Tennessee	(1.1)	0.20
			Gainesville	5.2	15.0
YTD Percent Growth (Annualized)		8 %		\$ 94.1	\$ 202.7

Capital Ratios



	Well-Capitalized	SEP '13	JUN '13	SEP '12
Bank				
Tier 1 RBC	6 %	14.5 %	14.2 %	14.3 %
Total RBC	10	15.7	15.5	15.6
Leverage	5	10.2	10.1	9.2
Holding Company				
Tangible Equity to Assets		11.8	9.1	8.2

Red callout box: 11.5% at period end (pointing to JUN '13 value of 9.1)

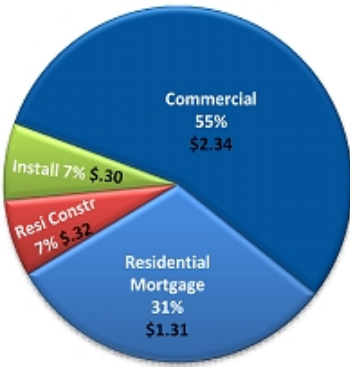
United Community Banks, Inc.

LOAN PORTFOLIO & CREDIT QUALITY

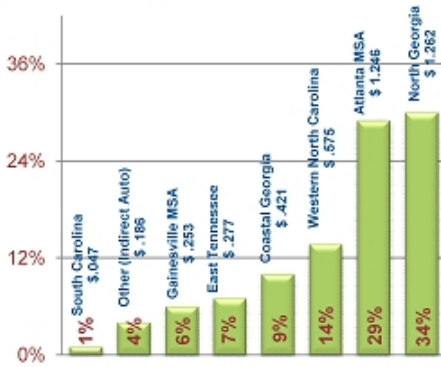
Loan Portfolio (total \$4.27 billion)

\$ in billions

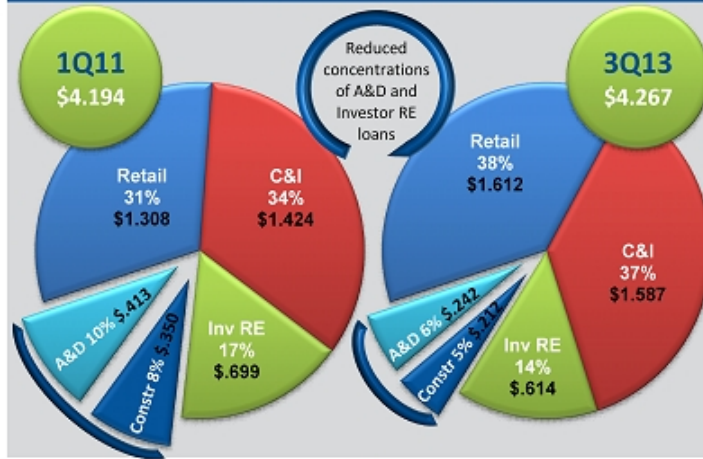
By Loan Type



Geographic Diversity



Diversifying Portfolio



Total Loans

Period	\$ in Billions
3Q13	\$4.267
2Q13	\$4.189
1Q13	\$4.194
4Q12	\$4.175
3Q12	\$4.138

Loan Diversification & Type

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

New Loans Funded and Advances⁽¹⁾

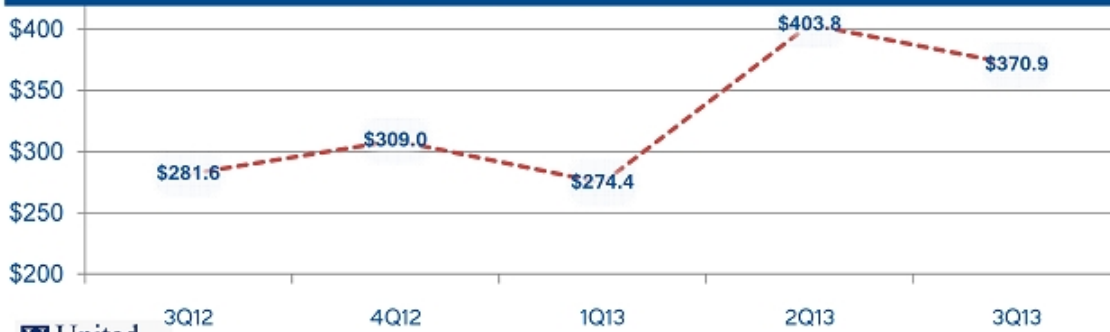
\$ in millions

CATEGORY		
	3Q13	3Q12
Commercial C & I	\$ 64.5	\$ 47.4
Owner Occupied CRE	58.2	39.5
Income Producing CRE	28.1	30.9
Commercial Constr.	4.9	3.2
Total Commercial	155.7	121.0
Residential Mortgage	49.8	40.8
Residential HELOC	55.4	66.1
Residential Construction	32.5	25.5
Consumer	77.5	28.2
Total Categories	370.9	281.6

(1) Represents new loans funded and net loan advances (net of payments on lines of credit)

