

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):  
July 24, 2014

**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 July 24, 2014, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter ended June 30, 2014 (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 July 24, 2014 at 11:00 a.m. ET, 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 Second Quarter 2014 Investor Presentation (the “Investor Presentation”), which will be posted to the Registrant’s website at [www.ucbi.com](http://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.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

**Exhibit  
No.**

**Description**

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99.1 News Release, dated July 24, 2014

99.2 Investor Presentation, Second Quarter 2014

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**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: July 24, 2014

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**For Immediate Release**

***For more information:***

Rex S. Schuette  
Chief Financial Officer  
(706) 781-2266  
[Rex\\_Schuette@ucbi.com](mailto:Rex_Schuette@ucbi.com)

**UNITED COMMUNITY BANKS, INC. REPORTS  
EARNINGS OF \$16.4 MILLION FOR SECOND QUARTER 2014**

- Earnings per diluted share of 27 cents, up 8 percent from first quarter
- Loans up \$54 million, or 5 percent annualized
- Core transaction deposits up \$52 million, or 6 percent annualized
- SBA lending team added to expand business

BLAIRSVILLE, GA – July 24, 2014 – United Community Banks, Inc. (NASDAQ: UCBI) (“United”) today reported net income of \$16.4 million, or 27 cents per diluted share, for the second quarter of 2014. Earnings per share were up 8 percent from the first quarter, reflecting growth in net interest revenue and fee revenue, a lower provision for loan losses and the elimination of preferred stock dividends. For the first six months, United reported net income of \$31.8 million, or 52 cents per diluted share.

“I am very pleased with our second quarter progress in growing our business and earnings” said Jimmy Tallent, president and chief executive officer. “We have had four consecutive quarters of steady earnings per share growth since the classified asset sales a year ago and are focused on continuing that trend.”

Second quarter taxable equivalent net interest revenue totaled \$55.0 million, up \$781,000 from the first quarter and the same as the second quarter of 2013. The taxable equivalent net interest margin was 3.21 percent, equal to the first quarter and down 12 basis points from a year ago.

“Preserving our net interest margin and growing net interest revenue while also managing our exposure to changes in interest rates are top priorities for continued growth in earnings per share,” said Tallent. “We remain sharply focused on growing loans and core deposits to increase net interest revenue. During the second quarter we completed certain balance sheet restructuring activities that included the reduction/restructuring of the securities portfolio, interest rate hedges and wholesale borrowings. The consequential changes in our securities portfolio, wholesale borrowings and interest rate hedges allowed us to maintain our margin at 3.21 percent and prevent further margin decline in 2014, while maintaining our interest rate risk and sensitivity levels. We sold \$237 million in investment securities at a gain of \$4.4 million, which was offset by a similar charge from the repayment of \$44 million in costly structured wholesale borrowings.”

The second quarter provision for credit losses was \$2.2 million, down \$300,000 from the first quarter and down \$46.3 million from the second quarter of 2013. Second quarter net charge-offs were \$4.18 million, compared with \$4.04 million in the first quarter and \$72.4 million a year ago. Nonperforming assets at quarter-end were \$23.7 million, down 23 percent from the first quarter and representing .32 percent of total assets. This compares to .42 percent at the end of the first quarter, and .44 percent at the end of the second quarter of 2013.

Second quarter fee revenue totaled \$14.1 million, up \$1.97 million from the first quarter with increases in every category. When compared to a year earlier, fee revenue was down \$1.80 million primarily due to lower mortgage fees and a \$1.37 million gain last year on a bank-owned life insurance policy. Service charges and fees were up approximately \$600,000 from both the first quarter and a year ago due to strong debit card transaction volume and new service fees effective January 1. Mortgage fees were up \$523,000 from the first quarter but down \$1.13 million from a year ago, the decrease reflecting slower mortgage refinancing activity. Closed mortgage loans totaled \$68.5 million in the second quarter, compared with \$46.0 million in the first quarter and \$95.2 million in the second quarter of 2013. Customer swap fees included in other fee revenue were up \$357,000 from the first quarter due to an increase in commercial lending activities. Also included in other fee revenue were gains on the sale of SBA loans of \$744,000. “Going forward, our new focus on growing our SBA business includes selling loans and taking the related gains, while retaining servicing on the loans sold,” commented Tallent.

Operating expenses, excluding foreclosed property costs, were \$40.4 million in the second quarter compared to \$38.9 million in the first quarter and \$43.7 million a year ago. Decreases in nearly every expense category from a year ago reflect successful efforts to control operating costs. The \$1.48 million increase from the first quarter was mostly in advertising and public relations, professional fees and other expenses that included a number of non-core costs. The increase in advertising and public relations primarily reflects the cost for new products and updating brochures and other branded materials. The increase in professional fees is due to higher legal and consulting costs resulting from corporate initiatives. The increase in other expenses primarily reflects higher lending support costs and a \$367,000 loss from the consolidation and sale of a branch facility.

Foreclosed property costs were \$102,000 in the second quarter compared to \$116,000 in the first quarter and \$5.15 million a year ago. These costs were elevated in the second quarter of 2013 by the accelerated sales of classified assets.

On June 30, 2014, capital ratios were as follows: Tier 1 Risk-Based of 11.8 percent; Total Risk-Based of 13.0 percent; Tier 1 Common Risk-Based of 10.7 percent; Tier 1 Leverage of 8.3 percent; and Tangible Equity-to-Assets of 9.6 percent.

“We had a solid start in 2014 and continued to build momentum through the second quarter,” Tallent said. “Stabilizing our net interest margin and growing loans, deposits and fee revenue will drive earnings growth. To that end, we continue to expand our business capabilities and have added senior people to our commercial and specialized lending groups. In the second quarter we completed the acquisition of a specialty SBA business in Columbia, South Carolina, and added a newly formed SBA national sales team led by Rich Bradshaw, who has a long record of success in SBA and other specialized lending areas. This team will significantly strengthen our SBA and USDA lending capabilities within and beyond our existing footprint. I am excited about the opportunities ahead and remain convinced we are on track to achieve our business targets and financial goals for the year.”

### Conference Call

United will hold a conference call today, Thursday, July 24, 2014, 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 60193841. 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](http://www.ucbi.com).

### About United Community Banks, Inc.

United Community Banks, Inc. (UCBI) is a bank holding company based in Blairsville, Georgia, with \$7.4 billion in assets. The company’s banking subsidiary, United Community Bank, is one of the Southeast’s largest full-service banks, operating 103 offices in Georgia, North Carolina, South Carolina and Tennessee. The bank specializes in personalized community banking services for individuals, small businesses and corporations. A full range of consumer and commercial banking services includes mortgage, advisory, treasury management and other products. National survey organizations consistently recognize United Community Bank for outstanding customer service. Additional information about the company and the bank’s full range of products and services can be found at [www.ucbi.com](http://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 2013 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>	2014		2013			Second Quarter	For the Six Months Ended		YTD
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	2014-2013 Change	June 30, 2014	2013	2014-2013 Change
<b>INCOME SUMMARY</b>									
Interest revenue	\$ 61,783	\$ 60,495	\$ 61,695	\$ 61,426	\$ 62,088		\$ 122,278	\$ 124,202	
Interest expense	6,833	6,326	5,816	7,169	7,157		13,159	14,697	
Net interest revenue	54,950	54,169	55,879	54,257	54,931	-%	109,119	109,505	-%
Provision for credit losses	2,200	2,500	3,000	3,000	48,500		4,700	59,500	
Fee revenue	14,143	12,176	13,519	14,225	15,943	(11)	26,319	28,854	(9)
<b>Total revenue</b>	<b>66,893</b>	<b>63,845</b>	<b>66,398</b>	<b>65,482</b>	<b>22,374</b>		<b>130,738</b>	<b>78,859</b>	
Operating expenses	40,532	39,050	41,614	40,097	48,823	(17)	79,582	92,593	(14)
Income (loss) before income taxes	26,361	24,795	24,784	25,385	(26,449)		51,156	(13,734)	
Income tax expense (benefit)	10,004	9,395	8,873	9,885	(256,413)		19,399	(255,463)	
<b>Net income</b>	<b>16,357</b>	<b>15,400</b>	<b>15,911</b>	<b>15,500</b>	<b>229,964</b>		<b>31,757</b>	<b>241,729</b>	
Preferred dividends and discount accretion	-	439	2,912	3,059	3,055		439	6,107	
<b>Net income available to common shareholders</b>	<b>\$ 16,357</b>	<b>\$ 14,961</b>	<b>\$ 12,999</b>	<b>\$ 12,441</b>	<b>\$ 226,909</b>		<b>\$ 31,318</b>	<b>\$ 235,622</b>	
<b>PERFORMANCE MEASURES</b>									
Per common share:									
Diluted income	\$ .27	\$ .25	\$ .22	\$ .21	\$ 3.90		\$ .52	\$ 4.05	
Book value	11.94	11.66	11.30	10.99	10.90	10	11.94	10.90	10
Tangible book value <sup>(2)</sup>	11.91	11.63	11.26	10.95	10.82	10	11.91	10.82	10
Key performance ratios:									
Return on common equity <sup>(1)(3)</sup>	8.99%	8.64%	7.52%	7.38%	197.22%		8.82%	108.34%	
Return on assets <sup>(3)</sup>	.88	.85	.86	.86	13.34		.87	7.09	
Net interest margin <sup>(3)</sup>	3.21	3.21	3.26	3.26	3.33		3.21	3.35	
Efficiency ratio	58.65	59.05	60.02	58.55	68.89		58.85	66.98	
Equity to assets	9.61	9.52	11.62	11.80	11.57 <sup>(4)</sup>		9.56	8.90	
Tangible equity to assets <sup>(2)</sup>	9.58	9.50	11.59	11.76	11.53 <sup>(4)</sup>		9.54	8.83	
Tangible common equity to assets <sup>(2)</sup>	9.58	9.22	8.99	9.02	8.79 <sup>(4)</sup>		9.40	5.99	
Tangible common equity to risk-weighted assets <sup>(2)</sup>	13.92	13.63	13.18	13.34	13.16		13.92	13.16	
<b>ASSET QUALITY *</b>									
Non-performing loans	\$ 20,724	\$ 25,250	\$ 26,819	\$ 26,088	\$ 27,864		\$ 20,724	\$ 27,864	
Foreclosed properties	2,969	5,594	4,221	4,467	3,936		2,969	3,936	
Total non-performing assets (NPAs)	23,693	30,844	31,040	30,555	31,800		23,693	31,800	
Allowance for loan losses	73,248	75,223	76,762	80,372	81,845		73,248	81,845	
Net charge-offs	4,175	4,039	4,445	4,473	72,408		8,214	84,792	
Allowance for loan losses to loans	1.66%	1.73%	1.77%	1.88%	1.95%		1.66%	1.95%	
Net charge-offs to average loans <sup>(3)</sup>	.38	.38	.41	.42	6.87		.38	4.07	
NPAs to loans and foreclosed properties	.54	.71	.72	.72	.76		.54	.76	
NPAs to total assets	.32	.42	.42	.42	.44		.32	.44	
<b>AVERAGE BALANCES (\$ in millions)</b>									
Loans	\$ 4,376	\$ 4,356	\$ 4,315	\$ 4,250	\$ 4,253	3	\$ 4,366	\$ 4,225	3
Investment securities	2,326	2,320	2,280	2,178	2,161	8	2,323	2,151	8
Earning assets	6,861	6,827	6,823	6,615	6,608	4	6,844	6,578	4
Total assets	7,418	7,384	7,370	7,170	6,915	7	7,401	6,875	8
Deposits	6,187	6,197	6,190	5,987	5,983	3	6,192	5,964	4
Shareholders' equity	713	703	856	846	636	12	708	612	16
Common shares - basic (thousands)	60,712	60,059	59,923	59,100	58,141		60,386	58,111	
Common shares - diluted (thousands)	60,714	60,061	59,925	59,202	58,141		60,388	58,111	
<b>AT PERIOD END (\$ in millions)</b>									
Loans *	\$ 4,410	\$ 4,356	\$ 4,329	\$ 4,267	\$ 4,189	5	\$ 4,410	\$ 4,189	5
Investment securities	2,190	2,302	2,312	2,169	2,152	2	2,190	2,152	2
Total assets	7,352	7,398	7,425	7,243	7,163	3	7,352	7,163	3
Deposits	6,164	6,248	6,202	6,113	6,012	3	6,164	6,012	3
Shareholders' equity	722	704	796	852	829	(13)	722	829	(13)
Common shares outstanding (thousands)	60,139	60,092	59,432	59,412	57,831		60,139	57,831	

<sup>(1)</sup> 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). <sup>(2)</sup> Excludes effect of acquisition related intangibles and associated amortization. <sup>(3)</sup> Annualized. <sup>(4)</sup> Calculated as of period-end.

