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 23, 2009

# United Community Banks, Inc.

(Exact name of registrant as specified in its charter)

| Georgia | No. 0-21656 | No. 58-180-7304 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

63 Highway 515, P.O. Box 398
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:

q Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

q Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

q Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

q Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))

**Item 2.02 Results of Operation and Financial Condition**

On October 23, 2009, United Community Banks, Inc. (the "Registrant") issued a news release announcing its financial results for the quarter ended September 30, 2009 (the "News Release"). The News Release, including financial schedules, is attached as Exhibit 99.1 to this report. In connection with issuing the News Release, on October 23, 2009 at 11:00 a.m. EST, 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 2009 Investor Presentation (the "Investor Presentation") which will be posted to the Registrant's website. The Investor Presentation is attached as Exhibit 99.2 to this report.

The presentation of the Registrant's financial results included operating performance measures and 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 operating performance and core earnings measures because it believes it is useful for evaluating the Registrant's operations and performance over periods of time, and uses operating performance and core earnings measures in managing and evaluating the Registrant's business and intends to use it in discussions about the Registrant's operations and performance. Operating performance measures for the third quarter of 2009 exclude the effects of a $25 million non-recurring, non-cash goodwill impairment charge. Operating performance measures for the first nine months of 2009 also exclude the effects of a $70 million non-cash goodwill impairment charge in the first quarter (bringing the total goodwill impairment charge for the nine months to $95 million), $2.9 million in non-recurring severance charges related to a reduction in workforce recorded in the first quarter and an $11.4 million gain in the second quarter from the acquisition of Southern Community Bank that resulted from a bargain purchase. These items have been excluded from operating performance measures because management feels that the two expense items and the bargain purchase gain are non-recurring in nature and do not reflect overall trends in the Registrant's earnings. Additionally, 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 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.

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

**Item 9.01 Financial Statements and Exhibits**

(a) Financial statements: None
(b) Pro forma financial information: None
(c) Exhibits:
99.1 Press Release, dated October 23, 2009
99.2 Investor Presentation, Third Quarter 2009

## 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.

***/s/ Rex S. Schuette***

Rex S. Schuette
Executive Vice President and
Chief Financial Officer

October 23, 2009

EXHIBIT 99.1

*For Immediate Release*

*For more information:*
Rex S. Schuette
Chief Financial Officer
(706) 781-2266
Rex_Schuette@ucbi.com

**UNITED COMMUNITY BANKS, INC. REPORTS**
**NET OPERATING LOSS FOR THIRD QUARTER 2009**

- Capital significantly strengthened by $222.5 million public common offering
- Provision for loan losses of $95.0 million exceeded charge-offs by $4.5 million
- Allowance-to-loans ratio of 2.80 percent, up from 2.64 percent last quarter
- Margin improvement of 11 basis points this quarter to 3.39 percent, up 69 basis points year-to-date
- Non-cash goodwill impairment charge of $25.0 million, or $.50 per diluted share

BLAIRSVILLE, GA – October 23, 2009 – United Community Banks, Inc. (NASDAQ: UCBI) today reported a net operating loss of $43.7 million, or 93 cents per diluted share, for the third quarter of 2009. These results reflect elevated credit costs, including a $95 million provision for loan losses. Net operating loss does not include a $25 million non-cash charge for impairment of goodwill. Including this non-recurring charge, the net loss for the quarter was $68.7 million, or $1.43 per diluted share.

Net operating loss for the nine months ended September 30, 2009 was $98.8 million, or $2.17 per diluted share, and did not reflect $95 million of non-cash charges for goodwill impairment in the first and third quarters. Also not included were $2.9 million in severance costs in the first quarter and the $11.4 million gain on the Southern Community Bank acquisition in the second quarter, all of which are considered non-recurring items and therefore excluded from operating earnings. Including these non-recurring items, the net loss for the first nine months of 2009 was $188.5 million, or $4.01 per diluted share.

“We continue our strategy of aggressively disposing of problem credits,” stated Jimmy Tallent, president and chief executive officer. “At the same time, we are sharply focused on offensive strategies to drive shareholder value long-term by increasing core earnings through margin expansion, expense reductions and core deposit growth. This has been accomplished each quarter throughout 2009.”

Total loans were $5.4 billion at quarter-end, down $150 million from the second quarter and $467 million from the third quarter of 2008, reflecting continued reductions in exposure to the residential construction market and the overall weak business environment. As of September 30, 2009, residential construction loans were $1.2 billion, or 22 percent of total loans, a decrease of $411 million from a year ago and $130 million from the second quarter of 2009. “Partially offsetting the decline in total loans was our growth in Atlanta,” stated Tallent. “I am very pleased with our progress in restructuring the Atlanta region, where we have closed $180 million in small business and commercial loans in the first nine months of 2009.”

Taxable equivalent net interest revenue of $63.0 million reflected an increase of $2.1 million from last quarter, $4.2 million from a year ago, and an increase of $11.1 million from the fourth quarter of 2008. The taxable equivalent net interest margin was 3.39 percent compared with 3.28 percent for the second quarter of 2009, 3.17 percent for the third quarter of 2008, and 2.70 percent for the fourth quarter of 2008.

“The 11 basis point improvement in our net interest margin this quarter reflects our ongoing efforts to improve loan and deposit pricing,” stated Tallent. “We continued to maintain our loan pricing strategy with higher credit spreads while lowering pricing on new and renewed time deposits. During the third quarter, over $400 million of time deposits matured that were part of a 15-month special program completed in the second quarter of 2008. We retained about half of these deposits with a rate reduction of over 225 basis points. We will continue to actively pursue lowering deposit rates to improve our margin while balancing liquidity needs with our goal of maximizing earnings.”

“Excluding public funds and the deposits obtained through the acquisition, core transaction deposits increased $71 million this quarter and have grown $200 million year-to-date, or 13 percent on an annualized basis,” Tallent said. “This growth reflects the success of our United Express program for customer referrals and cross-selling. Year-to-date we opened 9,776 net new deposit accounts. During the third quarter alone, we have added 17, 785 new services.”

The third quarter provision for loan losses was $95.0 million compared with $60.0 million for the second quarter of 2009. Net charge-offs for the third quarter were $90.5 million compared with $58.3 million for the second quarter of 2009. At quarter-end, non-performing assets totaled $415.0 million compared with $392.6 million at June 30, 2009. The ratio of non-performing assets to total assets at the end of the third and second quarters was 4.91 percent and 4.63 percent, respectively. The allowance for loan losses to total loans was 2.80 percent and 2.64 percent, respectively.

“Credit quality continues to be our primary area of focus, particularly in the residential construction portfolio,” Tallent said. “While we have seen a rise in all categories of non-performing assets, the inflow is still driven by continued weakness in the housing and construction markets. The good news is that the residential construction problem credits in the Atlanta region are starting to decline on a linked-quarter basis. We have seen some negative migration in the commercial real estate categories, but the amounts are still within reasonable levels in light of current economic conditions. Though we could see more negative migration in commercial loans, we are cautiously optimistic because the portfolio is diversified, cash flow sources are varied, and a large percentage of the loans are owner-occupied.”

Operating fee revenue of $15.7 million reflected a $2.6 million increase from last quarter and a year ago. Operating fee revenue excludes the $11.4 million gain on the Southern Community Bank acquisition recorded last quarter. Consulting fees of $2.3 million were up $555,000 from last year due to an increase in demand for assistance with regulatory compliance matters. Mortgage loan fees of $1.8 million were up $422,000 from a year ago due to a high level of refinancing activity. Net securities gains of $1.1 million were up $1.0 million compared to the third quarter of 2008.

Operating expenses for the third quarter of 2009 were $53.6 million, a decrease of $3.4 million from last year. The decrease was primarily due to lower foreclosed property costs of $2.2 million and lower salary and benefit costs of $2.7 million. The decrease in salary and benefit costs were primarily due to the reduction in work force of 174 staff year-to-date and lower bonus incentives, which were offset partially by the 54 staff added last quarter through the acquisition. Additionally, several expense categories benefited this quarter from cost reductions including communications, advertising and printing costs. Partially offsetting the benefit of these lower costs were the rate increase for FDIC insurance premiums of $1.3 million and higher professional and legal fees related to the credit cycle.

The effective tax rate for the third quarter of 2009 was 28 percent, compared to 35 percent for the third quarter of 2008. The lower effective tax rate in the third quarter of 2009 was due to the goodwill impairment charge for which no tax benefit is recognized. Excluding the goodwill impairment charge, the effective tax rate for the third quarter of 2009 was 38 percent. The projected effective tax rate for the balance of 2009 is 38 percent.

At September 30, 2009, the company's regulatory capital ratios were as follows: Tier I Risk-Based Capital of 12.7 percent; Leverage of 9.5 percent; and Total Risk-Based of 15.3 percent. Also, the quarter-end tangible equity-to-assets ratio was 9.6 percent, the tangible common equity-to-assets ratio was 7.4 percent and the tangible common equity to risk weighted assets was 10.3 percent. The third quarter capital ratios reflect the successful common stock offering that closed on September 30, 2009. United issued 44,505,000 shares of common stock at a price of $5.00 per share and the net proceeds increased capital by $210.9 million.

"The additional capital significantly strengthens our balance sheet, allowing us to continue to aggressively deal with problem credits," stated Tallent. "Even more important, it positions us to take advantage of once-in-a-lifetime opportunities to grow our business through organic growth, FDIC assisted transactions and customer dislocation within our markets. All of our strategies support our goal of building long-term shareholder value. While there is a lot of work yet to be done, we have the strongest sense of urgency to return United to the higher levels of profitability that it has achieved for decades."

Conference Call

United Community Banks will hold a conference call today, Friday, October 23, 2009, 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 (888) 211-7262 and use the password 'UCBI.' The conference call also will be webcast and can be accessed by selecting 'Calendar of Events' within the Investor Relations section of the company's website at www.ucbi.com. The Investor Presentation for Third Quarter 2009 can be accessed on the website by selecting 'Presentations' within the Investor Relations section.

About United Community Banks, Inc.

Headquartered in Blairsville, United Community Banks is the third-largest bank holding company in Georgia. United Community Banks has assets of $8.4 billion and operates 27 community banks with 109 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina and east Tennessee. The company specializes in providing personalized community banking services to individuals and small to mid-size businesses. United Community Banks also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United Community Banks common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at the company's web site at www.ucbi.com.

Safe Harbor

*This news release contains forward-looking statements, as defined by Federal Securities Laws, including statements about financial outlook and business environment. These statements are provided to assist in the understanding of future financial performance and such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. Any such statements are based on current expectations and involve a number of risks and uncertainties. For a discussion of some factors that may cause such forward-looking statements to differ materially from actual results, please refer to the section entitled "Forward-Looking Statements" on page 3 of United Community Banks, Inc.'s annual report filed on Form 10-K with the Securities and Exchange Commission.*