MARKET		
	3Q13	3Q12
Atlanta	\$ 116.6	\$ 92.4
Coastal Georgia	40.5	29.8
N. Georgia	71.5	77.3
North Carolina	38.4	31.6
Tennessee	18.9	30.2
Gainesville	18.6	9.7
South Carolina	13.5	-
Other (Indirect Auto)	52.9	10.6
Total Markets	\$ 370.9	\$ 281.6

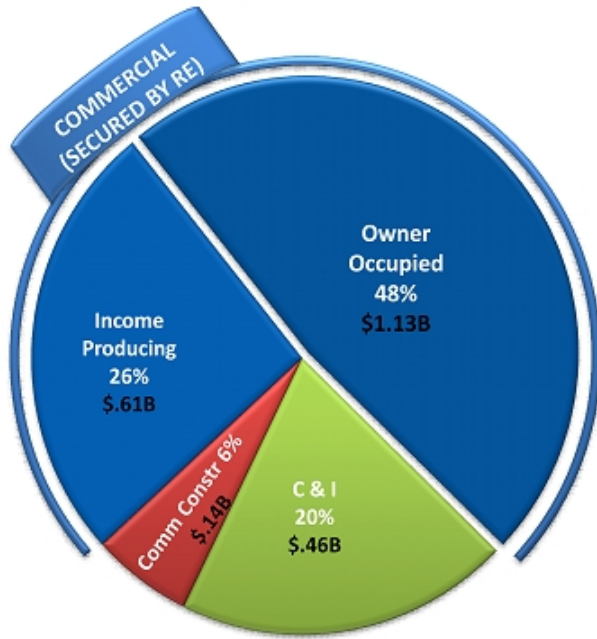
New Loans Funded and Advances



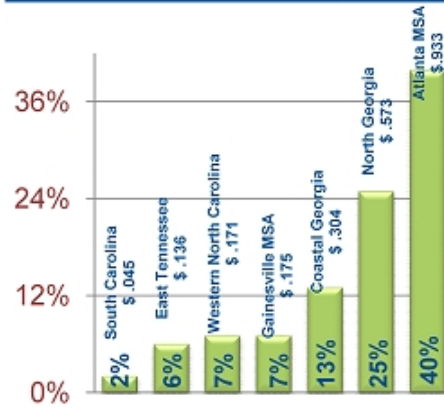
Commercial Loans (total \$2.34 billion)

\$ in billions

By Loan Type



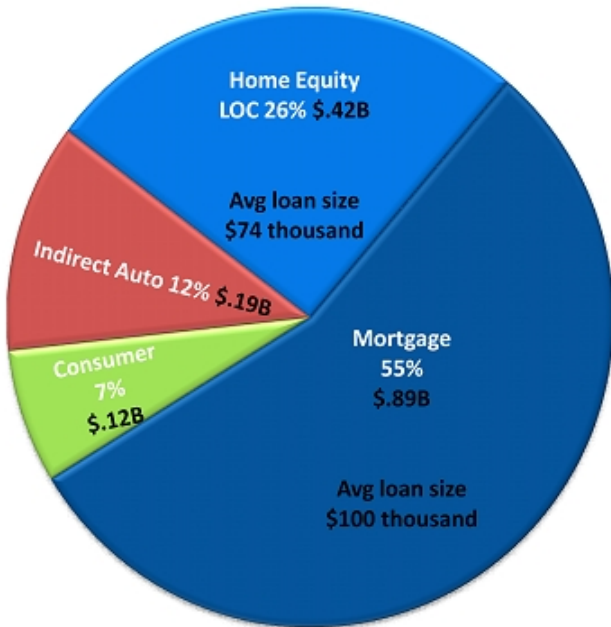
Geographic Diversity



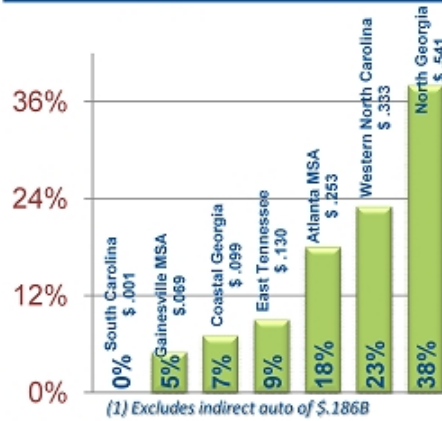
Average Loan Size

Type	\$ in Thousands
Owner Occup'd	\$431
Income Prod	589
C & I	93
Comm Constr	375