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

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**UNITED COMMUNITY BANKS, INC.**  
**Non-GAAP Performance Measures Reconciliation**  
**Selected Financial Information**

<i>(in thousands, except per share data; taxable equivalent)</i>	2014		2013			For the Six Months Ended June 30,	
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	2014	2013
<b>Interest revenue reconciliation</b>							
Interest revenue - taxable equivalent	\$ 61,783	\$ 60,495	\$ 61,695	\$ 61,426	\$ 62,088	\$ 122,278	\$ 124,202
Taxable equivalent adjustment	(377)	(357)	(380)	(370)	(368)	(734)	(733)
Interest revenue (GAAP)	<u>\$ 61,406</u>	<u>\$ 60,138</u>	<u>\$ 61,315</u>	<u>\$ 61,056</u>	<u>\$ 61,720</u>	<u>\$ 121,544</u>	<u>\$ 123,469</u>
<b>Net interest revenue reconciliation</b>							
Net interest revenue - taxable equivalent	\$ 54,950	\$ 54,169	\$ 55,879	\$ 54,257	\$ 54,931	\$ 109,119	\$ 109,505
Taxable equivalent adjustment	(377)	(357)	(380)	(370)	(368)	(734)	(733)
Net interest revenue (GAAP)	<u>\$ 54,573</u>	<u>\$ 53,812</u>	<u>\$ 55,499</u>	<u>\$ 53,887</u>	<u>\$ 54,563</u>	<u>\$ 108,385</u>	<u>\$ 108,772</u>
<b>Total revenue reconciliation</b>							
Total operating revenue	\$ 66,893	\$ 63,845	\$ 66,398	\$ 65,482	\$ 22,374	\$ 130,738	\$ 78,859
Taxable equivalent adjustment	(377)	(357)	(380)	(370)	(368)	(734)	(733)
Total revenue (GAAP)	<u>\$ 66,516</u>	<u>\$ 63,488</u>	<u>\$ 66,018</u>	<u>\$ 65,112</u>	<u>\$ 22,006</u>	<u>\$ 130,004</u>	<u>\$ 78,126</u>
<b>Income (loss) before taxes reconciliation</b>							
Income (loss) before taxes	\$ 26,361	\$ 24,795	\$ 24,784	\$ 25,385	\$ (26,449)	\$ 51,156	\$ (13,734)
Taxable equivalent adjustment	(377)	(357)	(380)	(370)	(368)	(734)	(733)
Income (loss) before taxes (GAAP)	<u>\$ 25,984</u>	<u>\$ 24,438</u>	<u>\$ 24,404</u>	<u>\$ 25,015</u>	<u>\$ (26,817)</u>	<u>\$ 50,422</u>	<u>\$ (14,467)</u>
<b>Income tax expense (benefit) reconciliation</b>							
Income tax expense (benefit)	\$ 10,004	\$ 9,395	\$ 8,873	\$ 9,885	\$ (256,413)	\$ 19,399	\$ (255,463)
Taxable equivalent adjustment	(377)	(357)	(380)	(370)	(368)	(734)	(733)
Income tax expense (benefit) (GAAP)	<u>\$ 9,627</u>	<u>\$ 9,038</u>	<u>\$ 8,493</u>	<u>\$ 9,515</u>	<u>\$ (256,781)</u>	<u>\$ 18,665</u>	<u>\$ (256,196)</u>
<b>Book value per common share reconciliation</b>							
Tangible book value per common share	\$ 11.91	\$ 11.63	\$ 11.26	\$ 10.95	\$ 10.82	\$ 11.91	\$ 10.82
Effect of goodwill and other intangibles	.03	.03	.04	.04	.08	.03	.08
Book value per common share (GAAP)	<u>\$ 11.94</u>	<u>\$ 11.66</u>	<u>\$ 11.30</u>	<u>\$ 10.99</u>	<u>\$ 10.90</u>	<u>\$ 11.94</u>	<u>\$ 10.90</u>
<b>Average equity to assets reconciliation</b>							
Tangible common equity to assets	9.58%	9.22%	8.99%	9.02%	8.79%	9.40%	5.99%
Effect of preferred equity	-	.28	2.60	2.74	2.74	.14	2.84
Tangible equity to assets	<u>9.58</u>	<u>9.50</u>	<u>11.59</u>	<u>11.76</u>	<u>11.53</u>	<u>9.54</u>	<u>8.83</u>
Effect of goodwill and other intangibles	.03	.02	.03	.04	.04	.02	.07
Equity to assets (GAAP)	<u>9.61%</u>	<u>9.52%</u>	<u>11.62%</u>	<u>11.80%</u>	<u>11.57%</u>	<u>9.56%</u>	<u>8.90%</u>
<b>Tangible common equity to risk-weighted assets reconciliation</b>							
Tangible common equity to risk-weighted assets	13.92%	13.63%	13.18%	13.34%	13.16%	13.92%	13.16%
Effect of other comprehensive income	.53	.36	.39	.49	.29	.53	.29
Effect of deferred tax limitation	(3.74)	(3.92)	(4.26)	(4.72)	(4.99)	(3.74)	(4.99)
Effect of trust preferred	1.04	1.03	1.04	1.09	1.11	1.04	1.11
Effect of preferred equity	-	-	2.39	4.01	4.11	-	4.11
Tier I capital ratio (Regulatory)	<u>11.75%</u>	<u>11.10%</u>	<u>12.74%</u>	<u>14.21%</u>	<u>13.68%</u>	<u>11.75%</u>	<u>13.68%</u>

**UNITED COMMUNITY BANKS, INC.**  
**Financial Highlights**  
**Loan Portfolio Composition at Period-End <sup>(1)</sup>**

<i>(in millions)</i>	2014		2013		Linked Quarter Change	Year over Year Change	
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter			Second Quarter
<b>LOANS BY CATEGORY</b>							
Owner occupied commercial RE	\$ 1,163	\$ 1,142	\$ 1,134	\$ 1,129	\$ 1,119	\$ 21	\$ 44
Income producing commercial RE	598	624	623	614	629	(26)	(31)
Commercial & industrial	554	495	472	457	437	59	117
Commercial construction	160	148	149	137	133	12	27
Total commercial	2,475	2,409	2,378	2,337	2,318	66	157
Residential mortgage	861	866	875	888	876	(5)	(15)
Home equity lines of credit	451	447	441	421	402	4	49
Residential construction	302	318	328	318	332	(16)	(30)
Consumer installment	321	316	307	303	261	5	60
<b>Total loans</b>	<b>\$ 4,410</b>	<b>\$ 4,356</b>	<b>\$ 4,329</b>	<b>\$ 4,267</b>	<b>\$ 4,189</b>	54	221
<b>LOANS BY MARKET</b>							
North Georgia	\$ 1,175	\$ 1,205	\$ 1,240	\$ 1,262	\$ 1,265	(30)	(90)
Atlanta MSA	1,305	1,290	1,275	1,246	1,227	15	78
North Carolina	555	563	572	575	576	(8)	(21)
Coastal Georgia	426	425	423	421	397	1	29
Gainesville MSA	257	262	255	253	256	(5)	1
East Tennessee	270	272	280	277	282	(2)	(12)
South Carolina / Corporate	206	131	88	47	34	75	172
Other <sup>(2)</sup>	216	208	196	186	152	8	64
<b>Total loans</b>	<b>\$ 4,410</b>	<b>\$ 4,356</b>	<b>\$ 4,329</b>	<b>\$ 4,267</b>	<b>\$ 4,189</b>	54	221
<b>RESIDENTIAL CONSTRUCTION</b>							
Dirt loans							
Acquisition & development	\$ 34	\$ 37	\$ 39	\$ 40	\$ 42	(3)	(8)
Land loans	36	37	38	35	36	(1)	-
Lot loans	151	159	166	167	173	(8)	(22)
Total	221	233	243	242	251	(12)	(30)
House loans							
Spec	19	19	23	30	34	-	(15)
Sold	62	66	62	46	47	(4)	15
Total	81	85	85	76	81	(4)	-
<b>Total residential construction</b>	<b>\$ 302</b>	<b>\$ 318</b>	<b>\$ 328</b>	<b>\$ 318</b>	<b>\$ 332</b>	(16)	(30)

<sup>(1)</sup> Excludes total loans of \$3.1 million, \$19.3 million, \$20.3 million, \$23.3 million and \$25.7 million as of June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013 and June 30, 2013, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank. <sup>(2)</sup> Includes purchased indirect auto loans that are not assigned to a geographic region.

**UNITED COMMUNITY BANKS, INC.**
**Financial Highlights**
**Credit Quality <sup>(1)</sup>**

(in thousands)	Second Quarter 2014			First Quarter 2014			Fourth Quarter 2013		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
<b>NONPERFORMING ASSETS BY CATEGORY</b>									
Owner occupied CRE	\$ 2,975	\$ 653	\$ 3,628	\$ 3,868	\$ 1,167	\$ 5,035	\$ 5,822	\$ 832	\$ 6,654
Income producing CRE	1,032	242	1,274	1,278	1,645	2,923	2,518	-	2,518
Commercial & industrial	1,102	-	1,102	822	-	822	427	-	427
Commercial construction	95	-	95	479	-	479	361	-	361
Total commercial	5,204	895	6,099	6,447	2,812	9,259	9,128	832	9,960
Residential mortgage	10,201	1,426	11,627	13,307	2,146	15,453	11,730	2,684	14,414
Home equity lines of credit	510	128	638	1,106	362	1,468	1,448	389	1,837
Residential construction	4,248	520	4,768	3,805	274	4,079	4,264	316	4,580
Consumer installment	561	-	561	585	-	585	249	-	249
<b>Total NPAs</b>	<b>\$ 20,724</b>	<b>\$ 2,969</b>	<b>\$ 23,693</b>	<b>\$ 25,250</b>	<b>\$ 5,594</b>	<b>\$ 30,844</b>	<b>\$ 26,819</b>	<b>\$ 4,221</b>	<b>\$ 31,040</b>
<b>Balance as a % of Unpaid Principal</b>	66.5%	50.4%	63.9%	65.8%	53.9%	63.2%	65.3%	44.5%	61.4%
<b>NONPERFORMING ASSETS BY MARKET</b>									
North Georgia	\$ 8,216	\$ 1,392	\$ 9,608	\$ 12,166	\$ 2,058	\$ 14,224	\$ 12,352	\$ 2,494	\$ 14,846
Atlanta MSA	3,883	510	4,393	2,916	904	3,820	2,830	684	3,514
North Carolina	5,314	615	5,929	6,501	866	7,367	6,567	683	7,250
Coastal Georgia	782	80	862	800	1,607	2,407	2,342	173	2,515
Gainesville MSA	921	49	970	1,145	-	1,145	928	-	928
East Tennessee	1,218	323	1,541	1,428	159	1,587	1,800	187	1,987
South Carolina / Corporate	-	-	-	-	-	-	-	-	-
Other <sup>(3)</sup>	390	-	390	294	-	294	-	-	-
<b>Total NPAs</b>	<b>\$ 20,724</b>	<b>\$ 2,969</b>	<b>\$ 23,693</b>	<b>\$ 25,250</b>	<b>\$ 5,594</b>	<b>\$ 30,844</b>	<b>\$ 26,819</b>	<b>\$ 4,221</b>	<b>\$ 31,040</b>
<b>NONPERFORMING ASSETS ACTIVITY</b>									
<b>Beginning Balance</b>	\$ 25,250	\$ 5,594	\$ 30,844	\$ 26,819	\$ 4,221	\$ 31,040	\$ 26,088	\$ 4,467	\$ 30,555
Loans placed on non-accrual	9,529	-	9,529	9,303	-	9,303	11,043	-	11,043
Payments received	(4,027)	-	(4,027)	(1,666)	-	(1,666)	(1,688)	-	(1,688)
Loan charge-offs	(8,341)	-	(8,341)	(4,839)	-	(4,839)	(4,621)	-	(4,621)
Foreclosures	(1,687)	1,687	-	(4,367)	4,367	-	(4,003)	4,003	-
Capitalized costs	-	-	-	-	-	-	-	-	-
Property sales	-	(4,430)	(4,430)	-	(3,238)	(3,238)	-	(4,684)	(4,684)
Write downs	-	(305)	(305)	-	(277)	(277)	-	(326)	(326)
Net gains (losses) on sales	-	423	423	-	521	521	-	761	761
<b>Ending Balance</b>	<b>\$ 20,724</b>	<b>\$ 2,969</b>	<b>\$ 23,693</b>	<b>\$ 25,250</b>	<b>\$ 5,594</b>	<b>\$ 30,844</b>	<b>\$ 26,819</b>	<b>\$ 4,221</b>	<b>\$ 31,040</b>

(in thousands)	Second Quarter 2014		First Quarter 2014		Fourth Quarter 2013	
	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(2)</sup>	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(2)</sup>	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(2)</sup>
<b>NET CHARGE-OFFS BY CATEGORY</b>						
Owner occupied CRE	\$ (1,836)	(.64)%	\$ 278	.10%	\$ 1,638	.57%
Income producing CRE	435	.29	205	.13	320	.21
Commercial & industrial	662	.52	421	.35	(149)	(.13)
Commercial construction	131	.34	-	-	(9)	(.02)
Total commercial	(608)	(.10)	904	.15	1,800	.30
Residential mortgage	2,509	1.17	1,515	.71	1,426	.64
Home equity lines of credit	466	.42	993	.90	417	.38
Residential construction	1,671	2.13	212	.27	327	.40
Consumer installment	137	.18	415	.54	475	.62
<b>Total</b>	<b>\$ 4,175</b>	<b>.38</b>	<b>\$ 4,039</b>	<b>.38</b>	<b>\$ 4,445</b>	<b>.41</b>
<b>NET CHARGE-OFFS BY MARKET</b>						
North Georgia	\$ (741)	(.25)%	\$ 1,272	.42%	\$ 1,603	.51%
Atlanta MSA	1,481	.46	1,232	.39	636	.20
North Carolina	2,161	1.55	577	.41	1,104	.76
Coastal Georgia	116	.11	512	.49	345	.33
Gainesville MSA	797	1.23	141	.22	346	.54
East Tennessee	288	.42	239	.35	323	.46
South Carolina / Corporate	-	-	-	-	-	-
Other <sup>(3)</sup>	73	.14	66	.14	88	.20
<b>Total</b>	<b>\$ 4,175</b>	<b>.38</b>	<b>\$ 4,039</b>	<b>.38</b>	<b>\$ 4,445</b>	<b>.41</b>

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

<sup>(2)</sup> Annualized.