# # #

**UNITED COMMUNITY BANKS, INC.**
**Financial Highlights**
**Selected Financial Information**

| | 2009 | | | 2008 | | Third Quarter | For the Nine Months Ended | | YTD |
|---|---|---|---|---|---|---|---|---|---|
| *(in thousands, except per share data; taxable equivalent)* | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | 2009-2008 Change | 2009 | 2008 | 2009-2008 Change |
| **INCOME SUMMARY** | | | | | | | | | |
| Interest revenue | $ 101,181 | $ 102,737 | $ 103,562 | $ 108,434 | $ 112,510 | | $ 307,480 | $ 358,535 | |
| Interest expense | 38,177 | 41,855 | 46,150 | 56,561 | 53,719 | | 126,182 | 171,704 | |
| Net interest revenue | 63,004 | 60,882 | 57,412 | 51,873 | 58,791 | 7% | 181,298 | 186,831 | (3)% |
| Provision for loan losses | 95,000 | 60,000 | 65,000 | 85,000 | 76,000 | | 220,000 | 99,000 | |
| Operating fee revenue [1] | 15,671 | 13,050 | 12,846 | 10,718 | 13,121 | 19 | 41,567 | 42,423 | (2) |
| **Total revenue** | (16,325) | 13,932 | 5,258 | (22,409) | (4,088) | 299 | 2,865 | 130,254 | (98) |
| Operating expenses [2] | 53,606 | 55,348 | 52,569 | 52,439 | 56,970 | (6) | 161,523 | 154,260 | 5 |
| Operating loss before taxes | (69,931) | (41,416) | (47,311) | (74,848) | (61,058) | 15 | (158,658) | (24,006) | 561 |
| Income tax benefit | (26,213) | (18,353) | (15,335) | (28,101) | (21,184) | | (59,901) | (7,303) | |
| **Net operating loss** [1][2] | (43,718) | (23,063) | (31,976) | (46,747) | (39,874) | 10 | (98,757) | (16,703) | 491 |
| Gain from acquisitions, net of tax expense | - | 7,062 | - | - | - | | 7,062 | - | |
| Noncash goodwill impairment charge | (25,000) | - | (70,000) | - | - | | (95,000) | - | |
| Severance costs, net of tax benefit | - | - | (1,797) | - | - | | (1,797) | - | |
| **Net loss** | (68,718) | (16,001) | (103,773) | (46,747) | (39,874) | 72 | (188,492) | (16,703) | 1,028 |
| Preferred dividends and discount accretion | 2,562 | 2,559 | 2,554 | 712 | 4 | | 7,675 | 12 | |
| **Net loss available** | | | | | | | | | |
| **to common shareholders** | $ (71,280) | $ (18,560) | $ (106,327) | $ (47,459) | $ (39,878) | | $ (196,167) | $ (16,715) | |
| | | | | | | | | | |
| **PERFORMANCE MEASURES** | | | | | | | | | |
| Per common share: | | | | | | | | | |
| Diluted operating loss [1][2] | $ (.93) | $ (.53) | $ (.71) | $ (.99) | $ (.84) | 11 | $ (2.17) | $ (.35) | 520 |
| Diluted loss | (1.43) | (.38) | (2.20) | (.99) | (.84) | 70 | (4.01) | (.35) | 1,046 |
| Cash dividends declared | - | - | - | - | - | | - | .18 | |
| Stock dividends declared [6] | 1 for 130 | 1 for 130 | 1 for 130 | 1 for 130 | 1 for 130 | | 3 for 130 | 1 for 130 | |
| Book value | 8.85 | 13.87 | 14.70 | 16.95 | 17.12 | (48) | 8.85 | 17.12 | (48) |
| Tangible book value [4] | 6.50 | 8.85 | 9.65 | 10.39 | 10.48 | (38) | 6.50 | 10.48 | (38) |
| | | | | | | | | | |
| Key performance ratios: | | | | | | | | | |
| Return on equity [3][5] | (45.52)% | (11.42)% | (58.28)% | (23.83)% | (19.07)% | | (39.11)% | (2.69)% | |
| Return on assets [5] | (3.32) | (.78) | (5.03) | (2.19) | (1.94) | | (3.05) | (.27) | |
| Net interest margin [5] | 3.39 | 3.28 | 3.08 | 2.70 | 3.17 | | 3.25 | 3.35 | |
| Operating efficiency ratio [1][2][4] | 69.15 | 74.15 | 75.15 | 81.34 | 79.35 | | 72.72 | 67.43 | |
| Equity to assets | 10.27 | 10.71 | 11.56 | 10.04 | 10.26 | | 10.84 | 10.29 | |
| Tangible equity to assets [4] | 7.55 | 7.96 | 8.24 | 6.56 | 6.64 | | 7.92 | 6.71 | |
| Tangible common equity to assets [4] | 5.36 | 5.77 | 6.09 | 6.21 | 6.64 | | 5.74 | 6.70 | |
| Tangible common equity to risk-weighted assets [4] | 10.33 | 7.49 | 8.03 | 8.34 | 8.26 | | 10.33 | 8.26 | |
| | | | | | | | | | |
| **ASSET QUALITY *** | | | | | | | | | |
| Non-performing loans (NPLs) | $ 304,381 | $ 287,848 | $ 259,155 | $ 190,723 | $ 139,266 | | $ 304,381 | $ 139,266 | |
| Foreclosed properties | 110,610 | 104,754 | 75,383 | 59,768 | 38,438 | | 110,610 | 38,438 | |
| Total non-performing assets (NPAs) | 414,991 | 392,602 | 334,538 | 250,491 | 177,704 | | 414,991 | 177,704 | |
| Allowance for loan losses | 150,187 | 145,678 | 143,990 | 122,271 | 111,299 | | 150,187 | 111,299 | |
| Net charge-offs | 90,491 | 58,312 | 43,281 | 74,028 | 55,736 | | 192,084 | 77,124 | |
| Allowance for loan losses to loans | 2.80 % | 2.64 % | 2.56 % | 2.14 % | 1.91 | % | 2.80 % | 1.91 | % |
| Net charge-offs to average loans [5] | 6.57 | 4.18 | 3.09 | 5.09 | 3.77 | | 4.60 | 1.74 | |
| NPAs to loans and foreclosed properties | 7.58 | 6.99 | 5.86 | 4.35 | 3.03 | | 7.58 | 3.03 | |
| NPAs to total assets | 4.91 | 4.63 | 4.09 | 2.92 | 2.19 | | 4.91 | 2.19 | |
| | | | | | | | | | |
| **AVERAGE BALANCES** | | | | | | | | | |
| Loans | $5,565,498 | $5,597,259 | $5,675,054 | $5,784,139 | $5,889,168 | (5) | $ 5,612,202 | $ 5,926,731 | (5) |
| Investment securities | 1,615,499 | 1,771,482 | 1,712,654 | 1,508,808 | 1,454,740 | 11 | 1,699,522 | 1,482,397 | 15 |
| Earning assets | 7,400,539 | 7,442,178 | 7,530,230 | 7,662,536 | 7,384,287 | - | 7,457,173 | 7,451,017 | - |
| Total assets | 8,208,199 | 8,212,140 | 8,372,281 | 8,487,017 | 8,164,694 | 1 | 8,263,605 | 8,262,853 | - |
| Deposits | 6,689,948 | 6,544,537 | 6,780,531 | 6,982,229 | 6,597,339 | 1 | 6,671,340 | 6,370,753 | 5 |
| Shareholders' equity | 843,130 | 879,210 | 967,505 | 851,956 | 837,487 | 1 | 896,159 | 849,912 | 5 |
| Common shares - basic | 49,771 | 48,794 | 48,324 | 47,844 | 47,417 | | 48,968 | 47,210 | |
| Common shares - diluted | 49,771 | 48,794 | 48,324 | 47,844 | 47,417 | | 48,968 | 47,210 | |
| | | | | | | | | | |
| **AT PERIOD END** | | | | | | | | | |
| Loans | $5,362,689 | $5,513,087 | $5,632,705 | $5,704,861 | $5,829,937 | (8) | $ 5,362,689 | $ 5,829,937 | (8) |
| Investment securities | 1,532,514 | 1,816,787 | 1,719,033 | 1,617,187 | 1,400,827 | 9 | 1,532,514 | 1,400,827 | 9 |
| Total assets | 8,443,617 | 8,477,355 | 8,171,663 | 8,591,933 | 8,113,961 | 4 | 8,443,617 | 8,113,961 | 4 |
| Deposits | 6,821,306 | 6,848,760 | 6,616,488 | 7,003,624 | 6,689,335 | 2 | 6,821,306 | 6,689,335 | 2 |
| Shareholders' equity | 1,006,638 | 855,272 | 888,853 | 989,382 | 816,880 | 23 | 1,006,638 | 816,880 | 23 |
| Common shares outstanding | 93,901 | 48,933 | 48,487 | 48,009 | 47,596 | | 93,901 | 47,596 | |

(1) Excludes the gain from acquisition of $11.4 million, net of income tax expense of $4.3 million in the second quarter of 2009.
(2) Excludes the non-recurring goodwill impairment charges of $25 million and $70 million in the third and first quarters of 2009, respectively, and severance costs of $2.9

million, net of income tax benefit of $1.1 million in the first quarter of 2009.

(3) Net income available to common shareholders, which excludes preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).

(4) Excludes effect of acquisition related intangibles and associated amortization.

(5) Annualized.

(6) Number of new shares issued for shares currently held.

NM - Not meaningful.

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

**UNITED COMMUNITY BANKS, INC.**
**Operating Earnings to GAAP Earnings Reconciliation**
**Selected Financial Information**

| *(in thousands, except per share data; taxable equivalent)* | 2009 Third Quarter | 2009 Second Quarter | 2009 First Quarter | 2008 Fourth Quarter | 2008 Third Quarter | For the Nine Months Ended 2009 | For the Nine Months Ended 2008 |
|---|---|---|---|---|---|---|---|
| **Interest revenue reconciliation** | | | | | | | |
| Interest revenue - taxable equivalent | $ 101,181 | $ 102,737 | $ 103,562 | $ 108,434 | $ 112,510 | $ 307,480 | $ 358,535 |
| Taxable equivalent adjustment | (580) | (463) | (488) | (553) | (571) | (1,531) | (1,708) |
| Interest revenue (GAAP) | $ 100,601 | $ 102,274 | $ 103,074 | $ 107,881 | $ 111,939 | $ 305,949 | $ 356,827 |
| **Net interest revenue reconciliation** | | | | | | | |
| Net interest revenue - taxable equivalent | $ 63,004 | $ 60,882 | $ 57,412 | $ 51,873 | $ 58,791 | $ 181,298 | $ 186,831 |
| Taxable equivalent adjustment | (580) | (463) | (488) | (553) | (571) | (1,531) | (1,708) |
| Net interest revenue (GAAP) | $ 62,424 | $ 60,419 | $ 56,924 | $ 51,320 | $ 58,220 | $ 179,767 | $ 185,123 |
| **Fee revenue reconciliation** | | | | | | | |
| Operating fee revenue | $ 15,671 | $ 13,050 | $ 12,846 | $ 10,718 | $ 13,121 | $ 41,567 | $ 42,423 |
| Gain from acquisition | - | 11,390 | - | - | - | 11,390 | - |
| Fee revenue (GAAP) | $ 15,671 | $ 24,440 | $ 12,846 | $ 10,718 | $ 13,121 | $ 52,957 | $ 42,423 |
| **Total revenue reconciliation** | | | | | | | |
| Total operating revenue | $ (16,325) | $ 13,932 | $ 5,258 | $ (22,409) | $ (4,088) | $ 2,865 | $ 130,254 |
| Taxable equivalent adjustment | (580) | (463) | (488) | (553) | (571) | (1,531) | (1,708) |
| Gain from acquisition | - | 11,390 | - | - | - | 11,390 | - |
| Total revenue (GAAP) | $ (16,905) | $ 24,859 | $ 4,770 | $ (22,962) | $ (4,659) | $ 12,724 | $ 128,546 |
| **Expense reconciliation** | | | | | | | |
| Operating expense | $ 53,606 | $ 55,348 | $ 52,569 | $ 52,439 | $ 56,970 | $ 161,523 | $ 154,260 |
| Noncash goodwill impairment charge | 25,000 | - | 70,000 | - | - | 95,000 | - |
| Severance costs | - | - | 2,898 | - | - | 2,898 | - |
| Operating expense (GAAP) | $ 78,606 | $ 55,348 | $ 125,467 | $ 52,439 | $ 56,970 | $ 259,421 | $ 154,260 |
| **(Loss) income before taxes reconciliation** | | | | | | | |
| Operating (loss) income before taxes | $ (69,931) | $ (41,416) | $ (47,311) | $ (74,848) | $ (61,058) | $ (158,658) | $ (24,006) |
| Taxable equivalent adjustment | (580) | (463) | (488) | (553) | (571) | (1,531) | (1,708) |
| Gain from acquisition | - | 11,390 | - | - | - | 11,390 | - |
| Noncash goodwill impairment charge | (25,000) | - | (70,000) | - | - | (95,000) | - |
| Severance costs | - | - | (2,898) | - | - | (2,898) | - |
| (Loss) income before taxes (GAAP) | $ (95,511) | $ (30,489) | $ (120,697) | $ (75,401) | $ (61,629) | $ (246,697) | $ (25,714) |
| **Income tax (benefit) expense reconciliation** | | | | | | | |
| Operating income tax (benefit) expense | $ (26,213) | $ (18,353) | $ (15,335) | $ (28,101) | $ (21,184) | $ (59,901) | $ (7,303) |
| Taxable equivalent adjustment | (580) | (463) | (488) | (553) | (571) | (1,531) | (1,708) |
| Gain from acquisition, tax expense | - | 4,328 | - | - | - | 4,328 | - |
| Severance costs, tax benefit | - | - | (1,101) | - | - | (1,101) | - |
| Income tax (benefit) expense (GAAP) | $ (26,793) | $ (14,488) | $ (16,924) | $ (28,654) | $ (21,755) | $ (58,205) | $ (9,011) |
| **(Loss) earnings per common share reconciliation** | | | | | | | |
| Operating (loss) earnings per common share | $ (0.93) | $ (0.53) | $ (0.71) | $ (0.99) | $ (0.84) | $ (2.17) | $ (0.35) |
| Gain from acquisition | - | 0.15 | - | - | - | 0.15 | - |
| Noncash goodwill impairment charge | (0.50) | - | (1.45) | - | - | (1.95) | - |
| Severance costs | - | - | (0.04) | - | - | (0.04) | - |
| (Loss) earnings per common share (GAAP) | $ (1.43) | $ (0.38) | $ (2.20) | $ (0.99) | $ (0.84) | $ (4.01) | $ (0.35) |
| **Book value reconciliation** | | | | | | | |
| Tangible book value | $ 6.50 | $ 8.85 | $ 9.65 | $ 10.39 | $ 10.48 | $ 6.50 | $ 10.48 |
| Effect of goodwill and other intangibles | 2.35 | 5.02 | 5.05 | 6.56 | 6.64 | 2.35 | 6.64 |
| Book value (GAAP) | $ 8.85 | $ 13.87 | $ 14.70 | $ 16.95 | $ 17.12 | $ 8.85 | $ 17.12 |
| **Efficiency ratio reconciliation** | | | | | | | |
| Operating efficiency ratio | 69.15% | 74.15% | 75.15% | 81.34% | 79.35% | 72.72% | 67.43% |
| Gain from acquisition | - | (9.82) | - | - | - | (3.55) | - |
| Noncash goodwill impairment charge | 32.24 | - | 100.06 | - | - | 40.68 | - |
| Severance costs | - | - | 4.14 | - | - | 1.24 | - |
| Efficiency ratio (GAAP) | 101.39% | 64.33% | 179.35% | 81.34% | 79.35% | 111.09% | 67.43% |
| **Average equity to assets reconciliation** | | | | | | | |
| Tangible common equity to assets | 5.36% | 5.77% | 6.09% | 6.21% | 6.64% | 5.74% | 6.70% |
| Effect of preferred equity | 2.19 | 2.19 | 2.15 | .35 | - | 2.18 | .01 |
| Tangible equity to assets | 7.55 | 7.96 | 8.24 | 6.56 | 6.64 | 7.92 | 6.71 |
| Effect of goodwill and other intangibles | 2.72 | 2.75 | 3.32 | 3.48 | 3.62 | 2.92 | 3.58 |
| Equity to assets (GAAP) | 10.27% | 10.71% | 11.56% | 10.04% | 10.26% | 10.84% | 10.29% |
| **Actual tangible common equity to risk-weighted assets reconciliation** | | | | | | | |
| Tangible common equity to risk-weighted assets | 10.33% | 7.49% | 8.03% | 8.34% | 8.26% | 10.33% | 8.26% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Effect of other comprehensive income | (.87) | (.72) | (1.00) | (.91) | (.28) | (.87) | (.28) |
| Effect of deferred tax limitation | (.56) | (.22) | - | - | - | (.56) | - |
| Effect of trust preferred | .89 | .90 | .89 | .88 | .68 | .89 | .68 |
| Effect of preferred equity | 2.94 | 2.99 | 2.96 | 2.90 | - | 2.94 | - |
| Tier I capital ratio (Regulatory) | 12.73% | 10.44% | 10.88% | 11.21% | 8.66% | 12.73% | 8.66% |