By Loan Type



Geographic Diversity⁽¹⁾



Success with new portfolio products and HELOCs

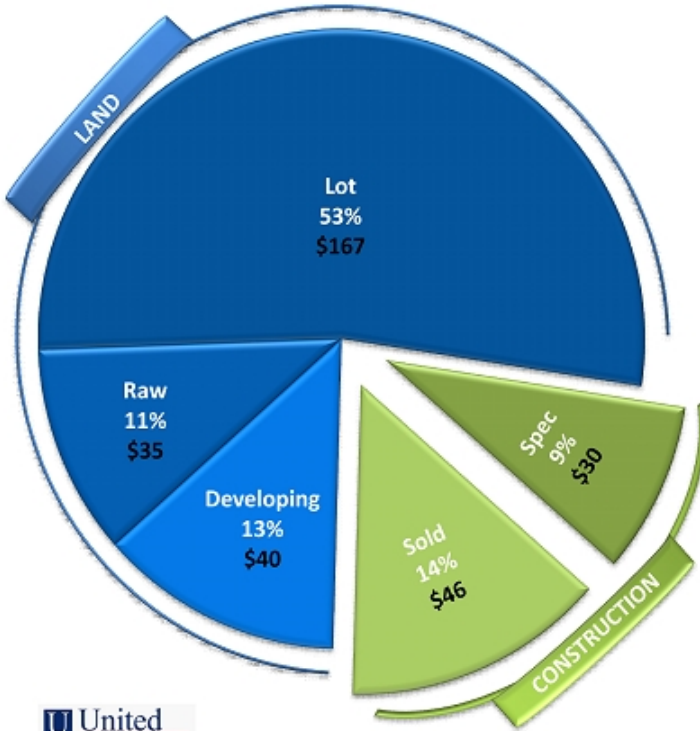
Conservative underwriting

62% of HE Primary Lien

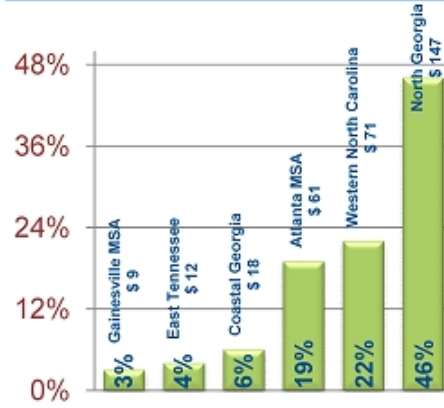
Residential Construction (total \$318 million)

\$ in millions

By Loan Type



Geographic Diversity



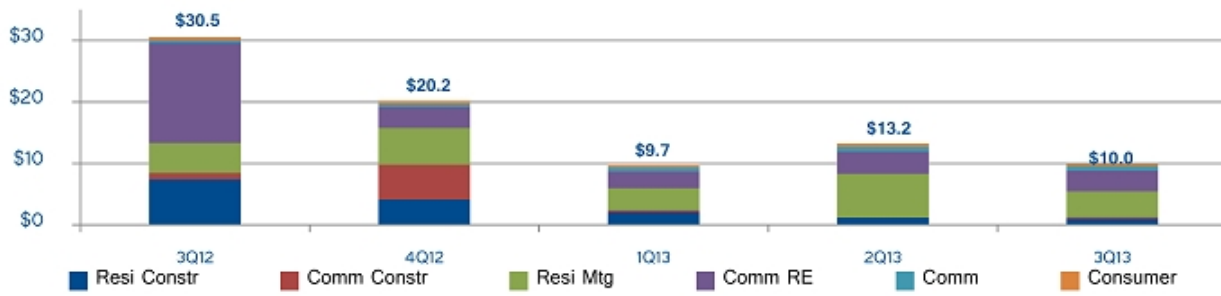
	3Q13	2Q13	1Q13	4Q12	3Q12	3Q13 vs. 3Q12
TOTAL COMPANY						
Land Loans						
Developing	\$ 40	\$ 42	\$ 57	\$ 62	\$ 71	(\$31)
Raw	35	36	42	46	41	(6)
Lot	167	173	188	193	196	(29)
Total	242	251	287	301	308	(66)
Construction Loans						
Spec	30	34	40	41	44	(14)
Sold	46	47	45	40	37	9
Total	76	81	85	81	81	(5)
Total	\$ 318	\$ 332	\$ 372	\$ 382	\$ 389	(\$71)

	3Q13	2Q13	1Q13	4Q12	3Q12
Net Charge-offs	\$ 4.5	\$ 72.4	\$ 12.4	\$ 14.5	\$ 20.6
as % of Average Loans	0.42 %	6.87 %	1.21 %	1.39 %	1.99 %
Allowance for Loan Losses	\$ 80.4	\$ 81.8	\$ 105.8	\$ 107.1	\$ 107.6
as % of Total Loans	1.88 %	1.95 %	2.52 %	2.57 %	2.60 %
as % of NFLs	308	294	110	97	94
Past Due Loans (30 - 89 Days)	.45 %	.49 %	.66 %	.65 %	.68 %
Non-Performing Loans	\$ 26.1	\$ 27.9	\$ 96.0	\$ 109.9	\$ 115.0
OREO	4.5	3.9	16.7	18.3	27.0
Total NPAs	<u>30.6</u>	<u>31.8</u>	<u>112.7</u>	<u>128.2</u>	<u>142.0</u>
Performing Classified Loans	173.6	176.3	271.7	261.9	284.0
Total Classified Assets	<u>\$ 204.2</u>	<u>\$ 208.1</u>	<u>\$ 384.4</u>	<u>\$ 390.1</u>	<u>\$ 426.0</u>
as % of Tier 1 / Allowance	26 %	27 %	49 %	50 %	55 %
Accruing TDRs (see page 28)	\$ 79.8	\$ 77.8	\$ 126.0	\$ 122.8	\$ 138.3
As % of Original Principal Balance					
Non-Performing Loans	61.6 %	62.6 %	66.3 %	69.5 %	68.8 %
OREO	41.5	31.6	45.0	39.7	36.4
Total NPAs					
as % of Total Assets	.42	.44	1.65	1.88	2.12
as % of Loans & OREO	.72	.76	2.68	3.06	3.41