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

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

(in thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
<b>Interest revenue:</b>				
Loans, including fees	\$ 48,261	\$ 50,730	\$ 95,949	\$ 101,665
Investment securities, including tax exempt of \$193, \$210, \$381 and \$422	12,165	10,074	23,772	20,018
Deposits in banks and short-term investments	980	916	1,823	1,786
Total interest revenue	61,406	61,720	121,544	123,469
<b>Interest expense:</b>				
Deposits:				
NOW	411	419	851	873
Money market	757	534	1,320	1,096
Savings	21	36	41	72
Time	2,018	2,950	3,789	6,241
Total deposit interest expense	3,207	3,939	6,001	8,282
Short-term borrowings	908	522	1,748	1,038
Federal Home Loan Bank advances	80	30	138	49
Long-term debt	2,638	2,666	5,272	5,328
Total interest expense	6,833	7,157	13,159	14,697
Net interest revenue	54,573	54,563	108,385	108,772
Provision for credit losses	2,200	48,500	4,700	59,500
Net interest revenue after provision for credit losses	52,373	6,063	103,685	49,272
<b>Fee revenue:</b>				
Service charges and fees	8,527	7,972	16,425	15,375
Mortgage loan and other related fees	1,877	3,003	3,231	5,658
Brokerage fees	1,245	1,063	2,422	1,830
Securities gains, net	4,435	-	4,652	116
Loss from prepayment of debt	(4,446)	-	(4,446)	-
Other	2,505	3,905	4,035	5,875
Total fee revenue	14,143	15,943	26,319	28,854
<b>Total revenue</b>	<b>66,516</b>	<b>22,006</b>	<b>130,004</b>	<b>78,126</b>
<b>Operating expenses:</b>				
Salaries and employee benefits	24,287	24,734	48,683	48,326
Communications and equipment	3,037	3,468	6,276	6,514
Occupancy	3,262	3,449	6,640	6,816
Advertising and public relations	1,139	1,037	1,765	1,975
Postage, printing and supplies	804	894	1,580	1,757
Professional fees	2,172	2,499	3,599	4,865
Foreclosed property	102	5,151	218	7,484
FDIC assessments and other regulatory charges	1,425	2,505	2,778	5,010
Amortization of intangibles	361	491	748	1,196
Other	3,943	4,595	7,295	8,650
Total operating expenses	40,532	48,823	79,582	92,593
Net income (loss) before income taxes	25,984	(26,817)	50,422	(14,467)
Income tax expense (benefit)	9,627	(256,781)	18,665	(256,196)
<b>Net income</b>	<b>16,357</b>	<b>229,964</b>	<b>31,757</b>	<b>241,729</b>
Preferred stock dividends and discount accretion	-	3,055	439	6,107
<b>Net income available to common shareholders</b>	<b>\$ 16,357</b>	<b>\$ 226,909</b>	<b>\$ 31,318</b>	<b>\$ 235,622</b>
<b>Earnings per common share:</b>				
Basic	\$ .27	\$ 3.90	\$ .52	\$ 4.05
Diluted	.27	3.90	.52	4.05
<b>Weighted average common shares outstanding:</b>				
Basic	60,712	58,141	60,386	58,111
Diluted	60,714	58,141	60,388	58,111

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

<i>(in thousands, except share and per share data)</i>	<b>June 30, 2014</b>	<b>December 31, 2013</b>	<b>June 30, 2013</b>
<b>ASSETS</b>			
Cash and due from banks	\$ 91,791	\$ 71,230	\$ 62,564
Interest-bearing deposits in banks	100,270	119,669	141,016
Short-term investments	47,999	37,999	57,000
Cash and cash equivalents	240,060	228,898	260,580
Securities available for sale	1,741,268	1,832,217	1,937,264
Securities held to maturity (fair value \$458,864, \$485,585 and \$226,695)	448,752	479,742	214,947
Mortgage loans held for sale	14,918	10,319	19,150
Loans, net of unearned income	4,410,285	4,329,266	4,189,368
Less allowance for loan losses	(73,248)	(76,762)	(81,845)
Loans, net	4,337,037	4,252,504	4,107,523
Assets covered by loss sharing agreements with the FDIC	3,595	22,882	35,675
Premises and equipment, net	161,614	163,589	167,197
Bank owned life insurance	80,922	80,670	82,276
Accrued interest receivable	19,141	19,598	19,279
Intangible assets	2,731	3,480	4,315
Foreclosed property	2,969	4,221	3,936
Net deferred tax asset	233,149	258,518	272,287
Derivative financial instruments	22,024	23,833	9,017
Other assets	43,886	44,948	29,189
<b>Total assets</b>	<b>\$ 7,352,066</b>	<b>\$ 7,425,419</b>	<b>\$ 7,162,635</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Liabilities:			
Deposits:			
Demand	\$ 1,519,635	\$ 1,388,512	\$ 1,349,804
NOW	1,334,883	1,427,939	1,225,664
Money market	1,245,912	1,227,575	1,167,889
Savings	279,203	251,125	247,821
Time:			
Less than \$100,000	805,289	892,961	982,009
Greater than \$100,000	554,310	588,689	664,112
Brokered	424,313	424,704	374,530
Total deposits	6,163,545	6,201,505	6,011,829
Short-term borrowings	76,256	53,241	54,163
Federal Home Loan Bank advances	175,125	120,125	70,125
Long-term debt	129,865	129,865	124,845
Derivative financial instruments	36,545	46,232	29,330
Unsettled securities purchases	7,264	29,562	1,582
Accrued expenses and other liabilities	41,497	49,174	41,458
<b>Total liabilities</b>	<b>6,630,097</b>	<b>6,629,704</b>	<b>6,333,332</b>
Shareholders' equity:			
Preferred stock, \$1 par value; 10,000,000 shares authorized;			
Series A; \$10 stated value; 0, 0 and 21,700 shares issued and outstanding	-	-	217
Series B; \$1,000 stated value; 0, 105,000 and 180,000 shares issued and outstanding	-	105,000	179,323
Series D; \$1,000 stated value; 0, 16,613 and 16,613 shares issued and outstanding	-	16,613	16,613
Common stock, \$1 par value; 100,000,000 shares authorized;			
50,058,295, 46,243,345 and 43,356,492 shares issued and outstanding	50,058	46,243	43,356
Common stock, non-voting, \$1 par value; 26,000,000 shares authorized;			
10,080,787, 13,188,206 and 14,474,810 shares issued and outstanding	10,081	13,188	14,475
Common stock issuable; 314,039, 241,832 and 271,215 shares	4,649	3,930	4,705
Capital surplus	1,091,780	1,078,676	1,057,931
Accumulated deficit	(418,583)	(448,091)	(473,531)
Accumulated other comprehensive loss	(16,016)	(19,844)	(13,786)
<b>Total shareholders' equity</b>	<b>721,969</b>	<b>795,715</b>	<b>829,303</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,352,066</b>	<b>\$ 7,425,419</b>	<b>\$ 7,162,635</b>

**UNITED COMMUNITY BANKS, INC.**
**Average Consolidated Balance Sheets and Net Interest Analysis**

For the Three Months Ended June 30,

	2014			2013		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<i>(dollars in thousands, taxable equivalent)</i>						
<b>Assets:</b>						
Interest-earning assets:						
Loans, net of unearned income <sup>(1)(2)</sup>	\$ 4,376,174	\$ 48,435	4.44%	\$ 4,253,361	\$ 50,808	4.79%
Taxable securities <sup>(3)</sup>	2,306,457	11,972	2.08	2,139,221	9,864	1.84
Tax-exempt securities <sup>(1)(3)</sup>	19,592	316	6.45	21,597	344	6.37
Federal funds sold and other interest-earning assets	158,418	1,060	2.68	193,370	1,072	2.22
<b>Total interest-earning assets</b>	<b>6,860,641</b>	<b>61,783</b>	<b>3.61</b>	<b>6,607,549</b>	<b>62,088</b>	<b>3.77</b>
Non-interest-earning assets:						
Allowance for loan losses	(76,843)			(106,417)		
Cash and due from banks	63,853			63,457		
Premises and equipment	161,443			168,272		
Other assets <sup>(3)</sup>	408,768			181,987		
<b>Total assets</b>	<b>\$ 7,417,862</b>			<b>\$ 6,914,848</b>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,356,141	411	.12	\$ 1,245,301	419	.13
Money market	1,361,045	757	.22	1,306,522	534	.16
Savings	275,540	21	.03	245,211	36	.06
Time less than \$100,000	818,048	933	.46	1,000,511	1,568	.63
Time greater than \$100,000	563,489	865	.62	674,200	1,380	.82
Brokered time deposits	334,919	220	.26	195,182	2	.00
Total interest-bearing deposits	4,709,182	3,207	.27	4,666,927	3,939	.34
Federal funds purchased and other borrowings						
	108,311	908	3.36	72,139	522	2.90
Federal Home Loan Bank advances	154,795	80	.21	58,916	30	.20
Long-term debt	129,865	2,638	8.15	124,838	2,666	8.57
Total borrowed funds	392,971	3,626	3.70	255,893	3,218	5.04
<b>Total interest-bearing liabilities</b>	<b>5,102,153</b>	<b>6,833</b>	<b>.54</b>	<b>4,922,820</b>	<b>7,157</b>	<b>.58</b>
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,477,849			1,315,812		
Other liabilities	125,173			40,603		
Total liabilities	6,705,175			6,279,235		
Shareholders' equity	712,687			635,613		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,417,862</b>			<b>\$ 6,914,848</b>		
<b>Net interest revenue</b>		<b>\$ 54,950</b>			<b>\$ 54,931</b>	
Net interest-rate spread			<b>3.07%</b>			<b>3.19%</b>
<b>Net interest margin <sup>(4)</sup></b>			<b>3.21%</b>			<b>3.33%</b>

(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 \$1.86 million in 2014 and pretax unrealized gains of \$17.7 million in 2013 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 Six Months Ended June 30,

	2014			2013		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<i>(dollars in thousands, taxable equivalent)</i>						
<b>Assets:</b>						
Interest-earning assets:						
Loans, net of unearned income <sup>(1)(2)</sup>	\$ 4,365,930	\$ 96,303	4.45%	\$ 4,225,215	\$ 101,808	4.86%
Taxable securities <sup>(3)</sup>	2,303,404	23,391	2.03	2,129,208	19,596	1.84
Tax-exempt securities <sup>(1)(3)</sup>	19,881	624	6.28	21,665	691	6.38
Federal funds sold and other interest-earning assets	154,651	1,960	2.53	201,478	2,107	2.09
<b>Total interest-earning assets</b>	<b>6,843,866</b>	<b>122,278</b>	<b>3.60</b>	<b>6,577,566</b>	<b>124,202</b>	<b>3.80</b>
Non-interest-earning assets:						
Allowance for loan losses	(77,165)			(108,667)		
Cash and due from banks	62,958			63,873		
Premises and equipment	162,112			168,773		
Other assets <sup>(3)</sup>	409,466			173,168		
<b>Total assets</b>	<b>\$ 7,401,237</b>			<b>\$ 6,874,713</b>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,385,964	851	.12	\$ 1,274,144	873	.14
Money market	1,368,975	1,320	.19	1,282,101	1,096	.17
Savings	267,588	41	.03	239,691	72	.06
Time less than \$100,000	847,707	1,946	.46	1,020,000	3,317	.66
Time greater than \$100,000	570,799	1,783	.63	684,320	2,857	.84
Brokered time deposits	311,579	60	.04	185,210	67	.07
Total interest-bearing deposits	4,752,612	6,001	.25	4,685,466	8,282	.36
Federal funds purchased and other borrowings	110,436	1,748	3.19	72,148	1,038	2.90
Federal Home Loan Bank advances	140,014	138	.20	46,064	49	.21
Long-term debt	129,865	5,272	8.19	124,827	5,328	8.61
Total borrowed funds	380,315	7,158	3.80	243,039	6,415	5.32
<b>Total interest-bearing liabilities</b>	<b>5,132,927</b>	<b>13,159</b>	<b>.52</b>	<b>4,928,505</b>	<b>14,697</b>	<b>.60</b>
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,439,447			1,278,875		
Other liabilities	120,943			55,639		
Total liabilities	6,693,317			6,263,019		
Shareholders' equity	707,920			611,694		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,401,237</b>			<b>\$ 6,874,713</b>		
<b>Net interest revenue</b>		<b>\$ 109,119</b>			<b>\$ 109,505</b>	
Net interest-rate spread			<b>3.08%</b>			<b>3.20%</b>
<b>Net interest margin <sup>(4)</sup></b>			<b>3.21%</b>			<b>3.35%</b>

(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 \$1.37 million in 2014 and pretax unrealized gains of \$17.4 million in 2013 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.