**UNITED COMMUNITY BANKS, INC.**
**Financial Highlights**
**Loan Portfolio Composition at Period-End**

| | 2009 | | | 2008 | | Linked Quarter Change[(2)] | Year over Year Change |
|---|---|---|---|---|---|---|---|
| *(in millions)* | Third Quarter [(1)] | Second Quarter [(1)] | First Quarter | Fourth Quarter | Third Quarter | Actual | Actual |
| **LOANS BY CATEGORY** | | | | | | | |
| Commercial (sec. by RE) | $ 1,787 | $ 1,797 | $ 1,779 | $ 1,627 | $ 1,604 | (2)% | 11% |
| Commercial construction | 380 | 379 | 377 | 500 | 509 | 1 | (25) |
| Commercial & industrial | 403 | 399 | 387 | 410 | 425 | 4 | (5) |
| Total commercial | 2,570 | 2,575 | 2,543 | 2,537 | 2,538 | (1) | 1 |
| Residential construction | 1,185 | 1,315 | 1,430 | 1,479 | 1,596 | (40) | (26) |
| Residential mortgage | 1,461 | 1,470 | 1,504 | 1,526 | 1,528 | (2) | (4) |
| Consumer / installment | 147 | 153 | 156 | 163 | 168 | (16) | (13) |
| **Total loans** | $ 5,363 | $ 5,513 | $ 5,633 | $ 5,705 | $ 5,830 | (11) | (8) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **LOANS BY MARKET** | | | | | | | |
| Atlanta MSA | $ 1,526 | $ 1,605 | $ 1,660 | $ 1,706 | $ 1,800 | (20)% | (15)% |
| Gainesville MSA | 402 | 413 | 422 | 420 | 426 | (11) | (6) |
| North Georgia | 1,942 | 1,978 | 2,014 | 2,040 | 2,066 | (7) | (6) |
| Western North Carolina | 786 | 794 | 808 | 810 | 815 | (4) | (4) |
| Coastal Georgia | 440 | 455 | 460 | 464 | 458 | (13) | (4) |
| East Tennessee | 267 | 268 | 269 | 265 | 265 | (1) | 1 |
| **Total loans** | $ 5,363 | $ 5,513 | $ 5,633 | $ 5,705 | $ 5,830 | (11) | (8) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **RESIDENTIAL CONSTRUCTION** | | | | | | | |
| Dirt loans | | | | | | | |
| Acquisition & development | $ 380 | $ 413 | $ 445 | $ 484 | $ 516 | (32)% | (26)% |
| Land loans | 159 | 159 | 155 | 153 | 142 | - | 12 |
| Lot loans | 336 | 369 | 390 | 358 | 385 | (36) | (13) |
| Total | 875 | 941 | 990 | 995 | 1,043 | (28) | (16) |
| House loans | | | | | | | |
| Spec | 218 | 268 | 317 | 347 | 393 | (75)% | (45)% |
| Sold | 92 | 106 | 123 | 137 | 160 | (53) | (43) |
| Total | 310 | 374 | 440 | 484 | 553 | (68) | (44) |
| **Total residential construction** | $ 1,185 | $ 1,315 | $ 1,430 | $ 1,479 | $ 1,596 | (40) | (26) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **RESIDENTIAL CONSTRUCTION - ATLANTA MSA** | | | | | | | |
| Dirt loans | | | | | | | |
| Acquisition & development | $ 100 | $ 124 | $ 148 | $ 167 | $ 185 | (77)% | (46)% |
| Land loans | 61 | 63 | 52 | 56 | 47 | (13) | 30 |
| Lot loans | 54 | 81 | 98 | 86 | 103 | (133) | (48) |
| Total | 215 | 268 | 298 | 309 | 335 | (79) | (36) |
| House loans | | | | | | | |
| Spec | 91 | 127 | 164 | 189 | 227 | (113)% | (60)% |
| Sold | 22 | 29 | 33 | 40 | 49 | (97) | (55) |
| Total | 113 | 156 | 197 | 229 | 276 | (110) | (59) |
| **Total residential construction** | $ 328 | $ 424 | $ 495 | $ 538 | $ 611 | (91) | (46) |

(1) Excludes total loans of $104.0 million and $109.9 million as of September 30, 2009 and June 30, 2009, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.
(2) Annualized.

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

| (in thousands) | Third Quarter 2009 Non-performing Loans | Third Quarter 2009 Foreclosed Properties | Third Quarter 2009 Total NPAs | Second Quarter 2009 Non-performing Loans | Second Quarter 2009 Foreclosed Properties | Second Quarter 2009 Total NPAs | First Quarter 2009 Non-performing Loans | First Quarter 2009 Foreclosed Properties | First Quarter 2009 Total NPAs |
|---|---|---|---|---|---|---|---|---|---|
| **NPAs BY CATEGORY** | | | | | | | | | |
| Commercial (sec. by RE) | $ 38,379 | $ 12,566 | $ 50,945 | $ 37,755 | $ 5,395 | $ 43,150 | $ 18,188 | $ 3,811 | $ 21,999 |
| Commercial construction | 38,505 | 5,543 | 44,048 | 15,717 | 5,847 | 21,564 | 6,449 | 2,948 | 9,397 |
| Commercial & industrial | 3,794 | - | 3,794 | 11,378 | - | 11,378 | 12,066 | - | 12,066 |
| Total commercial | 80,678 | 18,109 | 98,787 | 64,850 | 11,242 | 76,092 | 36,703 | 6,759 | 43,462 |
| Residential construction | 171,027 | 79,045 | 250,072 | 176,400 | 81,648 | 258,048 | 187,656 | 58,327 | 245,983 |
| Residential mortgage | 50,626 | 13,456 | 64,082 | 44,256 | 11,864 | 56,120 | 33,148 | 10,297 | 43,445 |
| Consumer / installment | 2,050 | - | 2,050 | 2,342 | - | 2,342 | 1,648 | - | 1,648 |
| **Total NPAs** | $ 304,381 | $ 110,610 | $ 414,991 | $ 287,848 | $ 104,754 | $ 392,602 | $ 259,155 | $ 75,383 | $ 334,538 |
| **NPAs BY MARKET** | | | | | | | | | |
| Atlanta MSA | $ 120,599 | $ 54,670 | $ 175,269 | $ 148,155 | $ 50,450 | $ 198,605 | $ 131,020 | $ 48,574 | $ 179,594 |
| Gainesville MSA | 12,916 | 8,429 | 21,345 | 9,745 | 3,511 | 13,256 | 17,448 | 694 | 18,142 |
| North Georgia | 96,373 | 36,718 | 133,091 | 72,174 | 37,454 | 109,628 | 66,875 | 20,811 | 87,686 |
| Western North Carolina | 25,775 | 5,918 | 31,693 | 21,814 | 7,245 | 29,059 | 21,240 | 3,067 | 24,307 |
| Coastal Georgia | 38,414 | 3,045 | 41,459 | 30,311 | 3,904 | 34,215 | 15,699 | 1,286 | 16,985 |
| East Tennessee | 10,304 | 1,830 | 12,134 | 5,649 | 2,190 | 7,839 | 6,873 | 951 | 7,824 |
| **Total NPAs** | $ 304,381 | $ 110,610 | $ 414,991 | $ 287,848 | $ 104,754 | $ 392,602 | $ 259,155 | $ 75,383 | $ 334,538 |

| (in thousands) | Third Quarter 2009 Net Charge-Offs | Third Quarter 2009 Net Charge-Offs to Average Loans (2) | Second Quarter 2009 Net Charge-Offs | Second Quarter 2009 Net Charge-Offs to Average Loans (2) | First Quarter 2009 Net Charge-Offs | First Quarter 2009 Net Charge-Offs to Average Loans (2) |
|---|---|---|---|---|---|---|
| **NET CHARGE-OFFS BY CATEGORY** | | | | | | |
| Commercial (sec. by RE) | $ 10,568 | 2.33 % | $ 5,986 | 1.34 % | $ 826 | .20 % |
| Commercial construction | 4,369 | 4.55 | 756 | .80 | 54 | .05 |
| Commercial & industrial | 1,792 | 1.76 | 3,107 | 3.16 | 873 | .89 |
| Total commercial | 16,729 | 2.57 | 9,849 | 1.54 | 1,753 | .28 |
| Residential construction | 67,520 | 21.31 | 44,240 | 12.90 | 37,762 | 10.52 |
| Residential mortgage | 5,051 | 1.36 | 3,526 | .95 | 2,984 | .80 |
| Consumer / installment | 1,191 | 3.13 | 697 | 1.80 | 782 | 1.99 |
| **Total** | $ 90,491 | 6.57 | $ 58,312 | 4.18 | $ 43,281 | 3.09 |
| **NET CHARGE-OFFS BY MARKET** | | | | | | |
| Atlanta MSA | $ 50,129 | 12.61 % | $ 37,473 | 8.89 % | $ 26,228 | 6.16 % |
| Gainesville MSA | 1,473 | 1.60 | 4,125 | 4.38 | 1,105 | 1.18 |
| North Georgia | 24,017 | 4.74 | 12,571 | 2.52 | 8,208 | 1.64 |
| Western North Carolina | 3,949 | 1.98 | 1,015 | .51 | 3,669 | 1.83 |
| Coastal Georgia | 10,051 | 8.78 | 969 | .85 | 3,229 | 2.84 |
| East Tennessee | 872 | 1.30 | 2,159 | 3.21 | 842 | 1.28 |
| **Total** | $ 90,491 | 6.57 | $ 58,312 | 4.18 | $ 43,281 | 3.09 |

| (in thousands) | Third Quarter 2009 | Second Quarter 2009 | First Quarter 2009 |
|---|---|---|---|
| **FORECLOSED PROPERTIES** | | | |
| Beginning balance | $ 104,754 | $ 75,383 | $ 59,768 |
| Foreclosures transferred in | 56,624 | 64,417 | 38,742 |
| Capital costs added | 579 | 1,324 | 1,452 |
| Write downs | (1,906) | (2,738) | (2,151) |
| Proceeds from sales | (49,441) | (33,632) | (22,428) |
| **Total** | $ 110,610 | $ 104,754 | $ 75,383 |

(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.

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

| *(in thousands, except per share data)* | Three Months Ended September 30, 2009 | Three Months Ended September 30, 2008 | Nine Months Ended September 30, 2009 | Nine Months Ended September 30, 2008 |
|---|---|---|---|---|
| **Interest revenue:** | | | | |
| Loans, including fees | $ 80,874 | $ 93,233 | $ 244,445 | $ 299,550 |
| Investment securities, including tax exempt of $328, $348, $956 and $1,140 | 18,820 | 18,606 | 60,057 | 56,905 |
| Federal funds sold, commercial paper, deposits in banks and other | 907 | 100 | 1,447 | 372 |
| Total interest revenue | 100,601 | 111,939 | 305,949 | 356,827 |
| **Interest expense:** | | | | |
| Deposits: | | | | |
| NOW | 2,528 | 6,778 | 8,708 | 22,581 |
| Money market | 2,711 | 2,296 | 7,217 | 7,519 |
| Savings | 130 | 153 | 378 | 560 |
| Time | 28,183 | 39,044 | 96,300 | 116,756 |
| Total deposit interest expense | 33,552 | 48,271 | 112,603 | 147,416 |
| Federal funds purchased, repurchase agreements and other short-term borrowings | 613 | 1,116 | 1,761 | 7,254 |
| Federal Home Loan Bank advances | 1,300 | 2,105 | 3,577 | 10,668 |
| Long-term debt | 2,712 | 2,227 | 8,241 | 6,366 |
| Total interest expense | 38,177 | 53,719 | 126,182 | 171,704 |
| Net interest revenue | 62,424 | 58,220 | 179,767 | 185,123 |
| Provision for loan losses | 95,000 | 76,000 | 220,000 | 99,000 |
| Net interest revenue after provision for loan losses | (32,576) | (17,780) | (40,233) | 86,123 |
| **Fee revenue:** | | | | |
| Service charges and fees | 8,138 | 8,171 | 22,729 | 23,941 |
| Mortgage loan and other related fees | 1,832 | 1,410 | 7,308 | 5,575 |
| Consulting fees | 2,282 | 1,727 | 5,048 | 5,786 |
| Brokerage fees | 456 | 905 | 1,642 | 2,812 |
| Securities gains, net | 1,149 | 120 | 741 | 477 |
| Gain from acquisition | - | - | 11,390 | - |
| Other | 1,814 | 788 | 4,099 | 3,832 |
| Total fee revenue | 15,671 | 13,121 | 52,957 | 42,423 |
| **Total revenue** | (16,905) | (4,659) | 12,724 | 128,546 |
| **Operating expenses:** | | | | |
| Salaries and employee benefits | 25,881 | 28,626 | 82,778 | 86,133 |
| Communications and equipment | 3,732 | 3,909 | 11,106 | 11,593 |
| Occupancy | 4,098 | 3,905 | 11,758 | 11,325 |
| Advertising and public relations | 887 | 1,399 | 3,187 | 4,759 |
| Postage, printing and supplies | 1,277 | 1,493 | 3,753 | 4,533 |
| Professional fees | 2,255 | 1,596 | 7,354 | 5,196 |
| Foreclosed property | 7,918 | 10,109 | 17,974 | 13,872 |
| FDIC assessments and other regulatory charges | 2,801 | 1,509 | 12,293 | 4,040 |
| Amortization of intangibles | 813 | 752 | 2,291 | 2,264 |
| Other | 3,944 | 3,672 | 9,029 | 10,545 |
| Goodwill impairment | 25,000 | - | 95,000 | - |
| Severance costs | - | - | 2,898 | - |
| Total operating expenses | 78,606 | 56,970 | 259,421 | 154,260 |
| Loss before income taxes | (95,511) | (61,629) | (246,697) | (25,714) |
| Income tax benefit | (26,793) | (21,755) | (58,205) | (9,011) |
| **Net loss** | (68,718) | (39,874) | (188,492) | (16,703) |
| Preferred stock dividends, including discount accretion | 2,562 | 4 | 7,675 | 12 |
| **Net loss available to common shareholders** | $ (71,280) | $ (39,878) | $ (196,167) | $ (16,715) |
| Basic loss per common share | $ (1.43) | $ (.84) | $ (4.01) | $ (.35) |
| Diluted loss per common share | (1.43) | (.84) | (4.01) | (.35) |
| Weighted average common shares outstanding - Basic | 49,771 | 47,417 | 48,968 | 47,210 |
| Weighted average common shares outstanding - Diluted | 49,771 | 47,417 | 48,968 | 47,210 |