Non-Performing Loans (NPLs) Inflow Trends

\$ in millions

Quarterly NPL Inflows



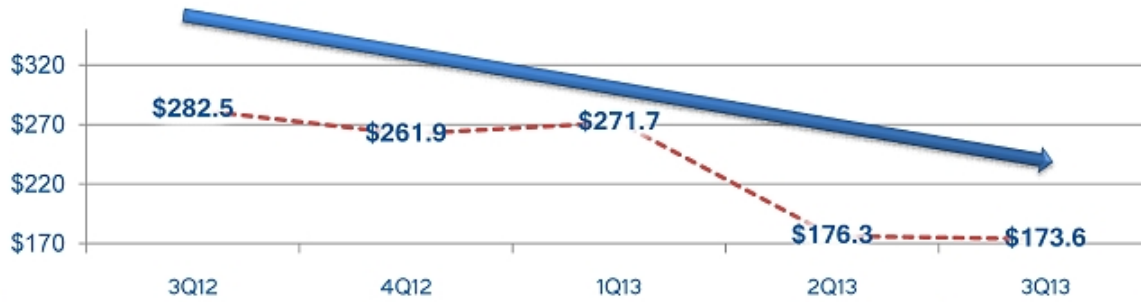
\$ in millions

Total NPLs



Performing Classified Loans

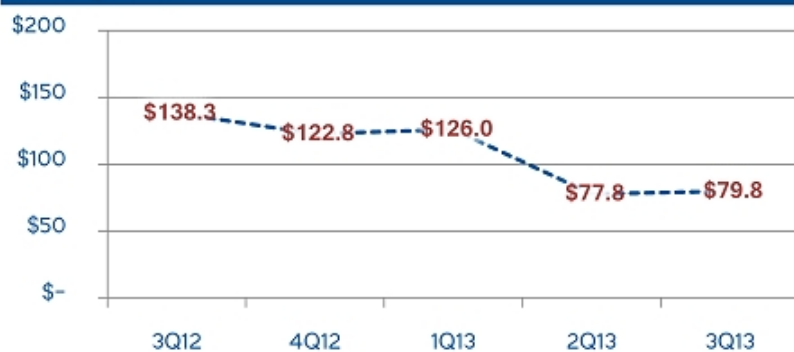
\$ in millions



BY CATEGORY	3Q12	4Q12	1Q13	2Q13	3Q13
Commercial:					
Commercial & Industrial	\$ 19	\$ 18	\$ 20	\$ 11	\$ 10
Owner Occupied	77	65	71	43	40
Total C & I	96	83	91	54	50
Income Producing CRE	49	53	57	36	36
Commercial Constr	27	19	18	16	17
Total Commercial	172	155	166	106	103
Residential Mortgage	73	65	64	51	53
Residential Construction	35	38	38	17	16
Consumer / Installment	3	4	3	2	2
Total Performing Classified	\$ 283	\$ 262	\$ 271	\$ 176	\$ 174
Classified to Tier 1 + ALL	55 %	50 %	49 %	27 %	26 %

LOAN TYPE	Accruing ⁽¹⁾		Non-Accruing		Total TDRs	
	3Q13	vs. 3Q12	3Q13	vs. 3Q12	3Q13	vs. 2Q12
Commercial (Sec by RE)	\$ 40.7	\$ 72.0	\$ 2.5	\$ 8.5	\$ 43.2	\$ 80.6
Commercial & Industrial	2.9	7.0	-	.2	2.9	7.2
Commercial Construction	12.8	24.0	-	11.9	12.8	35.9
Total Commercial	56.4	103.0	2.5	20.6	58.9	123.6
Residential Mortgage	15.6	16.0	2.3	1.4	17.9	17.5
Residential Construction	7.7	18.9	2.6	5.9	10.3	24.8
Consumer Installment	.1	.3	.1	.1	.2	.4
Total	\$ 79.8	\$ 138.3	\$ 7.5	\$ 28.0	\$ 87.3	\$ 166.3