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Second Quarter 2014 Investor Presentation

## Cautionary Statement

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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 2013 Annual Report on Form 10-K and its most recent quarterly report on Form 10-Q 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

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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 they are 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 headquartered in Georgia with 1,500 employees

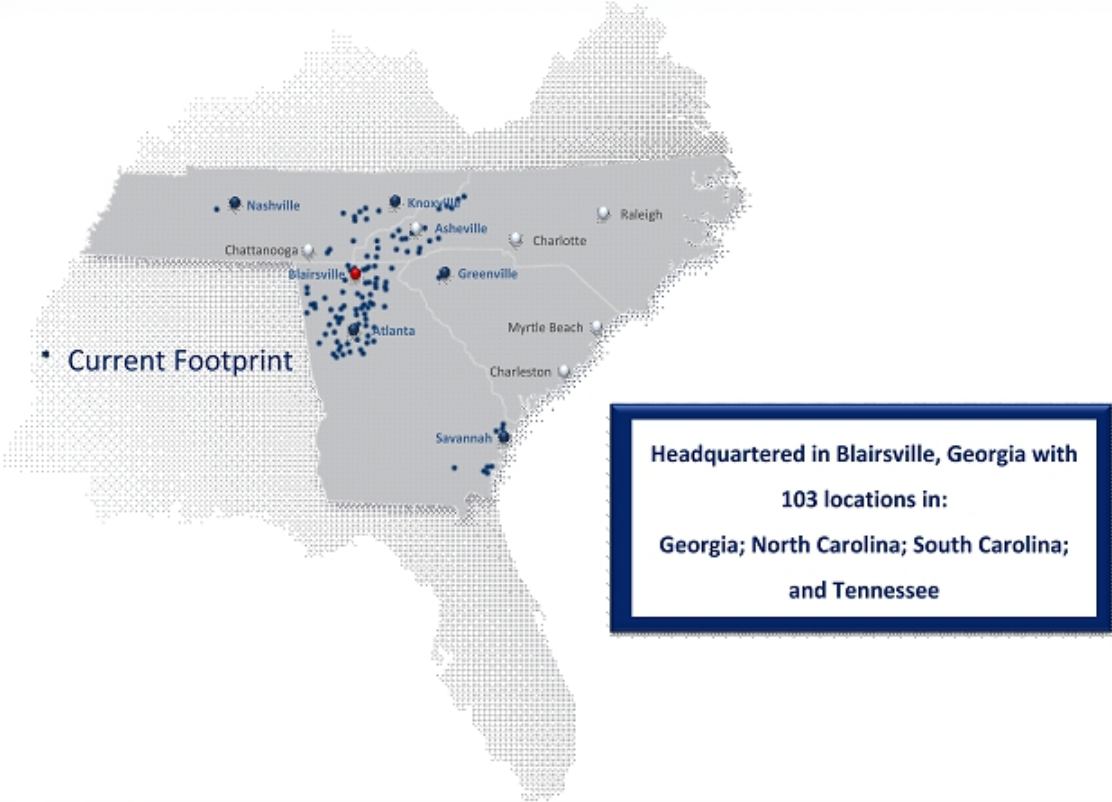
Deposit Market Share <sup>(1)</sup>			
Market	Offices	Deposit Market Share	Rank
No. Georgia	22	34%	1
Atlanta MSA	36	4	6
Gainesville	5	12	4
Coastal Georgia	8	4	7
W. North Carolina	19	13	3
E. Tennessee	8	2	8

Key Statistics as of 6/30/14 (in billions)		
Assets	Deposits	Loans
\$7.35	\$6.16	\$4.41

 <sup>(1)</sup> FDIC deposit market share and rank as of June 30, 2013 for markets where United takes deposits. Source: SNL and FDIC. Excludes 4 Loan Production Offices in GA, TN and SC, and one newly formed bank in Greenville, SC.

# Footprint

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# Business and Operating Model

## ➔ Service is Point of Differentiation

- #1 in Customer Satisfaction according to Customer Service Profiles
- #1 in Southeast and #2 in US in Customer Satisfaction by national research company
- Golden rule of banking – treating people the way we want to be treated
- “The Bank that SERVICE Built<sup>SM</sup>”
- Customer surveys consistently reveal 95%+ satisfaction rate

“Community bank service, large bank resources”

Twenty-eight “community banks”	Strategic footprint with substantial banking opportunities	Disciplined growth strategy
Local CEOs with deep roots in their communities  Resources of a \$7.35 billion bank	Operates in a number of the more demographically attractive U.S. markets	Organic growth supported by de novos and selective acquisitions

Executed Strategies	Business Investments
<ul style="list-style-type: none"><li>➔ Several years of credit clean-up</li><li>➔ Final classified asset sales</li><li>➔ Diversified loan portfolio</li><li>➔ Recalibrated core expense base<ul style="list-style-type: none"><li>● \$31 million reduction past three years</li><li>● Efficiency ratio below 60%</li></ul></li><li>➔ DTA Allowance recaptured</li><li>➔ Redemption of all preferred stock (TARP)</li><li>➔ Re-established dividends to Parent Company and Shareholders</li><li>➔ Capital ratios strong</li></ul>	<ul style="list-style-type: none"><li>➔ Key leadership roles<ul style="list-style-type: none"><li>● Consumer underwriting</li><li>● Loan operations</li><li>● Mortgage</li><li>● Treasury services</li><li>● Lending<ul style="list-style-type: none"><li>● SBA</li><li>● Healthcare</li><li>● Corporate</li><li>● CRE Income</li><li>● Asset based</li></ul></li></ul></li><li>➔ Strengthened Risk Management</li></ul>
➔ Strengthened structure, resources, and financial performance	
<b>SCALABLE FOR GROWTH BEYOND \$10 BILLION</b>	

## LEVERAGE OUR STRENGTHS

- ➔ **Community bank service with large bank resources**
- ➔ **Strong local leadership and senior management**
- ➔ **Funding advantage in legacy markets**
- ➔ **Consistent and attractive culture**
- ➔ **Class leading customer satisfaction**

## HOW?

- **Continue to invest in and improve commercial and retail capabilities**
  - Diversify portfolio – focus on C&I; owner occupied; specialized lending for healthcare, corporate, asset based and SBA; and, consumer lending
  - Momentum building across footprint
  - Invest in people; strengthen commercial and specialized lending group and markets
  - Grow loans in mid-single digits
- **Improve retail and small business bank**
  - Grow sales – better / diversified product design, merchandising and campaign execution
  - Streamline deliver processes that focus on how we serve our customers
  - Increase core transaction deposits in the mid-single digits
- **Grow net interest revenue**
- **Credit trends and costs continue at or below current levels**
- **Grow fee revenue modestly**
- **Maintain operating efficiency below 60% while investing in revenue producers**
- **Focus on acquisition opportunities**



## Highlights Second Quarter 2014

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IMPROVING QUARTERLY RESULTS		
	2Q14	1Q14
Net Income	\$16.4M	\$15.8M
EPS	\$.27	\$.25
ROA	.88%	.85%
ROCE	8.99%	8.64%

### ➤ Solid Improvement in Credit Quality

- Provision of \$2.2 million vs. \$48.5 million 2Q13 (classified assets sales)
- Net charge-offs decline to .38% of total loans vs. 6.87% in 2Q13
- NPAs declined to .32% of total assets vs. .42% in 1Q14 and 44% in 2Q13
- Allowance 1.66% of total loans vs. 1.73% at 1Q14 and 1.95 at 2Q13
- Classified ratio of 23%, down from 27% at 1Q14

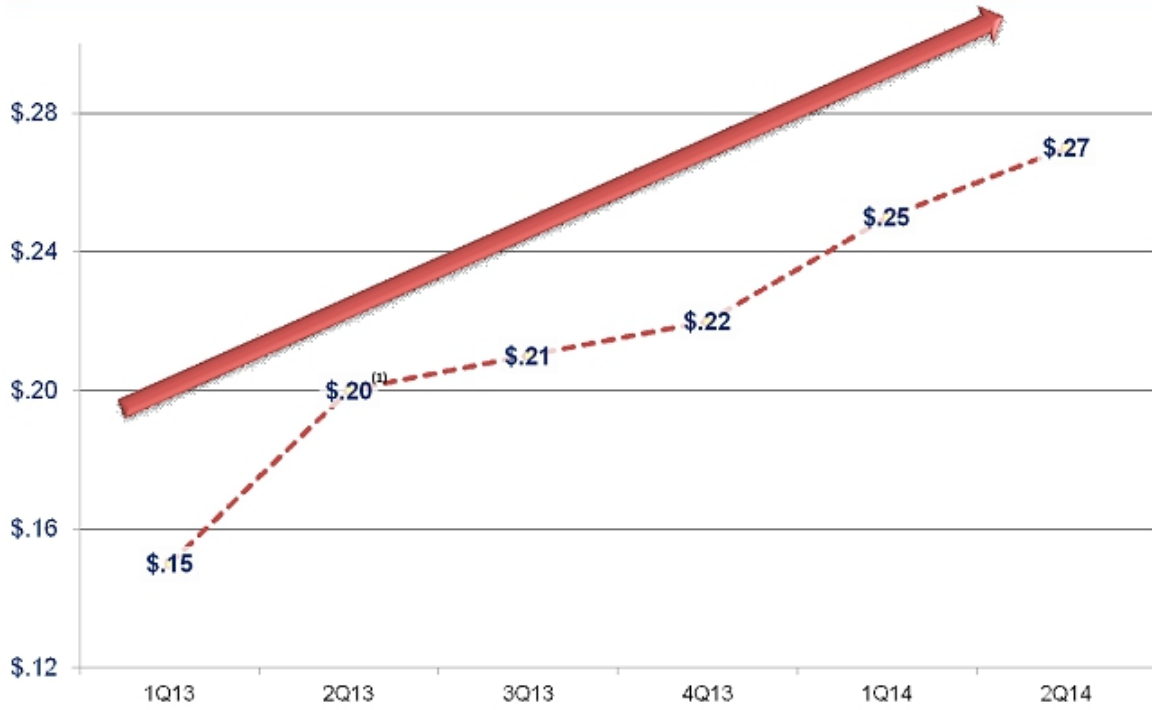
### ➤ Operating Efficiencies Strengthen

- Efficiency ratio of 58.7%; significantly down from 68.9% a year ago
- Continued focus on reducing costs and improving fee revenue

# Highlights Second Quarter 2014

<p>➔ <b>Core Fee Revenue</b></p> <ul style="list-style-type: none"><li>● Up \$2 million across all categories compared to 1Q14</li><li>● Gain on sales of SBA loans of \$.7 million (added SBA team)</li><li>● Down from 2Q13 – mortgage volume and BOLI gain (non-core)</li></ul>	<p>➔ <b>Balance Sheet</b></p> <ul style="list-style-type: none"><li>● Loan growth this quarter of \$54.6 million, or 5% annualized</li><li>● Restructured/deleverage securities portfolio – increasing yield, with securities gains \$4.4 million</li><li>● Offset gains by charge of \$4.4 million to prepay \$44 million costly borrowings</li><li>● Overall – improved interest revenue and stabilized margin of 3.21%</li></ul>
<p>➔ <b>Solid Capital Ratios and Cash Dividend to Shareholders</b></p> <ul style="list-style-type: none"><li>● Initiated quarterly cash dividend to shareholders in second quarter</li><li>● Tier I Common to Risk Weighted Assets of 10.7%; Tangible Common to RWAs of 13.9%</li><li>● Tier 1 Risk Based Capital of 11.8% and Tier I Leverage of 8.3%</li></ul>	<p>➔ <b>Continued Strong Core Transaction Deposit Growth</b></p> <ul style="list-style-type: none"><li>● Up \$52 million in the second quarter or 6% annualized</li><li>● Up \$303 million (9%) from year ago</li><li>● Represents 63% of total customer deposits compared to 34% at 4Q08</li></ul>

# Earnings Per Share



**GOAL OF 1% ROA**



United

COMMUNITY BANKS, INC.®

FINANCIAL  
REVIEW

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# Core Earnings Trend and Core Fee Revenue