**UNITED COMMUNITY BANKS, INC.**
**Consolidated Balance Sheet**

| *(in thousands, except share and per share data)* | **September 30, 2009** | **December 31, 2008** | **September 30, 2008** |
|---|---|---|---|
| | *(unaudited)* | *(audited)* | *(unaudited)* |
| **ASSETS** | | | |
| Cash and due from banks | $ 195,559 | $ 116,395 | $ 126,033 |
| Interest-bearing deposits in banks | 78,589 | 8,417 | 40,707 |
| Federal funds sold, commercial paper and short-term investments | 397,361 | 368,609 | - |
| Cash and cash equivalents | 671,509 | 493,421 | 166,740 |
| Securities available for sale | 1,532,514 | 1,617,187 | 1,400,827 |
| Mortgage loans held for sale | 20,460 | 20,334 | 17,763 |
| Loans, net of unearned income | 5,362,689 | 5,704,861 | 5,829,937 |
| Less allowance for loan losses | 150,187 | 122,271 | 111,299 |
| Loans, net | 5,212,502 | 5,582,590 | 5,718,638 |
| Covered assets | 197,914 | - | - |
| Premises and equipment, net | 179,467 | 179,160 | 179,727 |
| Accrued interest receivable | 35,679 | 46,088 | 47,920 |
| Goodwill and other intangible assets | 226,008 | 321,798 | 322,544 |
| Other assets | 367,564 | 331,355 | 259,802 |
| **Total assets** | $ 8,443,617 | $ 8,591,933 | $ 8,113,961 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| Liabilities: | | | |
| Deposits: | | | |
| Demand | $ 703,054 | $ 654,036 | $ 680,196 |
| NOW | 1,318,264 | 1,543,385 | 1,393,928 |
| Money market | 687,780 | 466,750 | 394,358 |
| Savings | 180,738 | 170,275 | 179,274 |
| Time: | | | |
| Less than $100,000 | 1,854,726 | 1,953,235 | 1,814,926 |
| Greater than $100,000 | 1,237,172 | 1,422,974 | 1,481,512 |
| Brokered | 839,572 | 792,969 | 745,141 |
| Total deposits | 6,821,306 | 7,003,624 | 6,689,335 |
| Federal funds purchased, repurchase agreements, and other short-term borrowings | 101,951 | 108,411 | 119,699 |
| Federal Home Loan Bank advances | 314,704 | 235,321 | 285,362 |
| Long-term debt | 150,046 | 150,986 | 137,996 |
| Accrued expenses and other liabilities | 48,972 | 104,209 | 64,689 |
| **Total liabilities** | 7,436,979 | 7,602,551 | 7,297,081 |
| Shareholders' equity: | | | |
| Preferred stock, $1 par value; 10,000,000 shares authorized; | | | |
| Series A; $10 stated value; 21,700, 25,800 and 25,800 shares issued and outstanding | 217 | 258 | 258 |
| Series B; $1,000 stated value; 180,000 shares issued and outstanding | 174,095 | 173,180 | - |
| Common stock, $1 par value; 100,000,000 shares authorized; 93,901,492, 48,809,301 and 48,809,301 shares issued | 93,901 | 48,809 | 48,809 |
| Common stock issuable; 196,818, 129,304 and 116,567 shares | 3,471 | 2,908 | 2,762 |
| Capital surplus | 620,494 | 460,708 | 457,779 |
| Retained earnings | 62,786 | 265,405 | 317,544 |
| Treasury stock; 799,892 and 1,213,182 shares, at cost | - | (16,465) | (27,024) |
| Accumulated other comprehensive income | 51,674 | 54,579 | 16,752 |
| **Total shareholders' equity** | 1,006,638 | 989,382 | 816,880 |
| **Total liabilities and shareholders' equity** | $ 8,443,617 | $ 8,591,933 | $ 8,113,961 |

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

| | 2009 | | | 2008 | | |
|---|---|---|---|---|---|---|
| *(dollars in thousands, taxable equivalent)* | **Average Balance** | **Interest** | **Avg. Rate** | **Average Balance** | **Interest** | **Avg. Rate** |
| **Assets:** | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans, net of unearned income (1)(2) | $ 5,565,498 | $ 80,880 | 5.77% | $ 5,889,168 | $ 93,270 | 6.30% |
| Taxable securities (3) | 1,585,154 | 18,492 | 4.67 | 1,422,321 | 18,258 | 5.13 |
| Tax-exempt securities (1)(3) | 30,345 | 537 | 7.08 | 32,419 | 573 | 7.07 |
| Federal funds sold and other interest-earning assets | 219,542 | 1,272 | 2.32 | 40,379 | 409 | 4.05 |
| **Total interest-earning assets** | 7,400,539 | 101,181 | 5.43 | 7,384,287 | 112,510 | 6.07 |
| Non-interest-earning assets: | | | | | | |
| Allowance for loan losses | (147,074) | | | (93,687) | | |
| Cash and due from banks | 107,062 | | | 111,741 | | |
| Premises and equipment | 179,764 | | | 180,825 | | |
| Other assets (3) | 667,908 | | | 581,528 | | |
| **Total assets** | $ 8,208,199 | | | $ 8,164,694 | | |
| **Liabilities and Shareholders' Equity:** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits: | | | | | | |
| NOW | $ 1,238,596 | $ 2,528 | .81 | $ 1,463,744 | $ 6,778 | 1.84 |
| Money market | 628,392 | 2,711 | 1.71 | 421,626 | 2,296 | 2.17 |
| Savings | 180,216 | 130 | .29 | 182,525 | 153 | .33 |
| Time less than $100,000 | 1,918,439 | 13,300 | 2.75 | 1,779,550 | 17,812 | 3.98 |
| Time greater than $100,000 | 1,292,786 | 10,106 | 3.10 | 1,530,719 | 15,825 | 4.11 |
| Brokered | 707,678 | 4,777 | 2.68 | 530,705 | 5,407 | 4.05 |
| Total interest-bearing deposits | 5,966,107 | 33,552 | 2.23 | 5,908,869 | 48,271 | 3.25 |
| Federal funds purchased and other borrowings | 234,211 | 613 | 1.04 | 256,742 | 1,116 | 1.73 |
| Federal Home Loan Bank advances | 210,625 | 1,300 | 2.45 | 286,540 | 2,105 | 2.92 |
| Long-term debt | 150,353 | 2,712 | 7.16 | 118,756 | 2,227 | 7.46 |
| Total borrowed funds | 595,189 | 4,625 | 3.08 | 662,038 | 5,448 | 3.27 |
| **Total interest-bearing liabilities** | 6,561,296 | 38,177 | 2.31 | 6,570,907 | 53,719 | 3.25 |
| Non-interest-bearing liabilities: | | | | | | |
| Non-interest-bearing deposits | 723,841 | | | 688,470 | | |
| Other liabilities | 79,932 | | | 67,830 | | |
| Total liabilities | 7,365,069 | | | 7,327,207 | | |
| Shareholders' equity | 843,130 | | | 837,487 | | |
| **Total liabilities and shareholders' equity** | $ 8,208,199 | | | $ 8,164,694 | | |
| **Net interest revenue** | | $ 63,004 | | | $ 58,791 | |
| Net interest-rate spread | | | 3.12% | | | 2.82% |
| **Net interest margin** (4) | | | 3.39% | | | 3.17% |

(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.
(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of $13.8 million in 2009 and pretax unrealized losses of $11.7 million in 2008 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,

| *(dollars in thousands, taxable equivalent)* | 2009 Average Balance | 2009 Interest | 2009 Avg. Rate | 2008 Average Balance | 2008 Interest | 2008 Avg. Rate |
|---|---|---|---|---|---|---|
| **Assets:** | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans, net of unearned income [1][2] | $ 5,612,202 | $ 244,196 | 5.82% | $ 5,926,731 | $ 299,601 | 6.75% |
| Taxable securities [3] | 1,669,768 | 59,101 | 4.72 | 1,447,409 | 55,765 | 5.14 |
| Tax-exempt securities [1][3] | 29,754 | 1,565 | 7.01 | 34,988 | 1,876 | 7.15 |
| Federal funds sold and other interest-earning assets | 145,449 | 2,618 | 2.40 | 41,889 | 1,292 | 4.11 |
| **Total interest-earning assets** | 7,457,173 | 307,480 | 5.51 | 7,451,017 | 358,534 | 6.43 |
| Non-interest-earning assets: | | | | | | |
| Allowance for loan losses | (141,255) | | | (93,165) | | |
| Cash and due from banks | 104,444 | | | 136,920 | | |
| Premises and equipment | 179,569 | | | 181,210 | | |
| Other assets [3] | 663,674 | | | 586,871 | | |
| **Total assets** | $ 8,263,605 | | | $ 8,262,853 | | |
| **Liabilities and Shareholders' Equity:** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits: | | | | | | |
| NOW | $ 1,284,522 | $ 8,708 | .91 | $ 1,476,998 | $ 22,581 | 2.04 |
| Money market | 543,122 | 7,217 | 1.78 | 427,676 | 7,519 | 2.35 |
| Savings | 177,147 | 378 | .29 | 184,713 | 560 | .40 |
| Time less than $100,000 | 1,918,379 | 45,859 | 3.20 | 1,659,308 | 53,320 | 4.29 |
| Time greater than $100,000 | 1,336,876 | 34,444 | 3.44 | 1,460,277 | 48,330 | 4.42 |
| Brokered | 726,352 | 15,997 | 2.94 | 480,166 | 15,106 | 4.20 |
| Total interest-bearing deposits | 5,986,398 | 112,603 | 2.51 | 5,689,138 | 147,416 | 3.46 |
| Federal funds purchased and other borrowings | 202,008 | 1,761 | 1.17 | 396,798 | 7,254 | 2.44 |
| Federal Home Loan Bank advances | 241,863 | 3,577 | 1.98 | 452,826 | 10,668 | 3.15 |
| Long-term debt | 150,788 | 8,241 | 7.31 | 111,607 | 6,366 | 7.62 |
| Total borrowed funds | 594,659 | 13,579 | 3.05 | 961,231 | 24,288 | 3.38 |
| **Total interest-bearing liabilities** | 6,581,057 | 126,182 | 2.56 | 6,650,369 | 171,704 | 3.45 |
| Non-interest-bearing liabilities: | | | | | | |
| Non-interest-bearing deposits | 684,942 | | | 681,615 | | |
| Other liabilities | 101,447 | | | 80,957 | | |
| Total liabilities | 7,367,446 | | | 7,412,941 | | |
| Shareholders' equity | 896,159 | | | 849,912 | | |
| **Total liabilities and shareholders' equity** | $ 8,263,605 | | | $ 8,262,853 | | |
| **Net interest revenue** | | $ 181,298 | | | $ 186,830 | |
| Net interest-rate spread | | | 2.95% | | | 2.98% |
| **Net interest margin** [4] | | | 3.25% | | | 3.35% |

(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.
(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of $13.0 million in 2009 and $5.7 million in 2008 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.

Exhibit 99.2

# Investor Presentation
## Third Quarter 2009

# United Community Banks, Inc.


**Jimmy C. Tallent**

**President & CEO**

**Rex S. Schuette**

**Executive Vice President & CFO**

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(706) 781-2266

**David P. Shearrow**

**Executive Vice President & CRO**

# Cautionary statement

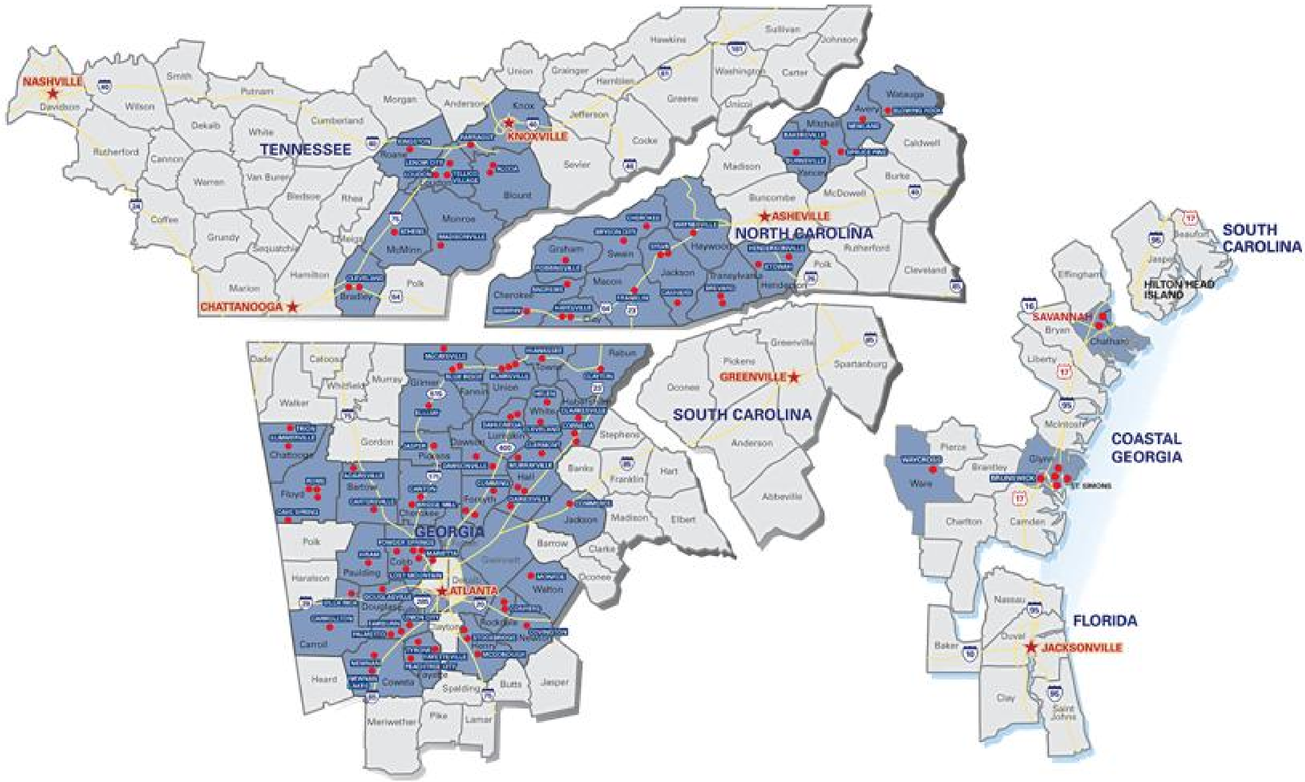
This presentation contains forward-looking statements, as defined by Federal Securities Laws, including statements about financial outlook and business environment. These statements are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. Any such statements are based on current expectations and involve a number of risks and uncertainties. For a discussion of factors that may cause such forward-looking statements to differ materially from actual results, please refer to United Community Banks, Inc. Annual Report filed on Form 10-K with the Securities and Exchange Commission. This presentation also contains non-GAAP financial measures, as defined by the Federal Securities Laws. For a presentation of the most directly comparable financial measures calculated and presented in accordance with GAAP and a reconciliation of the differences between those measures and the non-GAAP financial measures, please refer to "Selected Financial Data" in the United Community Banks, Inc. Annual Report filed on Form 10-K and Quarterly Reports filed on Form 10-Q with the Securities Exchange Commission, which may be found on the company's Web site, www.ucbi.com.