Accruing TDRs



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

Accruing TDR past due 30 – 89 days – 1.44%

25.81% of accruing TDRs are pass credits

Net Charge-offs by Category & Market

\$ in thousands

NET CHARGE-OFFS BY CATEGORY

	3Q13		% of Average Loans (Annualized)			
	Total	% of Avg Loans	2Q13	1Q13	4Q12	3Q12
Commercial (Sec. by RE):						
Owner Occupied	\$ 1,641	.58 %	5.85 %	.69 %	1.76 %	3.56 %
Income Producing	216	.14	5.45	1.99	.67	.70
Total Comm (Sec. by RE)	1,857	.49	5.70	1.18	1.35	1.79
Commercial & Industrial	136	.12	13.91	1.34	.12	(.23)
Commercial Construction	133	.39	17.53	(.01)	4.25	7.74
Total Commercial	2,126	.36	7.96	1.14	1.30	1.81
Residential Mortgage	693	.31	2.52	.79	1.55	1.40
Home Equity LOC	382	.37	1.04	.53	.49	.80
Residential Construction	1,072	1.31	20.91	3.22	2.52	5.69
Consumer/ Installment	200	.28	.10	1.35	1.10	.78
Total Net Charge-offs	\$ 4,473	.42	6.87	1.21	1.39	1.99

NET CHARGE-OFFS BY MARKET

North Georgia	\$ 2,090	.66 %	17.20 %	1.45 %	1.29 %	1.84 %
Atlanta MSA	1,013	.33	3.21	1.07	1.27	3.02
North Carolina	704	.49	1.36	1.59	1.39	1.15
Coastal Georgia	139	.14	.49	.85	.60	2.67
Gainesville MSA	97	.15	.19	.67	2.04	.45
East Tennessee	359	.51	1.01	.98	2.98	.45
South Carolina	-	-	-	-	-	-
Other (Indirect Auto)	71	.17	.24	.39	.19	-

NPA's by Loan Category & Market

\$ in thousands

3Q13

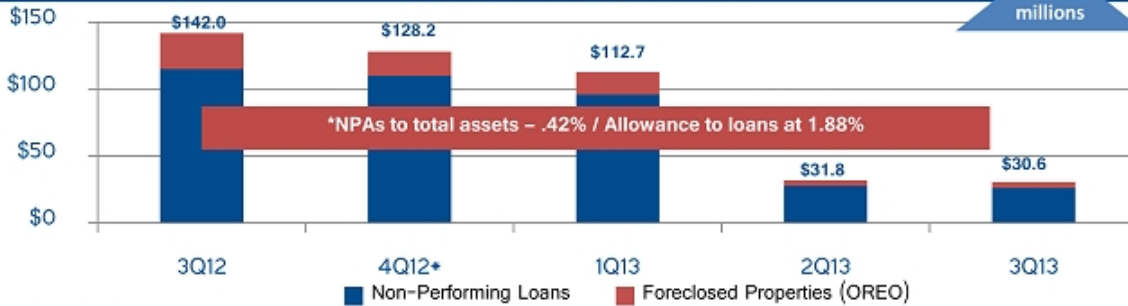
LOAN CATEGORY	NPLs	OREO	Total NPAs
Commercial (sec. by RE):			
Owner Occupied	\$ 6,358	\$ 591	\$ 6,949
Income Producing	1,657	139	1,796
Commercial & Industrial	609	-	609
Commercial Construction	343	376	719
Total Commercial	8,967	1,106	10,073
Residential Mortgage	11,335	1,879	13,014
HELOC	1,169	475	1,644
Residential Construction	4,097	1,207	5,304
Consumer/ Installment	520	-	520
Total	\$ 26,088	\$ 4,467	\$ 30,555
MARKET			
Gainesville	\$ 1,036	\$ -	\$ 1,036
Coastal Georgia	995	928	1,923
East Tennessee	1,629	25	1,654
North Carolina	5,690	762	6,442
Atlanta MSA	3,098	1,026	4,122
North Georgia	13,652	1,726	15,378

3Q12

LOAN CATEGORY	NPLs	OREO	Total NPAs
Commercial (sec. by RE):			
Owner Occupied	\$ 14,140	\$ 7,170	\$ 21,310
Income Producing	11,756	1,597	13,353
Commercial & Industrial	32,678	-	32,678
Commercial Construction	18,590	3,121	21,711
Total Commercial	77,164	11,888	89,052
Residential Mortgage	13,998	6,031	20,027
Residential Construction	22,935	9,039	31,974
Consumer/ Installment	906	-	906
Total	\$ 115,001	\$ 26,958	\$ 141,959
MARKET			
Gainesville	\$ 840	\$ 1,328	\$ 2,168
Coastal Georgia	6,822	864	7,686
East Tennessee	4,157	1,487	5,644
North Carolina	9,622	2,771	12,393
Atlanta MSA	21,349	5,926	27,275
North Georgia	72,211	14,582	86,793

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 \$7.2 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	Offices ⁽¹⁾	Deposit Share ⁽¹⁾	Rank ⁽¹⁾
North Georgia	\$ 6.4	\$ 2.2	11	22	34 %	1
Western North Carolina	10.9	.9	1	20	8	3
Gainesville MSA	2.7	.3	1	5	12	4
Atlanta MSA	54.4	2.1	10	36	4	7
Coastal Georgia	7.0	.3	2	8	4	7
East Tennessee	15.6	.3	2	8	2	8
Total Markets	\$ 97.0	\$ 6.1	27	99		

¹ FDIC deposit market share and rank as of 6/13 for markets where United takes deposits. Data Source: SNL and FDIC.