CORE EARNINGS			\$ in thousands		CORE FEE REVENUE		
	2Q14	Variance - Increase / (Decrease)			2Q14	Variance - Increase / (Decrease)	
		1Q14	2Q13			1Q14	2Q13
Net Interest Revenue	\$ 64,950	\$ 781	\$ 19	Overdraft Fees	\$ 2,944	\$ 24	\$ (88)
Fee Revenue	13,838	2,008	(125)	Interchange Fees	3,976	445	338
Gross Revenue	68,888	2,789	(106)	Other Service Charges	1,607	160	305
Operating Expense (Excl OREC)	40,131	1,382	(1,936)	Total Service Charges and Fees	8,527	629	555
Pre-Tax, Pre-Credit (Core)	\$ 28,757	\$ 1,407	\$ 1,830	Mortgage Loan & Related Fees	1,877	523	(1,126)
<b>Net Interest Margin</b>	<b>3.21 %</b>	<b>- %</b>	<b>(.12) %</b>	Brokerage Fees	1,245	68	182
				Other	2,289	788	264
				<b>Total Fee Revenue - Core</b>	<b>13,938</b>	<b>2,008</b>	<b>(125)</b>
				Non-Core <sup>(1)</sup>	205	(41)	(1,675)
				<b>Reported - GAAP</b>	<b>\$ 14,143</b>	<b>\$ 1,967</b>	<b>\$ (1,800)</b>

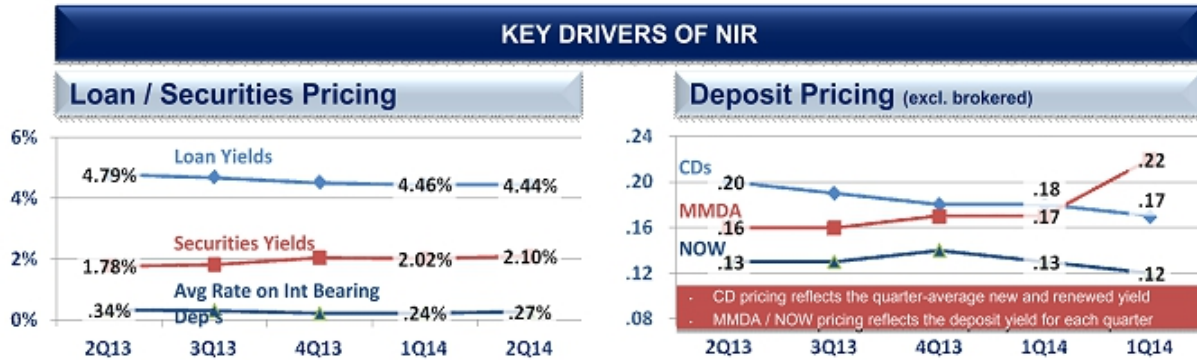
**United** <sup>(1)</sup>Includes securities gains (losses) and losses on prepayment of borrowings, gains from sales of low income housing tax credits, gains on bank owned life insurance policies, and gains and losses on deferred compensation plan assets.

# Core Operating Expenses

\$ in thousands

	Variance - Increase / (Decrease)		
	2Q14	1Q14	2Q13
Salaries & Employee Benefits	\$ 23,988	\$ (223)	\$ 859
Communications & Equipment	3,037	(202)	(431)
Occupancy	3,262	(116)	(187)
FDIC Assessment	1,425	72	(1,080)
Advertising & Public Relations	1,139	513	102
Postage, Printing & Supplies	804	28	(90)
Professional Fees	2,172	745	(327)
Other Expense	4,304	565	(782)
<b>Core Operating Expenses</b>	<b>40,131</b>	<b>1,382</b>	<b>(1,936)</b>
Non-Core <sup>(1)</sup>	401	100	(6,355)
<b>Reported GAAP</b>	<b>\$ 40,532</b>	<b>\$ 1,482</b>	<b>\$ (8,291)</b>
	<b>2Q14</b>	<b>1Q14</b>	<b>2Q13</b>
<b>Efficiency Ratio</b>	<b>58.7 %</b>	<b>59.1 %</b>	<b>68.9 %</b>

# Key Drivers of Net Interest Revenue / Margin



# Net Income

\$ in thousands

Quarterly Net Income \$ in millions		NET OPERATING INCOME			
		2Q14	Variance - Increase / (Decrease)		
			1Q14	2Q13	
		<b>Core Earnings (Pre-Tax, Pre-Credit)</b>	\$ 28,757	\$ 1,407	\$ 1,830
		Provision for Loan Loss	2,200	(300)	(46,300)
		<b>NON-CORE FEE REVENUE:</b>			
		Securities Gains	4,435	4,218	4,435
		Loss on Prepayment of Borrowings	(4,446)	(4,446)	(4,446)
		Sale of Low Income Housing Tax Credits Gain	-	-	(468)
		Bank Owned Life Insurance Policy Gain	-	-	(1,366)
		Deferred Compensation Plan Assets Gain	216	187	170
		<b>Total Non-Core Fee Revenue</b>	<b>205</b>	<b>(41)</b>	<b>(1,675)</b>
		<b>NON-CORE OPERATING EXPENSES:</b>			
		Foreclosed Property Write Downs	305	28	(1,064)
		Foreclosed Property (Gains) Losses on Sales	(423)	98	(3,368)
		Foreclosed Property Maintenance Expenses	220	(140)	(617)
		Severance Costs	83	(73)	(1,476)
		Gains (Losses) on Deferred Comp Plan Liability	216	187	170
		<b>Total Non-Core Operating Expenses</b>	<b>401</b>	<b>100</b>	<b>(6,355)</b>
		Income Tax Expense	10,004	609	266,417
		<b>Net Income</b>	<b>\$ 16,357</b>	<b>\$ 957</b>	<b>\$ (213,607)</b>
		Preferred Stock Dividends	-	(439)	(3,054)
		<b>Net Income Avail to Common Shareholders</b>	<b>\$ 16,357</b>	<b>\$ 1,396</b>	<b>\$ (210,553)</b>
		<b>Net Income Per Share</b>	<b>\$ .27</b>	<b>\$ .02</b>	<b>\$ (3.63)</b>
		<b>Tangible Book Value</b>	<b>\$ 11.91</b>	<b>\$ .28</b>	<b>\$ 1.09</b>
		<b>Return on Assets</b>	<b>.88 %</b>	<b>.03 %</b>	<b>(12.46) %</b>
		<b>Return on Common Equity</b>	<b>8.99</b>	<b>.35</b>	<b>(188.23)</b>

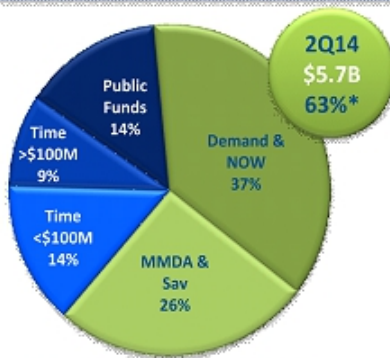
60.1M  
Shares  
Outstanding



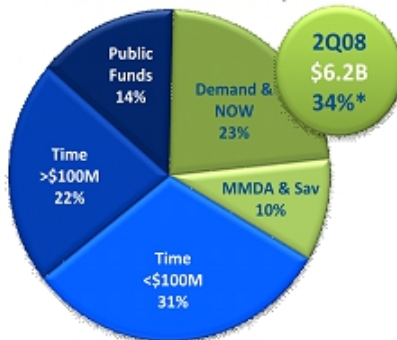
# Customer Deposit Mix & Core Growth

\$ in thousands

## Deposits by % / Customer Mix



\*% of core transaction customer deposits



## Total Deposit Mix

	2Q14	1Q14	2Q13	4Q08
Demand / NOW	\$ 2,106	\$ 2,073	\$ 1,916	\$ 1,457
MMDA / Savings	1,518	1,499	1,406	630
<b>Core Transaction</b>	<b>3,624</b>	<b>3,572</b>	<b>3,322</b>	<b>2,087</b>
Time < \$100,000	801	828	977	1,945
Public Deposits	760	804	674	755
<b>Total Core</b>	<b>5,185</b>	<b>5,204</b>	<b>4,973</b>	<b>4,787</b>
Time > \$100,000	521	539	632	1,336
Public Deposits	33	34	32	87
<b>Total Customer</b>	<b>5,739</b>	<b>5,777</b>	<b>5,637</b>	<b>6,210</b>
Brokered Deposits	425	471	375	793
<b>Total Deposits</b>	<b>\$ 6,164</b>	<b>\$ 6,248</b>	<b>\$ 6,012</b>	<b>\$ 7,003</b>

Significant growth in core transaction deposits since 4Q08

## Core Deposit Growth – Category & Market

CATEGORY	Growth		MARKET	Growth	
	2Q14	YTD		2Q14	YTD
Demand	\$ 40.2	\$ 135.9	Atlanta	\$ 21.1	\$ 80.7
MM Accounts	9.9	21.1	N. Georgia	4.8	50.6
Savings	8.4	28.2	North Carolina	20.8	19.9
NOW	(6.5)	1.6	Coastal Georgia	1.4	15.9
<b>Total Categories</b>	<b>\$ 52.0</b>	<b>\$ 186.8</b>	Tennessee	2.0	4.10
			Gainesville	0.9	12.4
Growth (Annualized)	6 %		South Carolina	1.0	3.2
			<b>Total</b>	<b>\$ 52.0</b>	<b>\$ 186.8</b>

## Capital Ratios

Holding Company	Well-Cap	2Q14	1Q14	4Q13	3Q13	2Q13
Tier I RBC	6 %	11.8 %	11.1 %	12.7 %	14.2 %	13.7 %
Total RBC	10	13.0	12.4	14.0	15.5	15.2
Leverage	5	8.3	8.0	9.1	10.0	9.8
Tier 1 Common RBC		10.7	10.1	9.3	9.0	8.5
Tangible Common to Assets		9.6	9.2	9.0	9.0	6.3
Tangible Equity to Assets		9.6	9.5	11.6	11.8	9.1

Bank	Well-Cap	2Q14	1Q14	4Q13	3Q13	2Q13
Tier 1 RBC	6 %	13.4 %	12.6 %	13.5 %	14.5 %	14.2 %
Total RBC	10	14.6	13.9	14.8	15.7	15.5
Leverage	5	9.4	9.1	9.6	10.2	10.1



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LOAN PORTFOLIO  
& CREDIT QUALITY

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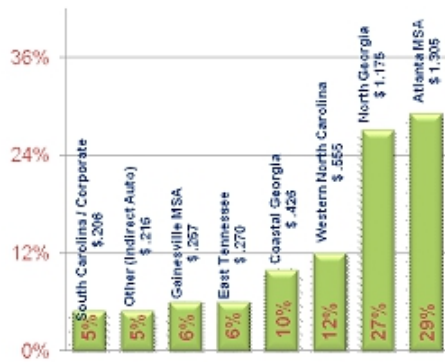
# Loan Portfolio (total \$4.41 billion)

\$ in billions

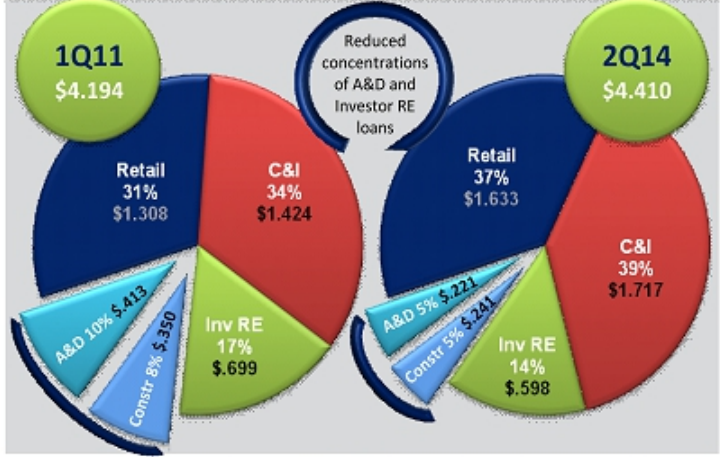
## By Loan Type



## Geographic Diversity



## Diversifying Portfolio



## Total Loans

Period	\$ in Billions
2Q14	\$4.410
1Q14	\$4.356
4Q13	\$4.329
3Q13	\$4.267
2Q13	\$4.189

### Loan Diversification & Type

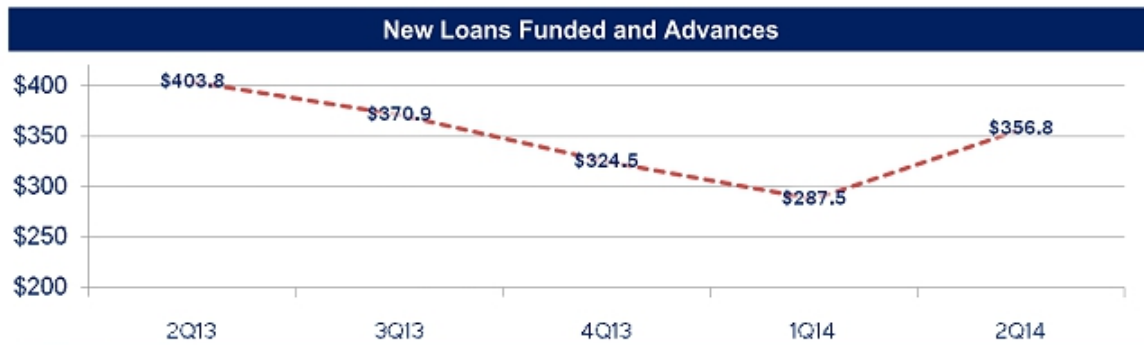
- Reducing land exposure
- Focus on small business, C&I, and specialized lending
- Enhanced retail products