# Non-GAAP measures

This presentation also contains non-GAAP financial measures determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). Such non-GAAP financial measures include the following: net interest margin – pre credit, core fee revenue, core operating expense, core earnings, net operating (loss) income and net operating (loss) earnings per share, 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: net interest margin, fee revenue, operating expense, net (loss) income, diluted (loss) earnings per share 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 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 Reconcilement Tables' at the end of the Appendix of this presentation. We have not reconciled tangible common equity to tangible assets and core earnings to the extent such numbers are presented on a forward-looking basis based on management's internal stress test or SCAP methodology. Estimates that would be required for such reconciliations cannot reliably be produced without unreasonable effort.

# United at a glance




- **Assets** $8.4 Billion
- **Deposits** $6.8 Billion
- **Banks** 27
- **Offices** 109

# Current environment

- Working through credit challenges
- Strengthened capital
- Core earnings improvement

# Strengthened capital position

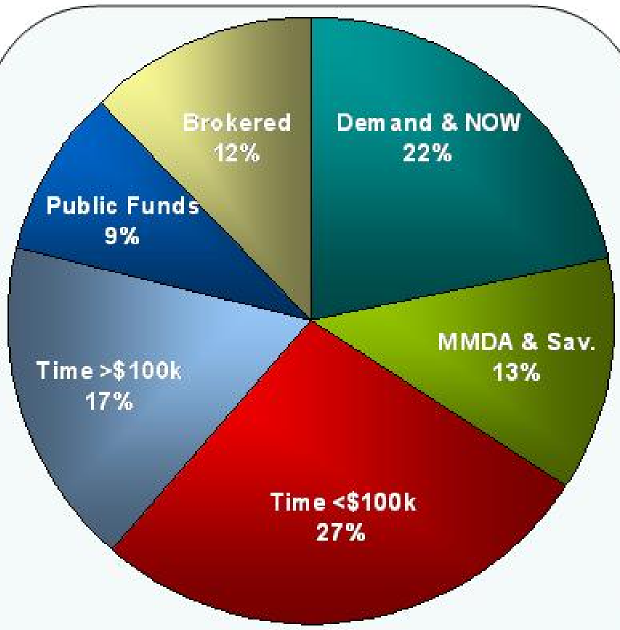
| | Well-Capitalized | As of September 30, 2009 Reported[1] | Peers[2] |
|---|---|---|---|
| Tangible Common Equity to Assets | | 7.44 %[3] | 5.72 % |
| Tangible Equity to Assets | | 9.56 [3] | 7.48 |
| Tier 1 Leverage | 5.00 % | 9.49 | 8.82 |
| Tier 1 Risk Based Capital | 6.00 | 12.73 | 12.13 |
| Total Risk Based Capital | 10.00 | 15.29 | 13.86 |

(1) Completed Common Stock Offering September 30, 2009 - Gross proceeds of $222.5 million (net proceeds $210.9 million)
(2) UCBI peer group includes BOH, WTFC, FMER, UMBF, TRMK, UMPQ, MBFI, ONB, UBSI, FMBI, PCBC, BPFH as of June 30, 2009
(3) Ratio as of quarter-end
**Data Source: SNL Financial**

# Deposit mix *(total $6.8 billion)*

*($ in millions)*

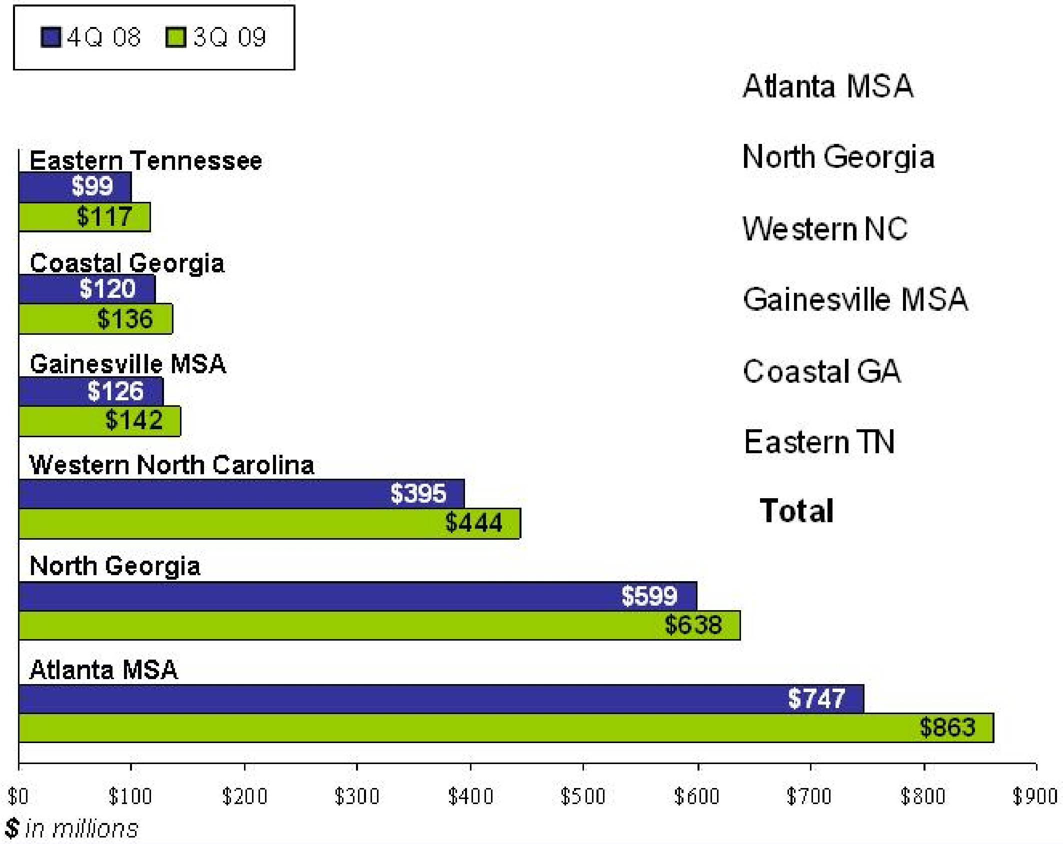
| | 3Q09 | 4Q08 |
|---|---|---|
| Demand NOW | $ 1,481 | $ 1,457 |
| MMDA & Savings | 858 | 630 |
| **Core Transaction Deposits** | **2,339** | **2,087** |
| | *13% Annualized Growth excl SCB acquisition* | |
| Time < $100,000 | 1,848 | 1,945 |
| Public Deposits | 557 | 756 |
| **Total Core Deposits** | **4,744** | **4,788** |
| Time >$100,000 | 1,187 | 1,336 |
| Public Deposits | 50 | 87 |
| **Total Customer Deposits** | **5,981** | **6,211** |
| Brokered Deposits | 840 | 793 |
| **Total Deposits** | **$ 6,821** | **$ 7,004** |




As of September 30, 2009

# Core transaction deposits

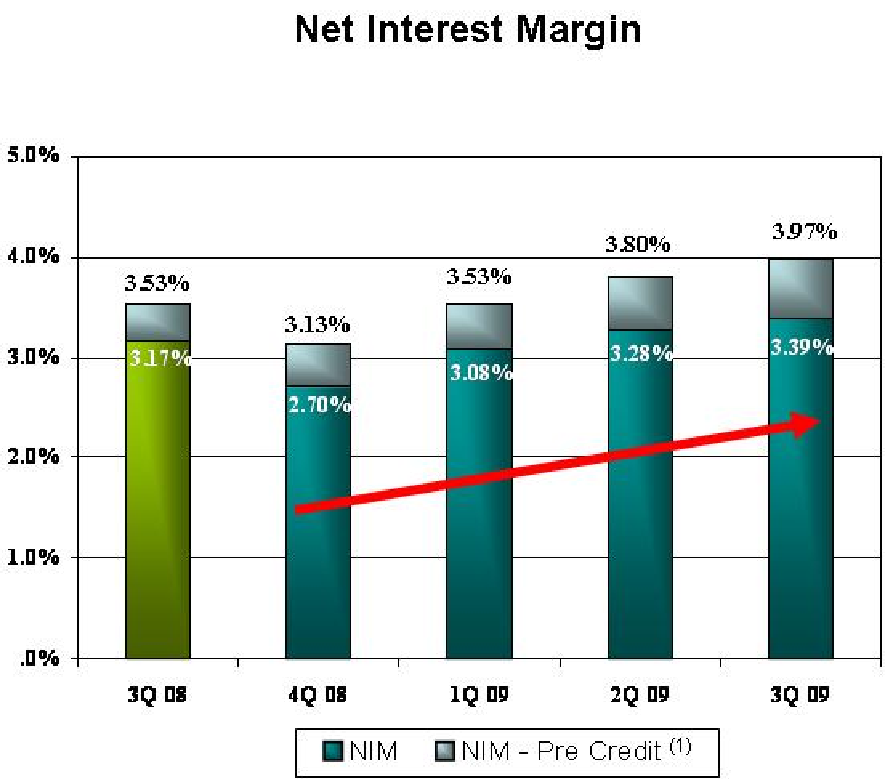
## Geographic Diversity




## Core Transactions / Total Deposits (%)

| | 3Q09 | 4Q08 |
|---|---|---|
| Atlanta MSA | 40.2 % | 34.6 % |
| North Georgia | 24.7 | 22.4 |
| Western NC | 42.0 | 38.5 |
| Gainesville MSA | 43.3 | 39.0 |
| Coastal GA | 38.1 | 28.6 |
| Eastern TN | 33.5 | 24.6 |
| **Total** | **34.3 %** | **29.8 %** |

# Net interest margin




(1) Excluding impact of interest reversals, lost interest and carry costs of nonaccrual loans / OREO

## NIM Characteristics

- Margin improvement
  11 bps QTD
  69 bps YTD
- Improved loan and deposit pricing
- Replaced higher priced CDs and broker deposits

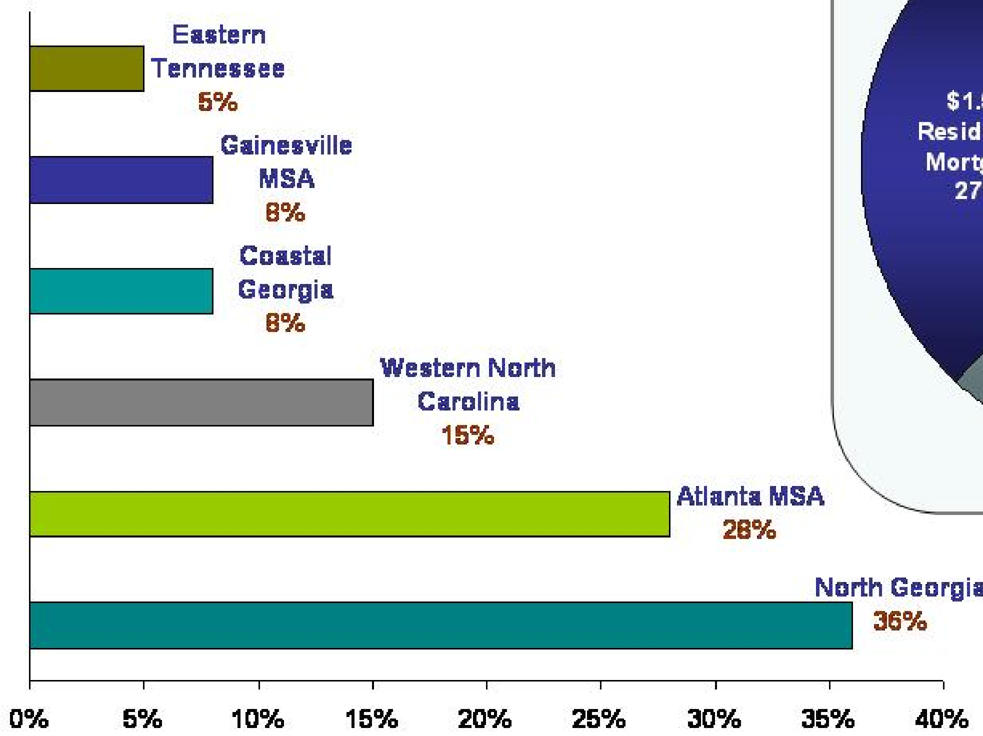
# LOAN PORTFOLIO AND CREDIT QUALITY

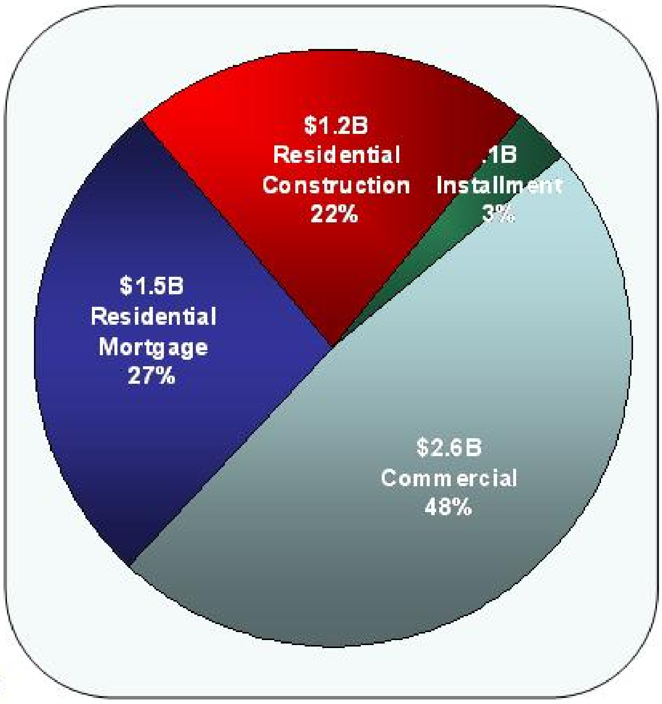
# Proactively addressing credit environment