² Based on current quarter.

³ Excludes four 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: SNL.

“Change is not a threat, it’s an opportunity. Survival is not the goal, transformative success is.”

-Seth Godin

Liquidity

\$ in millions

	Unused Capacity	3Q13	2Q13	3Q12	Variance	
					vs 2Q13	vs 3Q12
Wholesale Borrowings						
Brokered Deposits	\$ 1,372 ⁽¹⁾	\$ 419	\$ 375	\$ 223	\$ 44	\$ 196
FHLB	1,110	-	70	50	(70)	(50)
Fed Funds	588	-	-	-	-	-
Other Wholesale	-	54	54	53	-	1
Total	\$ 3,080	\$ 473	\$ 499	\$ 326	\$ (26)	\$ 147
Long-Term Debt						
Senior Debt		\$ 75	\$ 35	\$ -	\$ 40	\$ 75
Sub-Debt		-	35	65	(35)	(65)
Trust Preferred Securities		55	55	55	-	-
Total Long-Term Debt		\$ 130	\$ 125	\$ 120	\$ 5	\$ 10

WHOLESALE BORROWINGS

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

LOANS / DEPOSITS

	3Q13	2Q13	3Q12	Variance		
				vs 2Q13	vs 3Q12	
Loans	\$ 4,267	\$ 4,189	\$ 4,138	\$ 78	\$ 129	
Core (DOA, MMDA, Savings)	\$ 3,416	\$ 3,322	\$ 3,138	\$ 94	\$ 278	
Public Funds	765	707	644	58	121	
CDs	1,513	1,608	1,817	(95)	(304)	
Total Deposits (excl Brokered)	\$ 5,694	\$ 5,637	\$ 5,599	\$ 57	\$ 95	
Loan to Deposit Ratio	75%	74%	74%			
Investment Securities:						
Available for Sale -Fixed	\$ 1,138	\$ 1,120	\$ 1,002	\$ 18	\$ 136	
-Floating	825	817	760	8	65	
Held to Maturity -Fixed	197	197	239	-	(42)	
-Floating	9	18	24	(9)	(15)	
Total Investment Securities	2,169	2,152	2,025	17	144	
Percent of Assets (Excludes Floating)	18%	18%	19%			

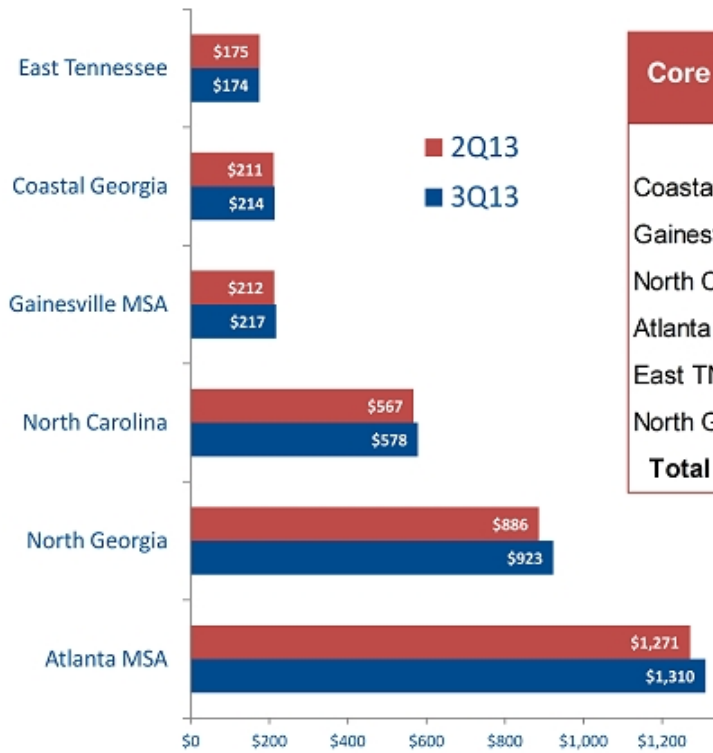
Business Mix – Deposits *at quarter-end*

\$ in
millions

DEPOSITS BY CATEGORY	3Q13	2Q13	1Q13	4Q12	3Q12	3Q13 vs. 3Q12
Demand & Now	\$ 1,979	\$ 1,916	\$ 1,894	\$ 1,841	\$ 1,796	\$ 183
MMDA & Savings	1,437	1,406	1,401	1,372	1,342	95
Core Transaction Deposits	3,416	3,322	3,295	3,213	3,138	278
Time < \$100,000	920	977	1,014	1,050	1,118	(198)
Time ≥ \$100,000 < \$250,000	473	512	528	547	598	(125)
Public Deposits	734	674	700	739	612	122
Total Core Deposits	5,543	5,485	5,537	5,549	5,466	77
Time ≥ \$250,000	120	120	125	127	101	19
Public Deposits	31	32	32	31	32	(1)
Total Customer Deposits	5,694	5,637	5,694	5,707	5,599	95
Brokered Deposits	419	375	332	245	224	195
Total Deposits	\$ 6,113	\$ 6,012	\$ 6,026	\$ 5,952	\$ 5,823	\$ 290