# New Loans Funded and Advances<sup>(1)</sup>

\$ in millions

CATEGORY			
	2Q14	1Q14	2Q13
Commercial C & I	\$ 115.4	\$ 74.7	\$ 58.3
Owner Occupied CRE	65.6	48.9	50.7
Income Producing CRE	40.8	41.1	30.4
Commercial Constr.	2.7	1.9	3.6
<b>Total Commercial</b>	<b>224.5</b>	<b>166.6</b>	<b>143.0</b>
Residential Mortgage	19.2	15.2	70.6
Residential HELOC	32.9	30.1	38.4
Residential Construction	34.0	29.6	31.6
Consumer	46.2	46.0	120.2
<b>Total Categories</b>	<b>\$ 356.8</b>	<b>\$ 287.5</b>	<b>\$ 403.8</b>

MARKET			
	2Q14	1Q14	2Q13
Atlanta	\$ 91.0	\$ 86.1	\$ 94.2
Coastal Georgia	28.5	31.1	26.7
N. Georgia	69.0	41.3	64.5
North Carolina	21.0	16.9	39.7
Tennessee	16.7	9.6	25.7
Gainesville	10.1	8.9	14.8
South Carolina	88.3	60.3	33.7
Other (Indirect Auto)	32.2	33.3	104.5
<b>Total Markets</b>	<b>\$ 356.8</b>	<b>\$ 287.5</b>	<b>\$ 403.8</b>

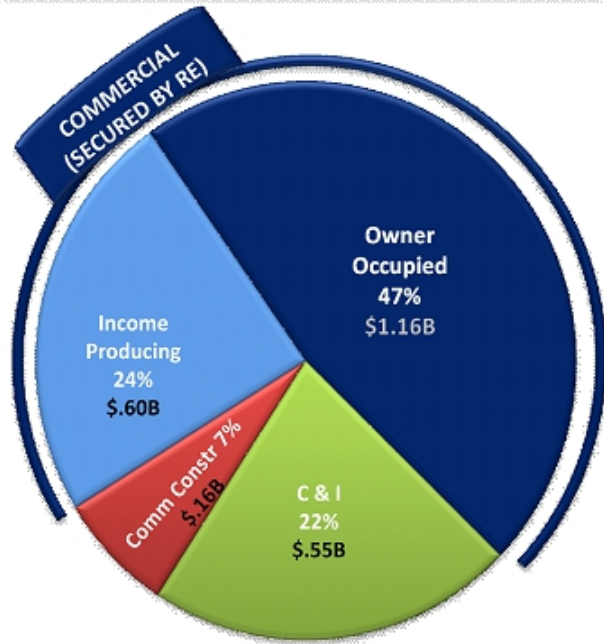


**United** <sup>(1)</sup>Represents new loans funded and net loan advances (net of payments on lines of credit)  
UNITED COMMUNITY BANKS, INC.

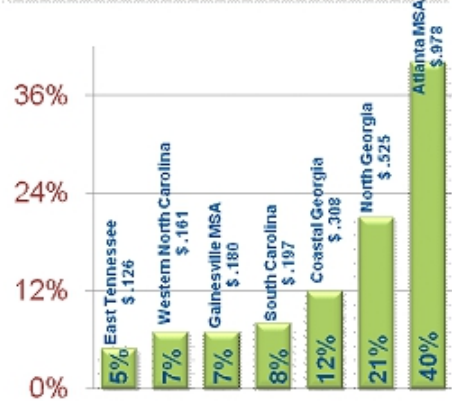
# Commercial Loans (total \$2.47 billion)

\$ in billions

## By Loan Type



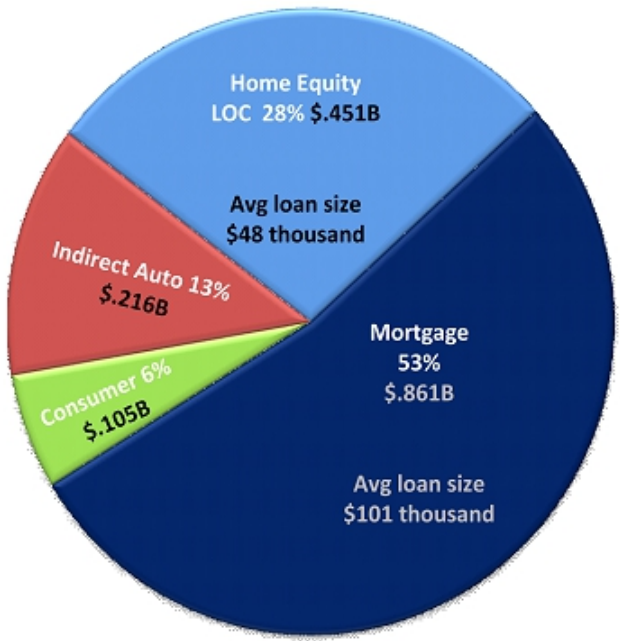
## Geographic Diversity



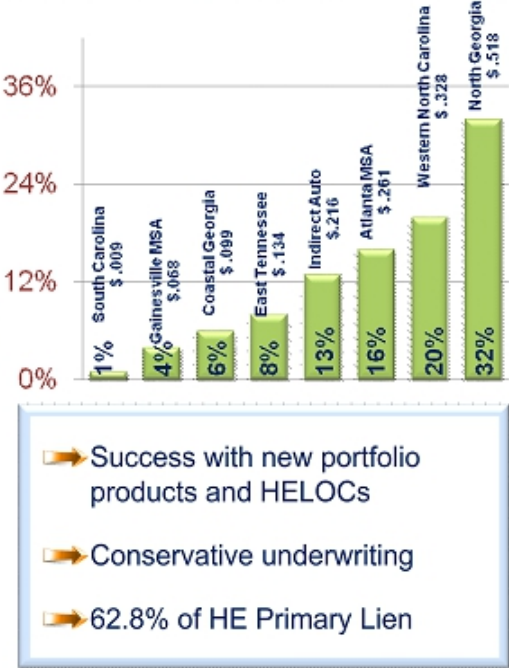
### Average Loan Size

Type	\$ in Thousands
Owner Occup'd	\$440
Income Prod	598
C & I	107
Comm Constr	446

By Loan Type

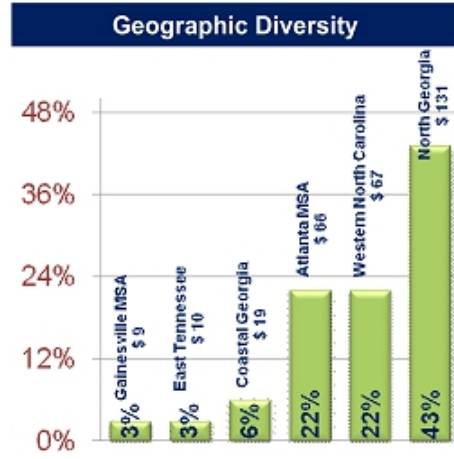
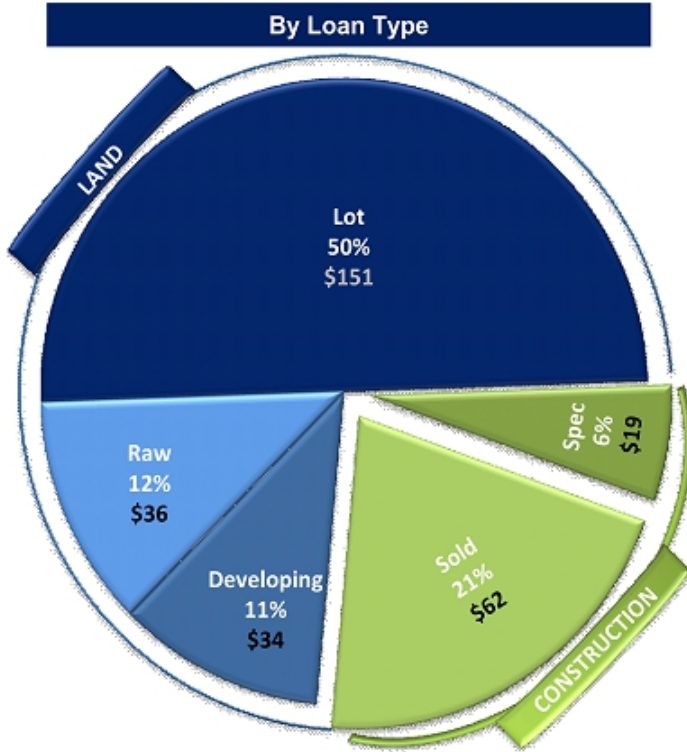


Geographic Diversity



# Residential Construction (total \$302 million)

\$ in millions



	2014	1Q14	4Q13	3Q13	2Q13	2Q14 vs. 2Q13
<b>TOTAL COMPANY</b>						
Land Loans						
Developing	\$ 34	\$ 37	\$ 39	\$ 40	\$ 42	\$ (8)
Raw	36	37	38	35	36	-
Lot	151	159	166	167	173	(22)
Total	221	233	243	242	251	(30)
Construction Loans						
Spec	19	19	23	30	34	(15)
Sold	62	66	62	46	47	15
Total	81	85	85	76	81	-
Total	\$ 302	\$ 318	\$ 328	\$ 318	\$ 332	\$ (30)

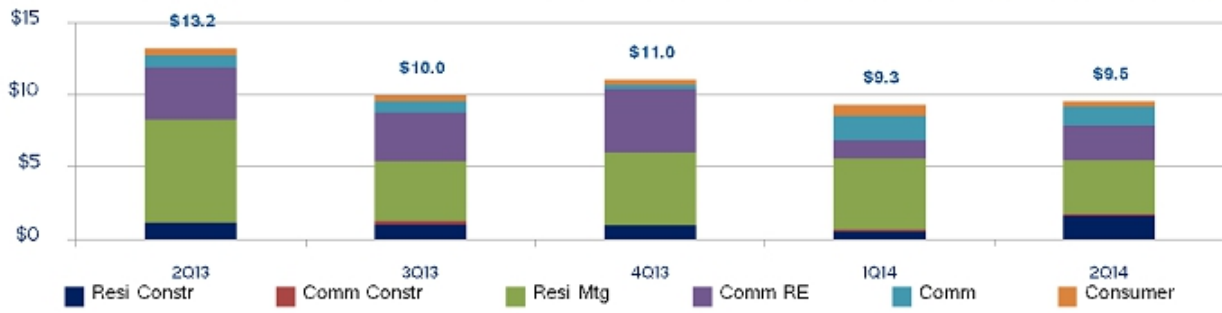


	2Q14	1Q14	4Q13	3Q13	2Q13
<b>Net Charge-offs</b>	\$ 4.2	\$ 4.0	\$ 4.4	\$ 4.5	\$ 72.4
as % of Average Loans	.38 %	.38 %	.41 %	.42 %	6.87 %
<b>Allowance for Loan Losses</b>	\$ 73.2	\$ 75.2	\$ 76.8	\$ 80.4	\$ 81.8
as % of Total Loans	1.66 %	1.73 %	1.77 %	1.88 %	1.95 %
as % of NPLs	353	299	286	308	294
<b>Past Due Loans (30 - 89 Days)</b>	.32 %	.40 %	.58 %	.45 %	.49 %
<b>Non-Performing Loans</b>	\$ 20.7	\$ 25.2	\$ 26.8	\$ 26.1	\$ 27.9
OREO	3.0	5.6	4.2	4.5	3.9
Total NPAs	23.7	30.8	31.0	30.6	31.8
<b>Performing Classified Loans</b>	147.5	164.9	172.7	173.6	176.3
<b>Total Classified Assets</b>	\$ 171.2	\$ 195.7	\$ 203.7	\$ 204.2	\$ 208.1
as % of Tier 1 / Allowance	23 %	27 %	27 %	26 %	27 %
<b>Accruing TDRs (see page 27)</b>	\$ 84.5	\$ 77.9	\$ 78.7	\$ 79.8	\$ 77.8
<b>As % of Original Principal Balance</b>					
Non-Performing Loans	66.5 %	65.8 %	65.3 %	61.6 %	62.6 %
OREO	50.4	53.9	44.5	41.5	31.6
<b>Total NPAs</b>					
as % of Total Assets	.32	.42	.42	.42	.44
as % of Loans & OREO	.54	.71	.72	.72	.76

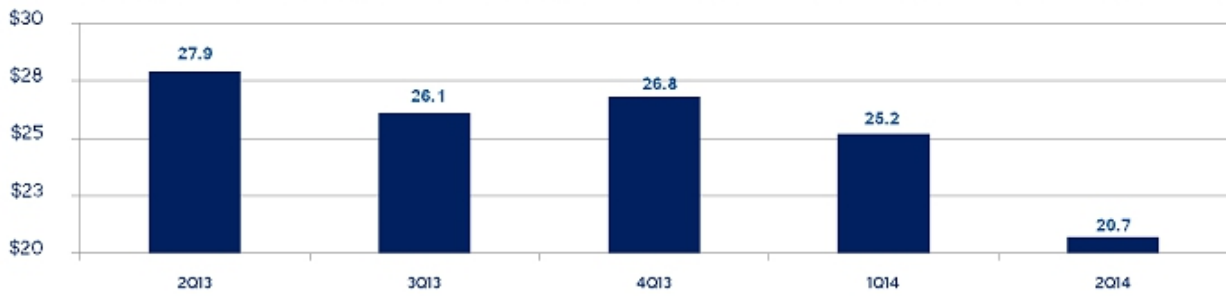
# Non-Performing Loans (NPLs) Inflow Trends