- **Structure**
  - *Centralized underwriting and approval process*
  - *Segregated work-out teams*
  - *Highly skilled ORE disposition group*
  - *Seasoned regional credit professionals*
- **Process**
  - *Continuous external loan review*
  - *Intensive executive management involvement:*
    - Weekly past due meetings
    - Weekly NPA/ORE meetings
    - Quarterly criticized watch loan review meetings
    - Quarterly pass commercial and CRE portfolio review meetings
  - *Internal loan review of new credit relationships*
  - *Ongoing stress testing… commenced in 2007*
- **Policy**
  - *Ongoing enhancements to credit policy*
  - *Periodic updates to portfolio limits*

# Loan portfolio *(total $5.4 billion)*

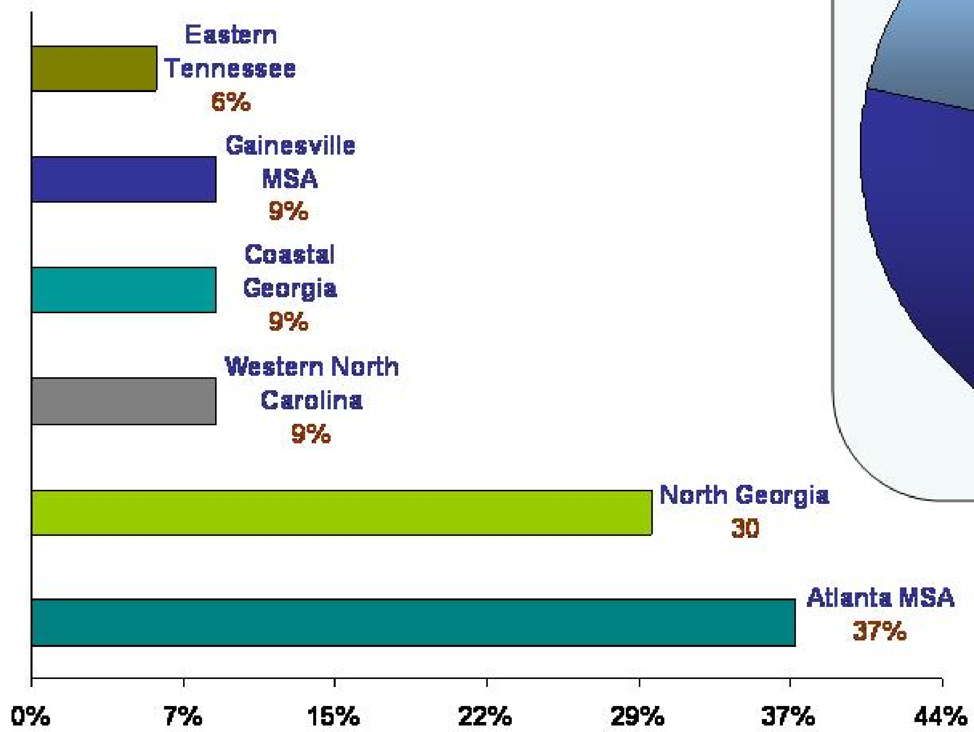
### Geographic Diversity

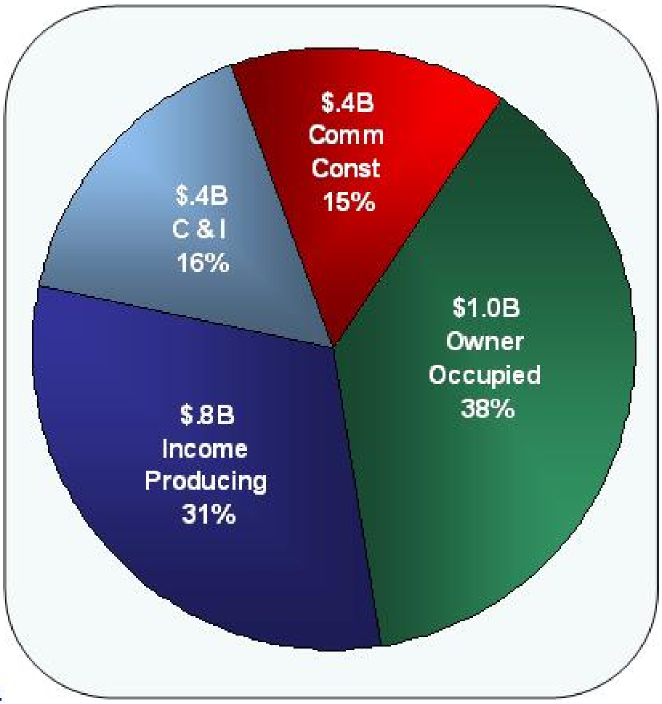


# Commercial loans *(total $2.6 billion)*

## Geographic Diversity




**Average Loan Size**

- CRE: $443k
- C&I: $73k
- Comm. Constr. $660k

# Commercial real estate *(by loan type)*

*(in millions)*

| Loan Type | Sept 30, 2009 Amount | % of Total |
|---|---|---|
| Office Buildings | $ 410 | 23% |
| Small Businesses | 388 | 21 |
| Single-Unit Retail/Strip Centers | 231 | 13 |
| Small Warehouses/Storage | 167 | 9 |
| Churches | 117 | 7 |
| Hotels/Motels | 115 | 6 |
| Convenience Stores | 85 | 5 |
| Franchise / Restaurants | 81 | 5 |
| Multi-Residential Properties | 71 | 4 |
| Farmland | 48 | 3 |
| Multi-Unit Retail | 41 | 2 |
| Miscellaneous | 33 | 2 |
| **Total Commercial Real Estate** | **$ 1,787** | |

## Portfolio Characteristics

- **55% owner-occupied**
- **45% income producing(1)**
- **Typical owner-occupied: small business, doctors, dentists, attorneys, CPAs**
- **$12 million project limit**
- **48% LTV (1)**
- **$443k average loan size**

(1) Loan balance as of Sept. 30, 2009 / most recent appraisal

# Commercial construction *(by loan type)*

| *(in millions)* | Sept 30, 2009 | |
|---|---|---|
| **Loan Type** | **Amount** | **% of Total** |
| Raw Land – Vacant (Unimproved) | $ 154 | 40% |
| Land Development – Vacant (Improved) | 145 | 38 |
| Office Buildings | 32 | 9 |
| Retail Buildings | 18 | 5 |
| Churches | 5 | 1 |
| Miscellaneous | 25 | 7 |
| **Total Commercial Construction** | **$ 379** | |

## Portfolio Characteristics

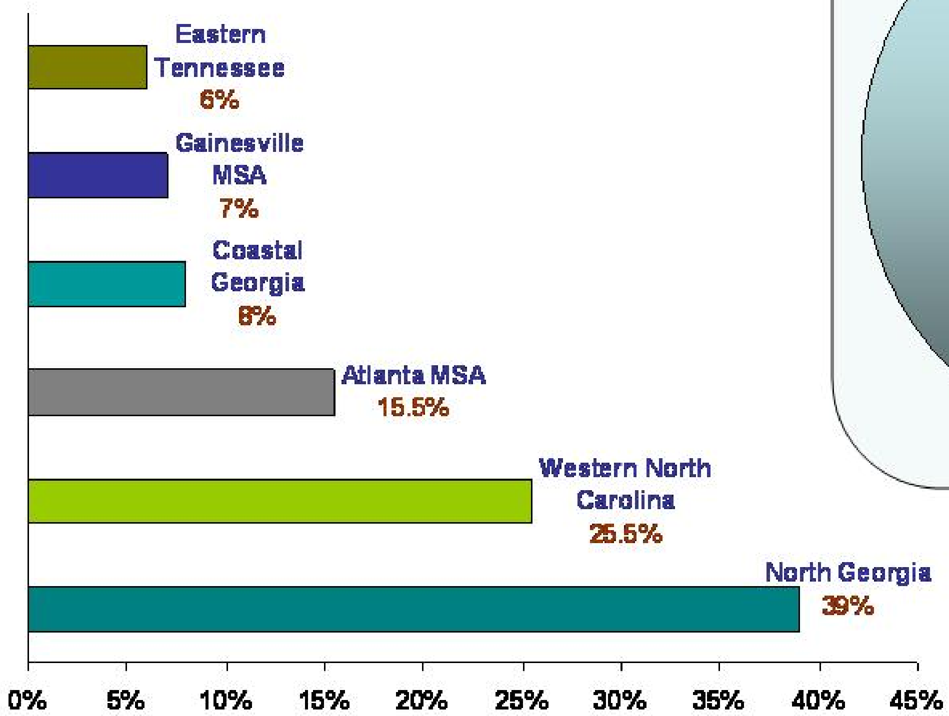
- **$660k Average loan size**
- **Average LTVs** (1)
  - Raw Land: 50%
  - Land Dev.: 48%
  - Total: 51%

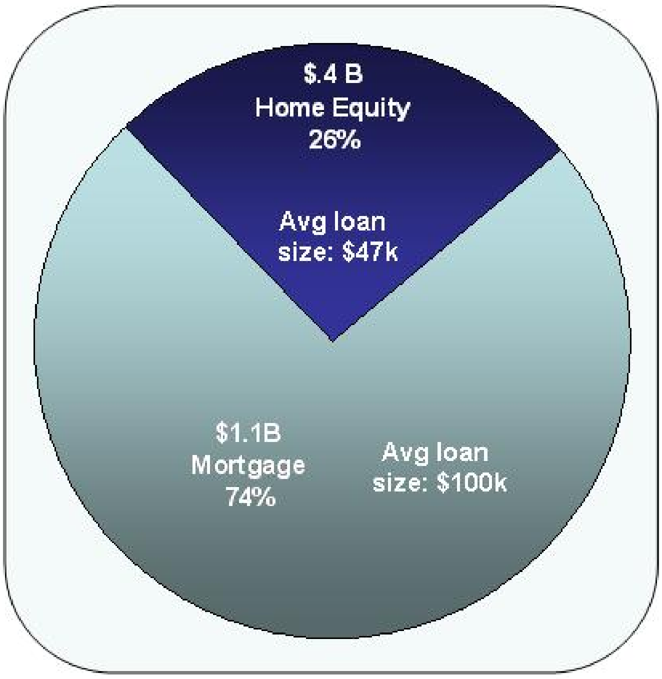
(1) Loan balance as of Sept. 30, 2009 / most recent appraisal

**Note:** Dollars in millions

# Residential mortgage *(total $1.5 billion)*

## Geographic Diversity



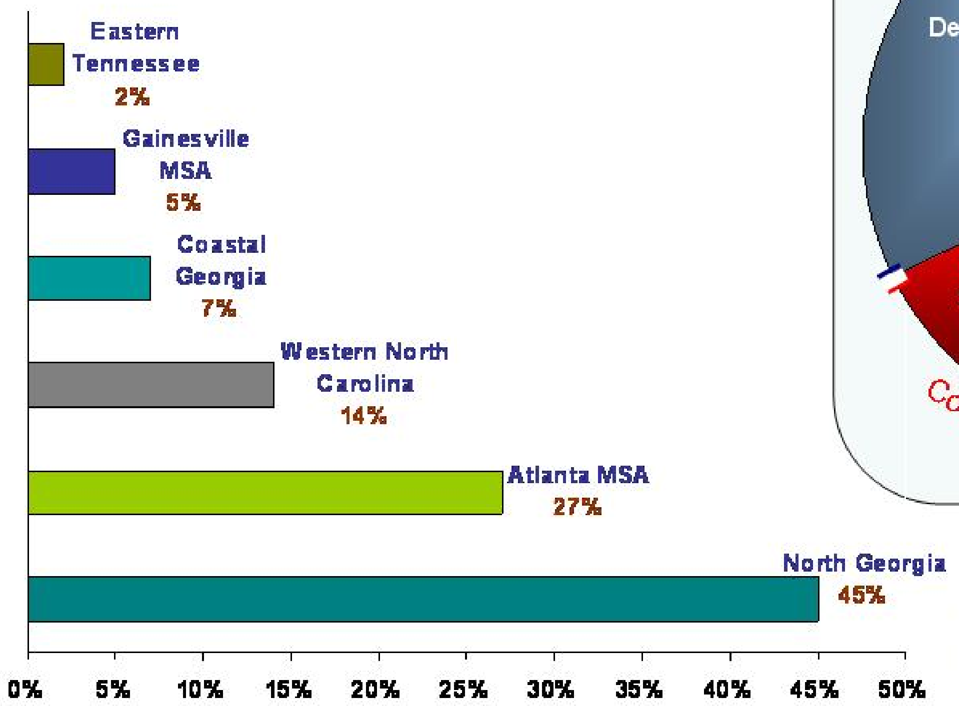



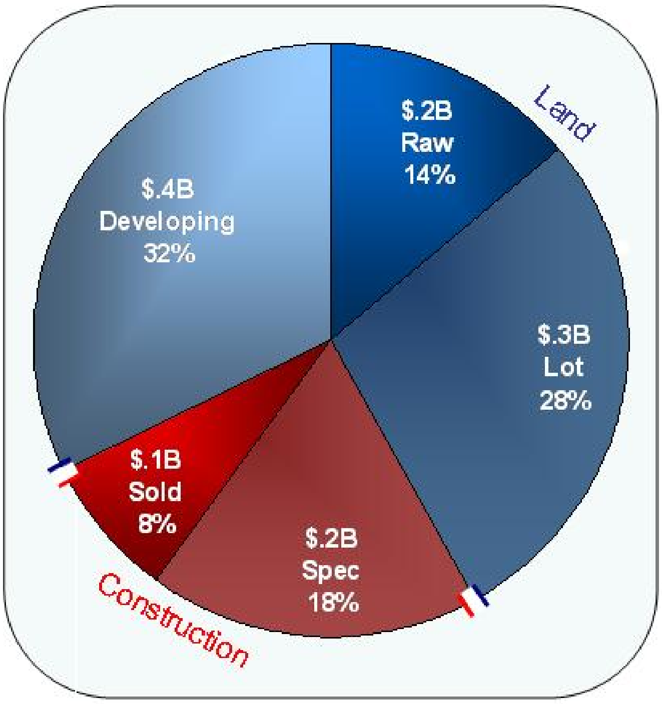

**Origination Characteristics**

- No broker loans
- No sub-prime / Alt-A
- 78% of HE > 680 FICO
- Policy Max LTV: 80-85%