Core Transaction Deposits

\$ in millions



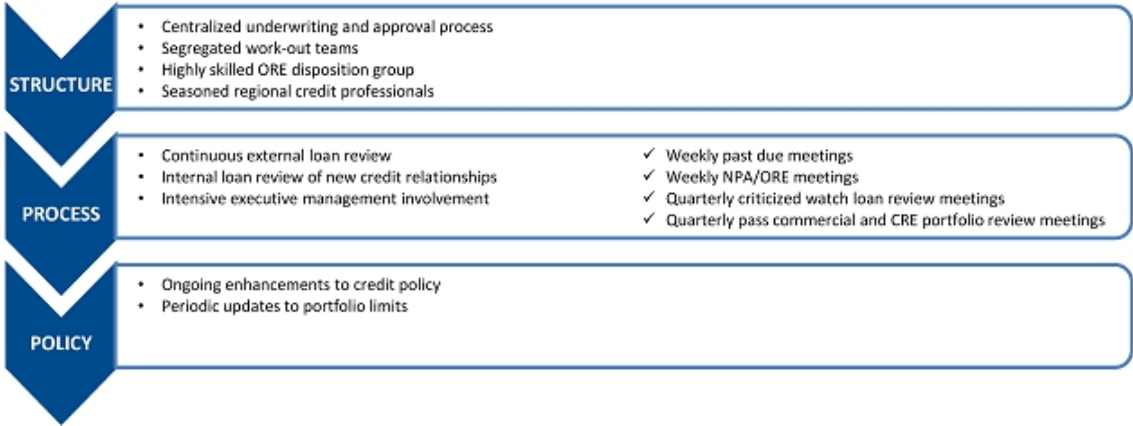
Core Transactions / Total Deposits		
	3Q13	2Q13
Coastal GA	68.1 %	67.6 %
Gainesville MSA	68.8	67.0
North Carolina	63.0	62.6
Atlanta MSA	62.2	62.1
East TN	63.8	61.5
North Georgia	52.2	50.0
Total	60.0 %	58.9 %



Regional Credit Review – Standard Underwriting

• House Lending Limit	25
• Project Lending Limit	15
• Top 25 Relationships	351

PROACTIVELY ADDRESSING CREDIT ENVIRONMENT



	30-Sep-13	
	Amount	Percent
Land Develop - Vacant (Improved)	\$ 56.0	41 %
Raw Land - Vacant (Unimproved)	36.0	26
Commercial Land Development	16.0	11
Churches	9.0	6
Hotels / Motels	5.0	4
Office Buildings	4.0	3
Warehouse	4.0	3
Retail Building	3.0	2
Mfg Facility	2.0	1
Miscellaneous	2.0	1
Franchise / Restaurants	1.0	1
Carwash	1.0	1
Total Commercial Construction	\$ 139.0	

Average Loan Size (\$ in thousands)	
• Commercial Construction	\$375
• Commercial RE:	
• Composite CRE	463
• Owner Occupied	431
• Income Producing	589

Commercial RE Characteristics	
• 64.8% owner occupied	
• Small business, doctors, dentists, attorneys, CPAs	
• \$15 million project limit	

	Owner		Income		30-Sep-13	
	Occupied	Producing	Total	Percent		
Office Buildings	\$ 301.9	\$ 167.7	\$ 469.6	26.95 %		
Retail	106.4	120.9	227.3	13.05		
Small Warehouses / Storage	124.7	58.0	182.7	10.48		
Churches	137.7	-	137.7	7.90		
Other Properties	79.1	34.2	113.3	6.50		
Convenience Stores	92.1	16.5	108.6	6.23		
Hotels / Motels	-	84.5	84.5	4.85		
Franchise / Restaurants	37.7	31.5	69.2	3.97		
Multi-Residential / Other Properties	-	58.4	58.4	3.35		
Farmland	55.7	-	55.7	3.19		
Manufacturing Facility	48.9	5.8	54.7	3.14		
Leasehold Property	17.2	13.1	30.3	1.74		
Golf Course / Recreation	29.5	-	29.5	1.69		
Auto Dealership / Service	17.9	9.0	26.9	1.54		
Automotive Service	18.7	.1	18.8	1.08		
Daycare Facility	11.4	7.1	18.5	1.06		
Funeral Home	15.7	.6	16.3	0.94		
Carwash	16.1	-	16.1	0.92		
Marina	9.1	-	9.1	0.52		
Mobile Home Parks	-	5.9	5.9	0.34		
Movie Theater / Bowling Recreation	4.9	-	4.9	0.28		
Assisted Living / Nursing Home	4.8	-	4.8	0.28		
Total Commercial Real Estate	\$ 1,129.4	\$ 613.4	\$ 1,742.8			