\$ in millions

## Quarterly NPL Inflows

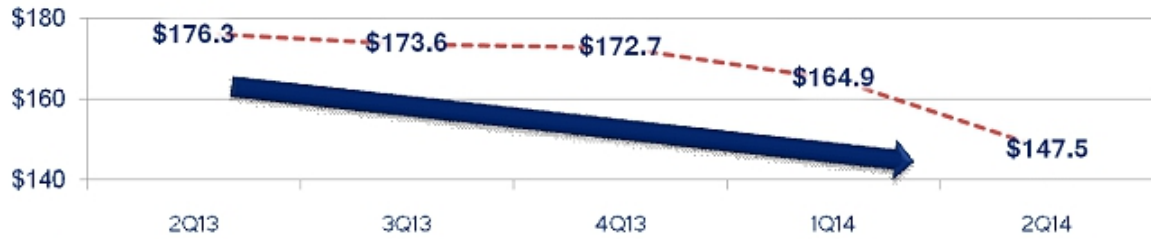


## Total NPLs



# Performing Classified Loans

\$ in millions



By Category					
	2Q13	3Q13	4Q13	1Q14	2Q14
<b>Commercial:</b>					
Commercial & Industrial	\$ 11	\$ 10	\$ 9	\$ 8	\$ 6
Owner Occupied	43	40	43	48	48
<b>Total C &amp; I</b>	<b>54</b>	<b>50</b>	<b>52</b>	<b>56</b>	<b>54</b>
Income Producing CRE	36	36	34	37	25
Commercial Construction	16	17	17	5	4
<b>Total Commercial</b>	<b>106</b>	<b>103</b>	<b>104</b>	<b>98</b>	<b>83</b>
Residential Mortgage	51	53	52	51	49
Residential Construction	17	16	14	13	13
Consumer / Installment	2	2	3	2	2
<b>Total Performing Classified</b>	<b>\$ 176</b>	<b>\$ 174</b>	<b>\$ 173</b>	<b>\$ 164</b>	<b>\$ 147</b>
Classified to Tier 1 + ALL	27 %	26 %	27 %	27 %	23 %

LOAN TYPE	Accruing <sup>(1)</sup>		Non-Accruing		Total TDRs	
	2Q14	vs. 2Q13	2Q14	vs. 2Q13	2Q14	vs. 2Q13
Commercial (Sec by RE)	\$ 43.8	\$ 40.4	\$ 1.9	\$ 2.0	\$ 45.7	\$ 42.4
Commercial & Industrial	2.9	2.9	-	.1	2.9	3.0
Commercial Construction	11.1	12.9	.1	.1	11.2	13.0
Total Commercial	57.8	56.2	2.0	2.2	59.8	58.4
Residential Mortgage	17.9	14.3	2.2	2.1	20.1	16.4
Residential Construction	8.4	7.2	2.0	2.7	10.4	9.9
Consumer Installment	.3	.1	-	.1	.3	.2
Total	\$ 84.5	\$ 77.8	\$ 6.2	\$ 7.1	\$ 90.7	\$ 84.9



# Net Charge-offs by Category & Market

\$ in thousands

## NET CHARGE-OFFS BY CATEGORY

	2Q14		% of Average Loans (Annualized)			
	Total	% of Avg Loans	1Q14	4Q13	3Q13	2Q13
Commercial (Sec. by RE):						
Owner Occupied	\$ (1,836)	(.64) %	.10 %	.57 %	.58 %	5.85 %
Income Producing	435	.29	.13	.21	.14	5.45
Total Comm (Sec. by RE)	(1,401)	(.32)	.11	.44	.49	5.70
Commercial & Industrial	662	.52	.35	(.13)	.12	13.91
Commercial Construction	131	.34	-	(.02)	.39	17.53
Total Commercial	(608)	(.10)	.15	.30	.36	7.96
Residential Mortgage	2,509	1.17	.70	.64	.31	2.52
Home Equity LOC	466	.42	.93	.38	.37	1.04
Residential Construction	1,671	2.13	.27	.40	1.31	20.91
Consumer/ Installment	137	.18	.54	.62	.28	.10
<b>Total Net Charge-offs</b>	<b>\$ 4,175</b>	<b>.38</b>	<b>.38</b>	<b>.41</b>	<b>.42</b>	<b>6.87</b>

## NET CHARGE-OFFS BY MARKET

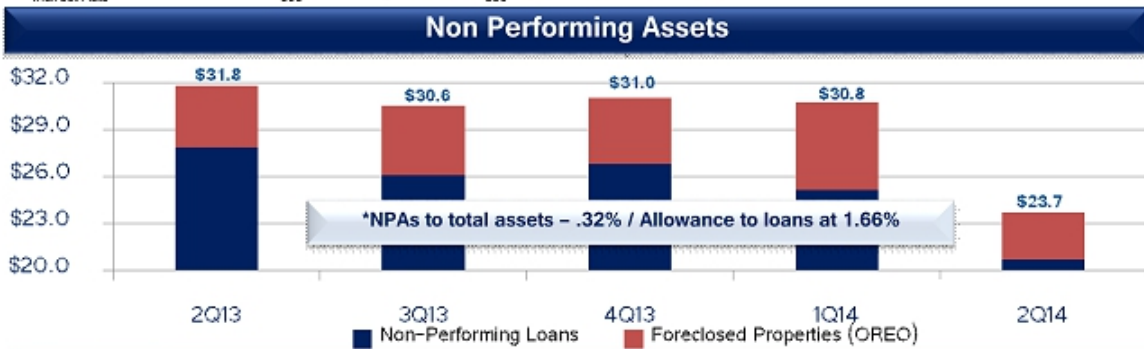
North Georgia	\$ (741)	(.25) %	.42 %	.51 %	.66 %	17.20 %
Atlanta MSA	1,481	.46	.39	.20	.33	3.21
North Carolina	2,161	1.55	.41	.76	.49	1.36
Coastal Georgia	116	.11	.49	.33	.14	.49
Gainesville MSA	797	1.23	.22	.54	.15	.19
East Tennessee	288	.42	.35	.46	.51	1.01
South Carolina / Corporate	-	-	-	-	-	-
Other (Indirect Auto)	73	.14	.14	.20	.17	.24

# NPAs by Loan Category & Market

\$ in thousands

2Q14			
LOAN CATEGORY	NPLs	OREO	Total NPAs
<b>Commercial (sec. by RE):</b>			
Owner Occupied	\$ 2,975	\$ 653	\$ 3,628
Income Producing	1,032	242	1,274
Commercial & Industrial	1,102	-	1,102
Commercial Construction	95	-	95
<b>Total Commercial</b>	<b>5,204</b>	<b>895</b>	<b>6,099</b>
Residential Mortgage	10,201	1,426	11,627
HELOC	510	128	638
Residential Construction	4,248	520	4,768
Consumer/ Installment	581	-	581
<b>Total</b>	<b>\$ 20,724</b>	<b>\$ 2,969</b>	<b>\$ 23,693</b>
<b>MARKET</b>			
Gainesville	\$ 921	\$ 49	\$ 970
Coastal Georgia	782	80	862
East Tennessee	1,218	323	1,541
North Carolina	5,314	615	5,929
Atlanta MSA	3,893	510	4,393
North Georgia	6,216	1,392	7,608
Indirect Auto	390	-	390

2Q13			
LOAN CATEGORY	NPLs	OREO	Total NPAs
<b>Commercial (sec. by RE):</b>			
Owner Occupied	\$ 5,283	\$ 547	\$ 5,830
Income Producing	1,954	-	1,954
Commercial & Industrial	548	-	548
Commercial Construction	504	376	880
<b>Total Commercial</b>	<b>8,289</b>	<b>923</b>	<b>9,212</b>
Residential Mortgage	12,847	1,303	14,150
HELOC	1,491	140	1,631
Residential Construction	4,838	1,570	6,408
Consumer/ Installment	399	-	399
<b>Total</b>	<b>\$ 27,864</b>	<b>\$ 3,936</b>	<b>\$ 31,800</b>
<b>MARKET</b>			
Gainesville	\$ 1,008	\$ -	\$ 1,008
Coastal Georgia	2,586	627	3,215
East Tennessee	1,123	200	1,323
North Carolina	6,512	295	6,807
Atlanta MSA	3,803	1,197	5,000
North Georgia	12,830	1,617	14,447





United

COMMUNITY BANKS, INC.®

APPENDIX

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# Experienced Proven Leadership

- Over 40 years in banking
- Led company from \$42 million in assets in 1989 to \$7.3 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 31 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 36 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 31 years in banking
- Responsible for Risk Management and Credit Risk Administration; 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 36 years in banking
- Responsible for 28 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 24 years in lending
- Responsible for specialized lending
- Former SBA head: TD Bank and Carolina First's SBA programs
- Former President of UPS Capital Business Credit
- Highly decorated Commander in the U.S. Naval Reserve Intelligence Program (retired)

**Richard W. Bradshaw**  
President, Specialized Lending  
Joined 2014





# Market Share Opportunities & Demographics

EXCELLENT GROWTH OPPORTUNITIES						
Markets	Market Deposits (in billions) <sup>(1)</sup>	Deposits (in billions) <sup>(2,3)</sup>	Banks	Offices <sup>(2)</sup>	Deposit Share <sup>(1)</sup>	Rank <sup>(1)</sup>
North Georgia	\$ 6.4	\$ 2.2	11	22	34 %	1
Western North Carolina	10.9	.9	1	19	8	3
Gainesville MSA	2.7	.3	1	5	12	4
Atlanta MSA	54.4	2.2	10	36	4	7
Coastal Georgia	7.0	.3	2	8	4	7
East Tennessee	15.6	.3	2	8	2	8
<b>Total Markets</b>	<b>\$ 97.0</b>	<b>\$ 6.2</b>	<b>27</b>	<b>98</b>		

<sup>1</sup> FDIC deposit market share and rank as of 5/13 for markets where United takes deposits. Data Source: SNL and FDIC.  
<sup>2</sup> Based on current quarter.  
<sup>3</sup> Excludes four loan production offices and one full service banking office in Greenville, SC.

FAST GROWING MARKETS			
Markets <sup>1</sup>	Population (in thousands)	Population Growth (%)	
		Actual 2010 - 2014	Projected 2014 - 2019
Atlanta, GA MSA	5,574	5 %	3 %
East Tennessee	877	3	3
Greenville-Mauldin-Easley, SC MS	856	4	4
Western North Carolina	443	2	5
Coastal Georgia	401	5	4
North Georgia	385	-	3
Gainesville, GA MSA	189	5	2
<b>Total Markets</b>			
Georgia	10,072	4	3
North Carolina	10,358	4	5
Tennessee	6,532	3	4
South Carolina	4,792	4	5
United States	317,199	3	3

<sup>1</sup> Population data is for 2014 and includes those markets where United takes deposits.  
 Data Source: SNL.

# Liquidity

\$ in millions

	Unused Capacity	2Q14	1Q14	2Q13	Variance	
					vs1Q14	vs 2Q13
<b>Wholesale Borrowings</b>						
Brokered Deposits	\$ 1,403 <sup>(1)</sup>	\$ 424	\$ 470	\$ 375	\$ (46)	\$ 49
FHLB	921	175	50	70	125	105
Holding Company LOC	10	40	40	-	-	40
Fed Funds	882	25	30	-	(5)	25
Other Wholesale	-	11	53	54	(42)	(43)
<b>Total</b>	<b>\$ 3,216</b>	<b>\$ 675</b>	<b>\$ 643</b>	<b>\$ 499</b>	<b>\$ 32</b>	<b>\$ 176</b>
<b>Long-Term Debt</b>						
Senior Debt		\$ 75	\$ 75	\$ 35	\$ -	\$ 40
Sub-Debt		-	-	35	-	(35)
Trust Preferred Securities		55	55	55	-	-
<b>Total Long-Term Debt</b>		<b>\$ 130</b>	<b>\$ 130</b>	<b>\$ 125</b>	<b>\$ -</b>	<b>\$ 5</b>

## WHOLESALE BORROWINGS

## LOANS / DEPOSITS

	2Q14	1Q14	2Q13	Variance	
				vs 1Q14	vs 2Q13
Loans	\$ 4,410	\$ 4,356	\$ 4,189	\$ 54	\$ 221
Core (DDA, MMDA, Savings)	\$ 3,624	\$ 3,572	\$ 3,322	\$ 52	\$ 302
Public Funds	793	838	707	(45)	86
CD's	1,322	1,367	1,608	(45)	(286)
<b>Total Deposits (excl Brokered)</b>	<b>\$ 5,739</b>	<b>\$ 5,777</b>	<b>\$ 5,637</b>	<b>\$ (38)</b>	<b>\$ 102</b>
<b>Loan to Deposit Ratio</b>	<b>77%</b>	<b>75%</b>	<b>74%</b>		
<b>Investment Securities:</b>					
Available for Sale -Fixed	\$ 1,076	\$ 948	\$ 1,120	\$ 128	\$ (44)
-Floating	665	890	817	(225)	(152)
Held to Maturity -Fixed	443	459	197	(16)	246
-Floating	6	6	18	-	(12)
<b>Total Investment Securities</b>	<b>2,190</b>	<b>2,303</b>	<b>2,152</b>	<b>(113)</b>	<b>38</b>
<b>Floating as % of Total Securities</b>	<b>31%</b>	<b>39%</b>	<b>39%</b>		