# Residential construction *(total $1.2 billion)*

## Geographic Diversity




### Average Loan Size

- Spec: $237k
- Sold: $154k
- Develop.: $919k
- Raw: $418k
- Lot: $146k

# Atlanta MSA *(residential construction)*

*(in millions)*

| | 3Q 09 | 4Q 08 | 3Q 08 | Variance 4Q 08 | Variance 3Q 08 |
|---|---|---|---|---|---|
| ***Acquisition & Development*** | | | | | |
| Developing Land | $ 100 | $ 167 | $ 185 | $ (67) | $ (85) |
| Raw Land | 61 | 56 | 47 | 5 | 14 |
| Lot Loans | 54 | 86 | 103 | (32) | (49) |
| **Total** | **215** | **309** | **335** | **(94)** | **(120)** |
| ***Construction Loans*** | | | | | |
| Spec | 91 | 189 | 227 | (98) | (136) |
| Sold | 22 | 40 | 49 | (18) | (27) |
| **Total** | **113** | **229** | **276** | **(116)** | **(163)** |
| **Total Res Construction** | **$ 328** | **$ 538** | **$ 611** | **$ (210)** | **$ (283)** |

# Credit quality

*(in millions)*

| | 3Q 09 | 2Q 09 | 1Q 09 | 4Q 08 | 3Q 08 |
|---|---|---|---|---|---|
| **Net Charge-offs** | **$ 90.5** | **$ 58.3** | **$ 43.3** | **$ 74.0** | **$ 55.7** |
| as % of Average Loans | 6.57% | 4.18% | 3.09% | 5.09% | 3.77% |
| **Allowance for LL** | **$ 150.2** | **$ 145.7** | **$ 144.0** | **$ 122.3** | **$ 111.3** |
| as % of Total Loans | 2.80% | 2.64% | 2.56% | 2.14% | 1.91% |
| as % of NPLs | 49 | 51 | 56 | 64 | 80 |
| **as % of NPLs - Adjusted (1)** | **149** | **82** | **117** | **125** | **93** |
| **Past Due Loans (30 – 89 Days)** | **2.02%** | **1.61%** | **1.67%** | **2.33%** | **1.39%** |
| **Non-Performing Loans** | **$ 304.4** | **$ 287.8** | **$ 259.1** | **$ 190.7** | **$ 139.3** |
| **OREO** | **110.6** | **104.8** | **75.4** | **59.8** | **38.4** |
| **Total NPAs** | **$ 415.0** | **$ 392.6** | **$ 334.5** | **$ 250.5** | **$ 177.7** |
| as % of Total Assets | 4.91% | 4.63% | 4.09% | 2.92% | 2.19% |
| as % of Loans & OREO | 7.58 | 6.99 | 5.86 | 4.35 | 3.03 |

(1) Excluding loans with no allocated reserve

# Net charge-offs by loan category

*(in thousands)*

| | 3Q09 | | % of Average Loans | | | |
|---|---|---|---|---|---|---|
| | NCOs | % of Avg Loans | 2Q09 | 1Q09 | 4Q08 | LTM[(1)] |
| Commercial (sec. by RE) | $ 10,568 | 2.33 % | 1.34 % | .20 % | 1.10 % | 1.24 % |
| Commercial Construction | 4,369 | 4.55 | .80 | .05 | 1.14 | 1.64 |
| Commercial & Industrial | 1,792 | 1.76 | 3.16 | .89 | 3.24 | 2.26 |
| **Total Commercial** | **$ 16,729** | 2.57 | 1.54 | .28 | 1.46 | 1.46 |
| Residential Construction | 67,520 | 21.31 | 12.90 | 10.52 | 14.93 | 14.92 |
| Residential Mortgage | 5,051 | 1.36 | .95 | .80 | 1.52 | 1.16 |
| Consumer/ Installment | 1,191 | 3.13 | 1.80 | 1.99 | 2.34 | 2.32 |
| **Total Net Charge-offs** | **$ 90,491** | **6.57** | **4.18** | **3.09** | **5.09** | **4.73** |

(1) Based on simple average of the four quarters

# Net charge-offs by market

*(in thousands)*

| | 3Q 09 | | % of Average Loans | | | |
|---|---|---|---|---|---|---|
| | NCOs | % of Avg Loans | 2Q09 | 1Q09 | 4Q08 | LTM(1) |
| *MARKETS* | | | | | | |
| Atlanta MSA | $ 50,129 | 12.61 % | 8.89 % | 6.16 % | 10.80 % | 9.62 % |
| Gainesville MSA | 1,473 | 1.60 | 4.38 | 1.18 | 8.60 | 3.94 |
| North Georgia | 24,017 | 4.74 | 2.52 | 1.64 | 1.91 | 2.70 |
| Western North Carolina | 3,949 | 1.98 | 0.51 | 1.83 | 1.16 | 1.37 |
| Coastal Georgia | 10,051 | 8.78 | 0.85 | 2.84 | 2.70 | 3.79 |
| East Tennessee | 872 | 1.30 | 3.21 | 1.28 | 2.02 | 1.95 |
| ***Total*** | **$ 90,491** | **6.57** | **4.18** | **3.09** | **5.09** | **4.73** |

**Note:** Dollars in thousands
(1) Based on simple average of the four quarters

# NPAs by loan category and market

*(in thousands)*

| LOAN CATEGORY | 3Q 09 NPLs | 3Q 09 OREO | 3Q 09 Total NPAs |
|---|---|---|---|
| Commercial (sec. by RE) | $ 38,379 | $ 12,566 | $ 50,945 |
| Commercial Construction | 38,505 | 5,543 | 44,048 |
| Commercial & Industrial | 3,794 | - | 3,794 |
| ***Total Commercial*** | **80,678** | **18,109** | **98,787** |
| Residential Construction | 171,027 | 79,045 | 250,072 |
| Residential Mortgage | 50,626 | 13,456 | 64,082 |
| Consumer/ Installment | 2,050 | - | 2,050 |
| ***Total*** | **$ 304,381** | **$ 110,610** | **$ 414,991** |

| MARKETS | 3Q 09 NPLs | 3Q 09 OREO | 3Q 09 Total NPAs |
|---|---|---|---|
| Atlanta MSA | $ 120,599 | $ 54,670 | $ 175,269 |
| Gainesville MSA | 12,916 | 8,429 | 21,345 |
| North Georgia | 96,373 | 36,718 | 133,091 |
| Western N. Carolina | 25,775 | 5,918 | 31,693 |
| Coastal Georgia | 38,414 | 3,045 | 41,459 |
| East Tennessee | 10,304 | 1,830 | 12,134 |
| ***Total*** | **$ 304,381** | **$ 110,610** | **$ 414,991** |

# Key trends - loan portfolio and credit quality

- Majority of credit challenges in 2009 centered in residential construction, primarily in Atlanta; this portfolio continues to decline rapidly which should lead to a reduction in credit losses going forward
- While some deterioration has occurred, the commercial portfolio continues to perform much better than residential construction; the commercial portfolio is highly diversified with low average balances and large percentage of owner-occupied
- Residential mortgage and HELOCs continue to perform well
- The pace of ORE sales continues to accelerate and demand has improved
- Increase in 3Q charge-offs was primarily tied to the 1Q and 2Q rise in NPAs, a more aggressive disposition strategy, and charging off specific reserves for impaired loans that were previously set aside

# Credit quality – SCAP analysis

- **Imputed Stress Test – Estimated Credit Losses Through December 2010**

| Loan Type | Balance as of 12/31/08 | | Management – Base | | Management – More Adverse [1] | | SCAP – Selected Banks [2] | | SCAP – More Adverse [3] | |
|---|---|---|---|---|---|---|---|---|---|---|
| | $MM | % | % | $MM | % | $MM | % | $MM | % | $MM |
| Commercial & Industrial | $353.7 | 6.2 | 4.6 | $16.3 | 5.3 | $18.6 | 6.9 | $24.5 | 6.5 | $23.0 |
| CRE | | | | | | | | | | |
| Nonfarm, Non-residential | 1,508.1 | 26.4 | 4.0 | 60.3 | 6.0 | 90.5 | | | 8.0 | 120.6 |
| Construction | 1,978.3 | 34.7 | 13.0 | 257.2 | 15.0 | 296.8 | | | 16.5 | 326.4 |
| Multifamily | 66.3 | 1.2 | 4.0 | 2.7 | 6.0 | 4.0 | | | 10.5 | 7.0 |
| Total CRE | 3,552.7 | 62.3 | 9.0 | 320.2 | 11.0 | 391.2 | 12.7 | 451.2 | 12.8 | 454.0 |
| First Lien Mortgages | 1,077.7 | 18.9 | 3.0 | 32.3 | 4.6 | 49.6 | 6.8 | 73.1 | 7.8 | 83.5 |
| Second/Junior Lien Mortgages | | | | | | | | | | |
| Closed-end Junior Liens | 55.9 | 1.0 | 6.0 | 3.4 | 8.8 | 4.9 | | | 23.5 | 13.1 |
| HELOCs | 392.8 | 6.9 | 6.0 | 23.6 | 8.8 | 34.6 | | | 9.5 | 37.3 |
| Total Second/Junior Lien Mortgages | 448.7 | 7.9 | 6.0 | 26.9 | 8.8 | 39.5 | 10.8 | 48.4 | 11.2 | 50.5 |
| Credit Cards | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 19.3 | 0.0 | 19.0 | 0.0 |
| Other Consumer | 162.6 | 2.9 | 7.0 | 11.4 | 10.0 | 16.3 | 0.0 | 0.0 | 10.0 | 16.3 |
| Other Loans | 109.4 | 1.9 | 3.0 | 3.3 | 4.0 | 4.4 | 0.0 | 0.0 | 7.0 | 7.7 |
| **Total** | **$5,704.9** | **100.0** | | **$410.4** | | **$519.5** | | **$597.1** | | **$634.9** |
| ***Losses as a % of 12/31/08 Gross Loans*** | | | | ***7.2%*** | | ***9.1%*** | | ***10.5%*** | | ***11.1%*** |

| | Management – Base | Management – More Adverse | SCAP – Selected Banks | SCAP – More Adverse |
|---|---|---|---|---|
| **Estimated Credit Losses as of December 31, 2008** | **$410.4** | **$519.5** | **$597.1** | **$634.9** |
| **Less: 1/1/09 – 9/30/09 Net Charge-Offs** | **(192.1)** | **(192.1)** | **(192.1)** | **(192.1)** |
| **Estimated Potential Credit Losses (10/1/09 – 12/31/10)** | **$218.3** | **$327.4** | **$405.1** | **$442.8** |

(1) Represents the SCAP – Selected Banks Scenario modified to reflect the characteristics of United Community Banks, Inc. existing loan portfolio.

(2) Based on average projected losses per loan category (More Adverse Scenario) for BB&T Corporation, Fifth Third Bancorp, Regions Financial Corporation and SunTrust Banks, Inc. as per the Board of Governors of the Federal Reserve System (2009) "The Supervisory Capital Assessment Program: Overview of Results"

(3) Represents the mid-point of the indicative loss rates by loan category as per the Board of Governors of the Federal Reserve System (2009) "The Supervisory Capital Assessment Program: Overview of Results"

# Credit quality – SCAP analysis

## Imputed Stress Test – Projected Capital Ratios

| Assumptions: | |
|---|---|
| Targeted LLR / Loans (12/31/10) [1] | 2.00% |
| Core Earnings [2] | $132,857 |
| Effective Tax Rate | 35% |
| Aggregate TARP Preferred Dividend [3] | $12,867 |

| | | Stress Test Analysis: Projected as of December 31, 2010 [4] | | | |
|---|---|---|---|---|---|
| | | Management - Base | Management - More Adverse | SCAP - Selected Banks | SCAP - More Adverse |
| Estimated Credit Losses | | $ 218,266 | $ 327,399 | $ 405,058 | $ 442,837 |
| Consolidated | | | | | |
| Tangible Equity / Tangible Assets | | 9.4 % | 8.5 % | 7.9 % | 7.6 % |
| Tangible Common Equity / Tangible Assets | | 7.1 | 6.3 | 5.7 | 5.4 |
| Tangible Common Equity / Risk-Weighted Assets | | 9.7 | 8.5 | 7.7 | 7.2 |
| | Well- Capitalized | | | | |
| Tier 1 Leverage Ratio | 5.0 % | 8.9 | 7.7 | 7.2 | 6.7 |
| Tier 1 Risk-Based Capital Ratio | 6.0 | 12.6 | 10.8 | 7.4 | 8.7 |
| Total Risk-Based Capital Ratio [5] | 10.0 | 14.9 | 13.1 | 11.6 | 10.9 |

**Note:** Dollars in thousands
(1) Targeted LLR / Loans as of December 31, 2010 based on gross loans (HFI) as of September 30, 2009 reduced by the estimated credit losses under the SCAP Analysis
(2) Assumes quarterly projections for Q4'09 - Q4'10
(3) Q4'09 - Q4'10
(4) Analysis includes an estimated $75.0 million in balance sheet reduction (Q4'09) as a result of certain balance sheet strategies including selected loan sales, decreasing exposure to certain loan categories and decreasing wholesale borrowings
(5) Includes estimated phase-out of subordinated debt for regulatory capital (Tier 2) purposes

# FINANCIAL RESULTS

# Core earnings summary – Third Quarter 2009

*(in millions)*

| | 3Q09 | 2Q 09 | 1Q 09 | 4Q 08 | 3Q 08 | Variance 3Q 08 | Variance 4Q 08 |
|---|---|---|---|---|---|---|---|
| **Net Interest Revenue** | $ 63.0 | $ 60.9 | $ 57.4 | $ 51.9 | $ 58.8 | $ 4.2 | $ 11.1 |
| Fee Revenue[1] | 14.5 | 13.7 | 12.6 | 12.6 | 13.0 | 1.5 | 1.9 |
| **Gross Revenue** | 77.5 | 74.6 | 70.0 | 64.5 | 71.8 | 5.7 | 13.0 |
| Operating Expense[2] | 45.7 | 47.8 | 48.3 | 47.2 | 46.9 | (1.2) | (1.5) |
| **Core Earnings** (*Pre Tax, Pre-Credit*) | $ 31.8 | $ 26.8 | $ 21.7 | $ 17.3 | $ 24.9 | $ 6.9 | $ 14.5 |
| **Net Interest Margin** | 3.39% | 3.28% | 3.08% | 2.70% | 3.17% | 0.22% | 0.69% |
| **Net Interest Margin - Pre Credit** [3] | 4.02% | 3.84% | 3.56% | 3.14% | 3.53% | 0.49% | 0.88% |