Loans by Business Mix and Region

\$ in millions

	3Q13	2Q13	1Q13	4Q12	3Q12	3Q13 vs. 3Q12
QUARTERLY LOANS - BUSINESS MIX BY CATEGORY						
Commercial:						
Comm & Indus	\$ 457	\$ 437	\$ 454	\$ 458	\$ 460	\$ (3)
Owner Occ'd	1,129	1,119	1,130	1,131	1,126	3
Total C & I	1,586	1,556	1,584	1,589	1,586	-
Income Prod CRE	614	629	674	682	693	(79)
Comm Constr	137	133	152	155	161	(24)
Total Comm	2,337	2,318	2,410	2,426	2,440	(103)
Resi Mortgage	1,309	1,278	1,246	1,214	1,174	135
Resi Constr	318	332	372	382	389	(71)
Consum / Install	303	261	166	153	135	168
Total Loans	\$ 4,267	\$ 4,189	\$ 4,194	\$ 4,175	\$ 4,138	\$ 129

	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

	3Q13	2Q13	1Q13	4Q12	3Q12	3Q13 vs. 3Q12
QUARTERLY LOANS - BY REGION						
North Georgia	\$ 1,262	\$ 1,265	\$ 1,363	\$ 1,364	\$ 1,382	\$ (120)
Atlanta MSA	1,246	1,227	1,262	1,250	1,238	8
North Carolina	575	576	575	579	579	(4)
Coastal Georgia	421	397	398	400	380	41
Gainesville MSA	253	256	259	261	256	(3)
East Tennessee	277	282	282	283	283	(6)
South Carolina	47	34	-	-	-	47
Other (Ind. Auto)	186	152	55	38	20	166
Total Loans	\$ 4,267	\$ 4,189	\$ 4,194	\$ 4,175	\$ 4,138	\$ 129

	2012	2011	2010	2009	2008
ANNUAL LOANS - BY REGION					
North Georgia	\$ 1,364	\$ 1,426	\$ 1,689	\$ 1,884	\$ 2,040
Atlanta MSA	1,250	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
South Carolina	-	-	-	-	-
Other (Ind. Auto)	38	-	-	-	-
Total Loans	\$ 4,175	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705

Non GAAP Reconciliation Tables

\$ in thousands

	Operating Earnings to GAAP Earnings Reconciliation				
	3Q13	2Q13	1Q13	4Q12	3Q12
CORE FEE REVENUE					
Core fee revenue	\$ 13,966	\$ 14,063	\$ 12,618	\$ 14,551	\$ 13,003
Securities gains, net	-	-	116	31	-
Gains from sales of low income housing tax credits	-	468	-	-	-
Hedge ineffectiveness gains (losses)	(81)	369	(85)	116	608
BOLI death benefit gain	86	1,366	-	-	-
Mark to market on deferred compensation plan assets	173	46	177	63	153
Fee revenue (GAAP)	\$ 14,144	\$ 16,312	\$ 12,826	\$ 14,761	\$ 13,764
CORE OPERATING EXPENSE					
Core operating expense	\$ 39,325	\$ 42,067	\$ 40,900	\$ 41,489	\$ 40,523
Foreclosed property expense	194	5,151	2,333	4,611	3,706
Severance	405	1,559	360	563	401
Provision for litigation settlement	-	-	-	4,000	-
Mark to market on deferred compensation plan liability	173	46	177	63	153
Operating expense (GAAP)	\$ 40,097	\$ 48,823	\$ 43,770	\$ 50,726	\$ 44,783
TANGIBLE COMMON EQUITY AND TANGIBLE EQUITY TO TANGIBLE ASSETS					
Tangible common equity to tangible assets	9.02 %	6.30 %	5.66 %	5.67 %	5.73 %
Effect of preferred equity	2.74	2.83	2.87	2.88	2.93
Tangible equity to tangible assets	11.76	9.13	8.53	8.55	8.66
Effect of goodwill and other intangibles	.04	.06	.07	.08	.09
Equity to assets (GAAP)	11.80 %	9.19 %	8.60 %	8.63 %	8.75 %
TANGIBLE COMMON EQUITY TO RISK-WEIGHTED ASSETS					
Tangible common equity to risk-weighted assets	13.34 %	13.16 %	8.45 %	8.26 %	8.44 %
Effect of preferred equity	4.01	4.11	4.22	4.24	4.29
Tangible equity to risk weighted assets	17.35	17.27	12.67	12.50	12.73
Effect of deferred tax limitation	(4.72)	(4.99)	-	-	-
Effect of other comprehensive income	.49	.29	.49	.51	.36
Effect of trust preferred	1.09	1.11	1.15	1.15	1.17
Tier I capital ratio (Regulatory)	14.21 %	13.68 %	14.31 %	14.16 %	14.26 %