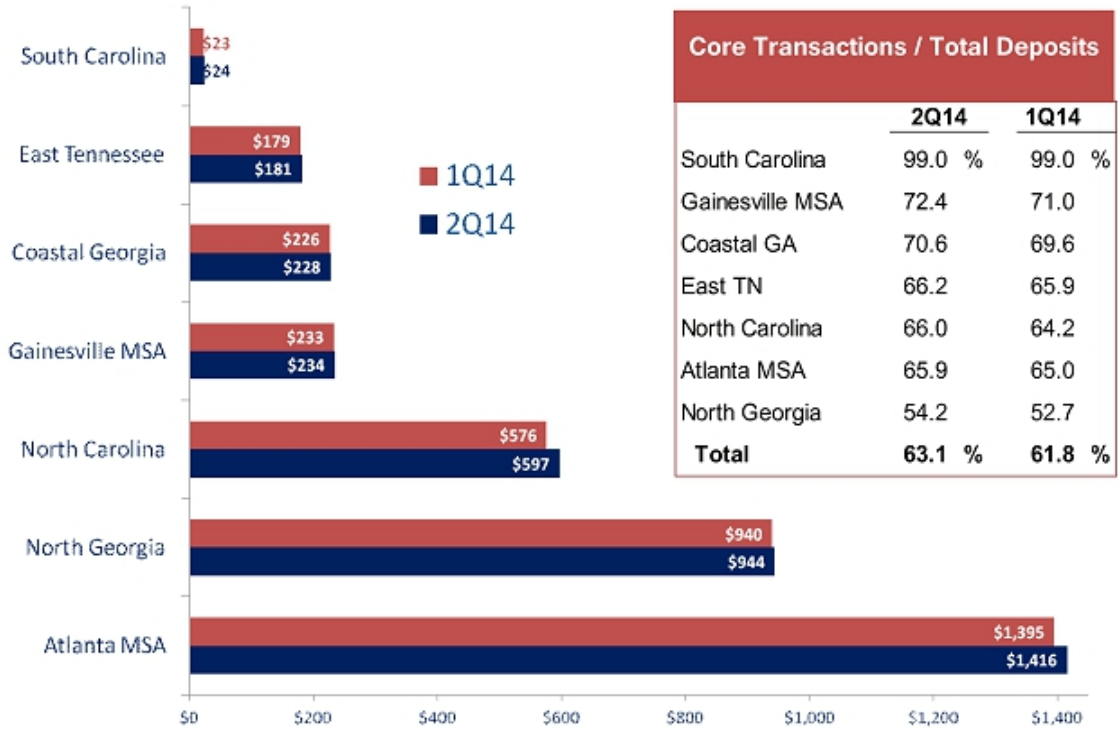
## Business Mix – Deposits *(at quarter-end)*

\$ in millions

<u>DEPOSITS BY CATEGORY</u>	<u>2Q14</u>	<u>1Q14</u>	<u>4Q13</u>	<u>3Q13</u>	<u>2Q13</u>	<u>2Q14 vs. 2Q13</u>
Demand & Now	\$ 2,106	\$ 2,073	\$ 1,969	\$ 1,979	\$ 1,916	\$ 190
MMDA & Savings	1,518	1,499	1,468	1,437	1,406	112
<b>Core Transaction Deposits</b>	<b>3,624</b>	<b>3,572</b>	<b>3,437</b>	<b>3,416</b>	<b>3,322</b>	<b>302</b>
Time < \$100,000	801	828	888	920	977	(176)
Time ≥ \$100,000 < \$250,000	441	427	443	473	512	(71)
Public Deposits	760	804	863	734	674	86
Total Core Deposits	5,626	5,631	5,631	5,543	5,485	141
Time ≥ \$250,000	110	112	114	120	120	(10)
Public Deposits	33	34	32	31	32	1
<b>Total Customer Deposits</b>	<b>5,769</b>	<b>5,777</b>	<b>5,777</b>	<b>5,694</b>	<b>5,637</b>	<b>132</b>
Brokered Deposits	425	471	425	419	375	50
<b>Total Deposits</b>	<b>\$ 6,194</b>	<b>\$ 6,248</b>	<b>\$ 6,202</b>	<b>\$ 6,113</b>	<b>\$ 6,012</b>	<b>\$ 182</b>

# Core Transaction Deposits

\$ in millions





## Regional Credit Review – Standard Underwriting

- House Lending Limit           \$   25
- Project Lending Limit           15
- Top 25 Relationships           366.1

### PROACTIVELY ADDRESSING CREDIT ENVIRONMENT



# Commercial Construction & Real Estate

\$ in millions

COMMERCIAL CONSTRUCTION			COMMERCIAL REAL ESTATE				
	30-Jun-14		Owner Occupied	Income Producing	30-Jun-14		
	Amount	Percent			Total	Percent	
Land Develop - Vacant (Improved)	\$ 53	34 %	\$ 313.9	\$ 152.1	\$ 466.0	26.4 %	
Raw Land - Vacant (Unimproved)	26	16	100.1	149.9	250.0	14.2	
Multi-Residential	25	16	120.2	57.9	178.1	10.1	
Commercial Land Development	16	10	139.0	-	139.0	7.9	
Office Buildings	11	7	108.1	38.6	146.7	8.3	
Other Properties	10	6	87.4	17.7	105.1	6.0	
Churches	7	4	-	63.5	63.5	3.6	
Hotels / Motels	5	3	35.1	26.9	62.0	3.5	
Mfg Facility	3	2	49.1	5.3	54.4	3.1	
Retail Building	2	1	50.4	-	50.4	2.9	
Warehouse	2	1	-	50.3	50.3	2.9	
Total Commercial Construction	\$ 160		16.6	15.1	31.7	1.8	
			25.7	-	25.7	1.5	
			17.2	8.0	25.2	1.4	
			17.9	.1	18.0	1.0	
			9.3	8.1	17.4	1.0	
			14.3	.6	14.9	.8	
			16.5	-	16.5	.9	
			9.6	-	9.6	.5	
			7.2	-	7.2	.4	
			-	4.9	4.9	.3	
			4.7	-	4.7	.3	
			20.7	-	20.7	1.2	
			\$ 1,163.0	\$ 599.0	\$ 1,762.0		

Average Loan Size (\$ in thousands)	
• Commercial Construction	\$446
• Commercial RE:	
• Composite CRE	469
• Owner Occupied	440
• Income Producing	598

Commercial RE Characteristics	
• 66.1% owner occupied	
• Small business, doctors, dentists, attorneys, CPAs	
• \$15 million project limit	

# Loans by Business Mix and Region

\$ in millions

	2Q14	1Q14	4Q13	3Q13	2Q13	2Q14 vs. 2Q13
<b>QUARTERLY LOANS - BUSINESS MIX BY CATEGORY</b>						
Commercial:						
Comm & Indus	\$ 554	\$ 495	\$ 472	\$ 457	\$ 437	\$ 117
Owner Occ'd	1,163	1,142	1,134	1,129	1,119	44
Total C & I	1,717	1,637	1,606	1,586	1,556	161
Income Prod CRE	598	624	623	614	629	(31)
Comm Constr	160	148	149	137	133	27
Total Comm	2,475	2,409	2,378	2,337	2,318	157
Resi Mortgage	1,312	1,313	1,316	1,309	1,278	34
Resi Constr	302	318	328	318	332	(30)
Consum / Install	321	316	307	303	261	60
Total Loans	\$ 4,410	\$ 4,356	\$ 4,329	\$ 4,267	\$ 4,189	\$ 221

	2013	2012	2011	2010	2009
<b>ANNUAL LOANS - BUSINESS MIX BY CATEGORY</b>					
Commercial:					
Comm & Indus	\$ 472	\$ 458	\$ 428	\$ 441	\$ 390
Owner Occ'd	1,134	1,131	1,112	980	963
Total C & I	1,606	1,589	1,540	1,421	1,353
Income Prod CRE	623	682	710	781	816
Comm Constr	149	155	164	297	363
Total Comm	2,378	2,426	2,414	2,499	2,532
Resi Mortgage	1,316	1,214	1,135	1,279	1,427
Resi Constr	328	382	448	695	1,050
Consum / Install	307	153	113	131	142
Total Loans	\$ 4,329	\$ 4,175	\$ 4,110	\$ 4,604	\$ 5,151

	2Q14	1Q14	4Q13	3Q13	2Q13	2Q14 vs. 2Q13
<b>QUARTERLY LOANS - BY REGION</b>						
North Georgia	\$ 1,175	\$ 1,205	\$ 1,240	\$ 1,262	\$ 1,265	\$ (90)
Atlanta MSA	1,305	1,290	1,275	1,246	1,227	78
North Carolina	555	563	572	575	576	(21)
Coastal Georgia	426	425	423	421	397	29
Gainesville MSA	257	262	255	253	256	1
East Tennessee	270	272	280	277	282	(12)
South Carolina	206	131	88	47	34	172
Other (Ind. Auto)	216	208	196	186	152	64
Total Loans	\$ 4,410	\$ 4,356	\$ 4,329	\$ 4,267	\$ 4,189	\$ 221

	2013	2012	2011	2010	2009
<b>ANNUAL LOANS - BY REGION</b>					
North Georgia	\$ 1,240	\$ 1,364	\$ 1,426	\$ 1,689	\$ 1,884
Atlanta MSA	1,275	1,250	1,220	1,310	1,435
North Carolina	572	579	597	702	772
Coastal Georgia	423	400	346	335	405
Gainesville MSA	255	261	265	312	390
East Tennessee	280	283	256	256	265
South Carolina	88	-	-	-	-
Other (Ind. Auto)	196	38	-	-	-
Total Loans	\$ 4,329	\$ 4,175	\$ 4,110	\$ 4,604	\$ 5,151

# Non-GAAP Reconciliation Tables

\$ in millions

	Operating Earnings to GAAP Earnings Reconciliation				
	2Q14	1Q14	4Q13	3Q13	2Q13
<b>CORE FEE REVENUE</b>					
Core fee revenue	\$ 13,938	\$ 11,930	\$ 13,219	\$ 13,966	\$ 14,063
Securities gains, net	4,435	217	70	-	-
Losses on prepayment of borrowings	(4,446)	-	-	-	-
Gains from sales of low income housing tax credits	-	-	-	-	468
BOLI death benefit gain	-	-	-	86	1,366
Mark to market on deferred compensation plan assets	216	29	230	173	46
<b>Fee revenue (GAAP)</b>	<b>\$ 14,143</b>	<b>\$ 12,176</b>	<b>\$ 13,519</b>	<b>\$ 14,225</b>	<b>\$ 15,943</b>
<b>CORE OPERATING EXPENSE</b>					
Core operating expense	\$ 40,131	\$ 38,749	\$ 41,193	\$ 39,325	\$ 42,067
Foreclosed property expense	102	116	191	194	5,151
Severance	83	156	-	405	1,559
Mark to market on deferred compensation plan liability	216	29	230	173	46
<b>Operating expense (GAAP)</b>	<b>\$ 40,532</b>	<b>\$ 39,050</b>	<b>\$ 41,614</b>	<b>\$ 40,097</b>	<b>\$ 48,823</b>
<b>TANGIBLE COMMON EQUITY AND TANGIBLE EQUITY TO TANGIBLE ASSETS</b>					
Tangible common equity to tangible assets	9.58 %	9.22 %	8.99 %	9.02 %	6.30 %
Effect of preferred equity	-	.28	2.60	2.74	2.83
Tangible equity to tangible assets	9.58	9.50	11.59	11.76	9.13
Effect of goodwill and other intangibles	.03	.02	.03	.04	.06
<b>Equity to assets (GAAP)</b>	<b>9.61 %</b>	<b>9.52 %</b>	<b>11.62 %</b>	<b>11.80 %</b>	<b>9.19 %</b>
<b>TANGIBLE COMMON EQUITY TO RISK-WEIGHTED ASSETS</b>					
Tangible common equity to risk-weighted assets	13.78 %	13.63 %	13.18 %	13.34 %	13.16 %
Effect of preferred equity	-	-	2.39	4.01	4.11
<b>Tangible equity to risk weighted assets</b>	<b>13.78</b>	<b>13.63</b>	<b>15.57</b>	<b>17.35</b>	<b>17.27</b>
Effect of deferred tax limitation	(3.71)	(3.92)	(4.26)	(4.72)	(4.99)
Effect of other comprehensive income	.53	.36	.39	.49	.29
Effect of trust preferred	1.03	1.03	1.04	1.09	1.11
<b>Tier I capital ratio (Regulatory)</b>	<b>11.63 %</b>	<b>11.10 %</b>	<b>12.74 %</b>	<b>14.21 %</b>	<b>13.68 %</b>