(1) Excludes FHLB prepayment charge, securities (losses) / gains, and gain on SCB acquisition
(2) Excludes BOLI expense recovery, special FDIC assessment, foreclosed property costs, severance costs and goodwill impairment charge
(3) Excluding impact of interest reversals, lost interest and carry costs of nonaccrual loans, OREO and interest reversals

# Net operating loss – Third Quarter 2009

*(in millions)*

| | 3Q 09 | 2Q 09 | 1Q 09 | 4Q 08 | 3Q 08 | Variance 3Q 08 | Variance 4Q 08 |
|---|---|---|---|---|---|---|---|
| **Core Earnings** | **$ 31.8** | **$ 26.8** | **$ 21.7** | **$ 17.3** | **$ 24.9** | **$ 6.9** | **$ 14.5** |
| Provision for Loan Loss | (95.0) | (60.0) | (65.0) | (85.0) | (76.0) | (19.0) | (10.0) |
| Foreclosed Property Costs: | | | | | | - | - |
| Write-downs | (4.1) | (2.6) | (1.8) | (2.0) | (8.3) | 4.2 | (2.1) |
| Other | (3.8) | (3.1) | (2.5) | (3.2) | (1.8) | (2.0) | (.6) |
| FDIC Special Assessment | - | (3.8) | - | - | - | - | - |
| BOLI Expense Recovery | - | 2.0 | - | - | - | - | - |
| Securities Gains (Losses) & FHLB Prepmt Char | 1.2 | (.7) | .3 | (1.9) | .1 | 1.1 | 3.1 |
| Income Tax Benefit (Expense) | **26.2** | **18.3** | **15.3** | **28.1** | **21.2** | **5.0** | **(1.9)** |
| **Net Operating Loss** | **$ (43.7)** | **$ (23.1)** | **$ (32.0)** | **$ (46.7)** | **$ (39.9)** | **(3.8)** | **$ 3.0** |
| **Operating Loss Per Share** | **(.93)** | **(.53)** | **(.71)** | **(.99)** | **(.84)** | **(.09)** | **.06** |

# Net loss – Third Quarter 2009

*(in millions)*

| | 3Q09 | 2Q09 | 1Q09 | 4Q08 | 3Q08 | Variance 3Q 08 | Variance 4Q 08 |
|---|---|---|---|---|---|---|---|
| **Net Operating Loss** | **$ (43.7)** | **$ (23.1)** | **$ (32.0)** | **$ (46.7)** | **$ (39.9)** | **$ (3.8)** | **$ 3.0** |
| Gain on Acquisition ($11.4 pre-tax) | - | 7.1 | - | - | - | - | - |
| Goodwill Impairment Charge | (25.0) | - | (70.0) | - | - | (25.0) | (25.0) |
| Severance Costs ($2.9 pre-tax) | - | - | (1.8) | - | - | - | - |
| **Net Loss** | **$ (68.7)** | **$ (16.0)** | **$ (103.8)** | **$ (46.7)** | **$ (39.9)** | **$ (28.8)** | **$ (22.0)** |
| Preferred Stock Dividend (TARP) | $ (2.6) | $ (2.6) | $ (2.5) | $ (.7) | $ - | $ (2.6) | $ (1.9) |
| **Net Loss Avail to Common Shareholders** | **$ (71.3)** | **$ (18.6)** | **$ (106.3)** | **$ (47.4)** | **$ (39.9)** | **$ (31.4)** | **$ (23.9)** |
| **Net Loss Per Share** | **$ (1.43)** | **$ (.38)** | **$ (2.20)** | **$ (.99)** | **$ (.84)** | **$ (.59)** | **$ (.44)** |

# Capital ratios *(as percentages)*

| | Well-Capitalized | 3Q 09 | 4Q 08 | 3Q 08 |
|---|---|---|---|---|
| **Regulatory Capital** | | | | |
| Tier 1 Risk-Based | 6% | 12.7% | 11.2% | 8.7 % |
| Total Risk-Based | 10 | 15.3 | 13.9 | 11.4 |
| Leverage | 5 | 9.5 | 8.3 | 6.7 |
| | | | | |
| Tangible Equity to Risk-Weighted Assets | | 13.3 | 11.2 | 8.3 |
| Tangible Common Equity to Risk-Weighted Assets | | 10.3 | 8.3 | 8.3 |
| | | | | |
| Tangible Equity to Assets | | 9.6* | 6.6 | 6.6 |
| Tangible Common Equity to Assets | | 7.4* | 6.2 | 6.6 |

*Ratio as of quarter-end

# REASONS TO INVEST IN UNITED

# Closing Comments

- Capital strength
- Core earnings
- Business model – franchise
- Significant strategic opportunities

# APPENDIX

UNITED

# Experienced proven leadership

| | | Joined UCBI | Years in Banking |
|---|---|---|---|
| Jimmy Tallent | President and CEO | 1984 | 36 |
| Guy Freeman | Chief Operating Officer | 1994 | 49 |
| Rex Schuette | Chief Financial Officer | 2001 | 32 |
| David Shearrow | Chief Risk Officer | 2007 | 28 |
| Glenn White | President, Atlanta Region | 2007 | 35 |
| Craig Metz | Marketing | 2002 | 17 |
| Bill Gilbert | Retail Banking | 2000 | 33 |

# Business and operating model

**Community bank service, large bank resources**

- **Twenty-seven "community banks"**
  - *Local CEOs with deep roots in their communities*
  - *Resources of $8.4 billion bank*
- **Service is point of differentiation**
  - *Golden rule of banking*
    - ~ "The Bank That SERVICE Built"
  - *Ongoing customer surveys*
    - ~ +90% satisfaction rate
- **Strategic footprint with substantial banking opportunities**
  - *Operates in a number of the more demographically attractive markets in the U.S.*
- **Disciplined growth strategy**
  - *Organic supported by de novos and selective acquisitions*

# Robust demographics *(fast growing markets)*

| Markets[1] | Population *(in thousands)* | Population Growth (%) Actual 2000 – 2009 | Population Growth (%) Projected 2009 – 2014 |
|---|---|---|---|
| North Georgia | 396 | 24 | 10 |
| Atlanta MSA | 5,544 | 31 | 13 |
| Gainesville MSA | 187 | 34 | 15 |
| Coastal Georgia | 370 | 10 | 5 |
| Western North Carolina | 425 | 11 | 5 |
| East Tennessee | 850 | 13 | 6 |
| **Total Markets** | | | |
| Georgia | 9,933 | 21 | 9 |
| North Carolina | 9,370 | 16 | 8 |
| Tennessee | 6,297 | 11 | 5 |
| United States | 309,732 | 10 | 5 |

[1] *Population data is for 2009 and includes those markets where United takes deposits.*
*Source: SNL*

# Market share opportunities *(excellent growth prospects)*

| Markets | Market Deposits *(in billions)*[1] | United Deposits | Banks | Offices | Deposit Share[1] | Rank[1] |
|---|---|---|---|---|---|---|
| North Georgia | $ 8.5 | $ 2.6 | 11 | 23 | 31 % | 1 |
| Atlanta MSA | 55.2 | 2.1 | 10 | 39 | 4 | 7 |
| Gainesville MSA | 2.6 | .3 | 1 | 7 | 13 | 4 |
| Coastal Georgia | 7.5 | .4 | 2 | 9 | 5 | 8 |
| Western North Carolina | 7.3 | 1.0 | 1 | 21 | 14 | 3 |
| East Tennessee | 14.4 | .4 | 2 | 10 | 3 | 7 |
| **Total Markets** | **$ 95.5** | **$ 6.8** | **27** | **109** | | |

[1] *FDIC deposit market share and rank as of 6/09 for markets where United takes deposits.*
*Source: SNL and FDIC*

# Leading demographics

| Rank | Ticker | Company(1) | State | Total Assets ($ B) | 2009 - 2014 Population Growth (2) |
|---|---|---|---|---|---|
| 1 | WAL | Western Alliance Bancorporation | NV | $ 5.7 | 11.25 % |
| **2** | **UCBI** | **United Community Banks, Inc.** | **GA** | **8.4** | **9.65** |
| 3 | CFR | Cullen/Frost Bankers, Inc. | TX | 15.7 | 9.20 |
| 4 | PNFP | Pinnacle Financial Partners, Inc. | TN | 5.0 | 8.80 |
| 5 | IBOC | International Bancshares Corporation | TX | 11.5 | 8.05 |
| 6 | FCNCA | First Citizens BancShares, Inc. | NC | 17.3 | 7.75 |
| 7 | PRSP | Prosperity Bancshares, Inc. | TX | 8.8 | 7.40 |
| 8 | TSFG | South Financial Group, Inc. | SC | 12.6 | 7.10 |
| 9 | GBCI | Glacier Bancorp, Inc. | MT | 5.6 | 6.60 |
| 10 | CVBF | CVB Financial Corp. | CA | 6.4 | 6.50 |
| 11 | TCBI | Texas Capital Bancshares, Inc. | TX | 5.3 | 6.35 |
| 12 | CBC | Capitol Bancorp Ltd. | MI | 5.7 | 6.00 |
| 13 | SNV | Synovus Financial Corp. | GA | 34.3 | 5.85 |
| 14 | BOKF | BOK Financial Corporation | OK | 22.8 | 5.80 |
| 15 | UMPQ | Umpqua Holdings Corporation | OR | 8.7 | 5.40 |

**Note:** Financial information as of June 30, 2009

(1) Includes publicly traded companies with assets between $5.0 – 50.0 billion as of June 30, 2009

(2) Population growth weighted by county as of June 30, 2009 (cumulative)

**Data Source:** SNL Financial

# Small business market growth

## *(# of business with 1 – 49 employees)*

| *Markets*[1] | *2000* | *2006* | *Small Business Growth* | *Population Growth 2000-2009* |
|---|---|---|---|---|
| North Georgia | 6,453 | 7,693 | 19% | 24% |
| **Atlanta MSA** | **70,893** | **126,200** | **78%** | **31%** |
| Gainesville MSA | 3,158 | 3,824 | 21% | 34% |
| Coastal Georgia | 9,441 | 10,210 | 8% | 10% |
| Western North Carolina | 10,274 | 11,544 | 12% | 11% |
| East Tennessee | 16,273 | 17,839 | 10% | 13% |

**The Atlanta MSA is seeing small business growth at nearly double its already significantly increasing population growth.**

[1] *Population data is for 2009, SNL;*
*Business demographics, U.S. Census Statistics of U.S. Businesses, 2000 & 2006; County Business Patterns 2000-2006*

# Business mix - loans *(at quarter-end)*

| *(in millions)* | 3Q 09 | 2Q 09 | 1Q 09 | 4Q 08 | 3Q 08 | Year over Year % Change |
|---|---|---|---|---|---|---|
| LOANS BY CATEGORY | | | | | | |
| Commercial (sec. by RE) | $1,787 | $1,797 | $1,779 | $1,627 | $1,604 | 11 |
| Commercial construction | 380 | 379 | 377 | 500 | 509 | (25) |
| Commercial & Industrial | 403 | 399 | 387 | 410 | 425 | (5) |
| **Total commercial** | **2,570** | **2,575** | **2,543** | **2,537** | **2,538** | **1** |
| Residential construction | 1,185 | 1,315 | 1,430 | 1,479 | 1,596 | (26) |
| Residential mortgage | 1,461 | 1,470 | 1,504 | 1,526 | 1,528 | (4) |
| Consumer/installment | 147 | 153 | 156 | 163 | 168 | (13) |
| **TOTAL LOANS** | **$5,363** | **$5,513** | **$5,633** | **$5,705** | **$5,830** | **(8)** |

# Business mix - loans *(at year-end)*

| *(in millions)* | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| LOANS BY CATEGORY | | | | | |
| Commercial (sec. by RE) | $1,627 | $1,476 | $1,230 | $1,055 | $ 966 |
| Commercial construction | 500 | 527 | 470 | 359 | 250 |
| Commercial & Industrial | 410 | 418 | 296 | 237 | 212 |
| **Total commercial** | **2,537** | **2,421** | **1,996** | **1,651** | **1,428** |
| Residential construction | 1,479 | 1,829 | 1,864 | 1,380 | 1,055 |
| Residential mortgage | 1,526 | 1,502 | 1,338 | 1,206 | 1,102 |
| Consumer/installment | 163 | 177 | 179 | 161 | 150 |
| **TOTAL LOANS** | **$5,705** | **$5,929** | **$5,377** | **$4,398** | **$3,735** |

# Residential construction – total company

| *(in millions)* | 3Q 09 | 2Q 09 | 1Q 09 | 4Q 08 | 3Q 08 |
|---|---|---|---|---|---|
| *Land Loans* | | | | | |
| Developing Land | $ 380 | $ 413 | $ 445 | $ 484 | $ 516 |
| Raw Land | 159 | 159 | 155 | 153 | 142 |
| Lot Loans | 336 | 369 | 390 | 358 | 385 |
| ***Total*** | **875** | **941** | **990** | **995** | **1,043** |
| *Construction Loans* | | | | | |
| Spec | 218 | 268 | 317 | 347 | 393 |
| Sold | 92 | 106 | 123 | 137 | 160 |
| ***Total*** | **310** | **374** | **440** | **484** | **553** |
| **Total Res Construction** | **$1,185** | **$1,315** | **$1,430** | **$1,479** | **$1,596** |

# Residential construction – Atlanta MSA

| *(in millions)* | 3Q 09 | 2Q 09 | 1Q 09 | 4Q 08 | 3Q 08 |
|---|---|---|---|---|---|
| *Land Loans* | | | | | |
| Developing Land | $ 100 | $ 124 | $ 148 | $ 167 | $ 185 |
| Raw Land | 61 | 63 | 52 | 56 | 47 |
| Lot Loans | 54 | 81 | 98 | 86 | 103 |
| ***Total*** | **215** | **268** | **298** | **309** | **335** |
| *Construction Loans* | | | | | |
| Spec | 91 | 127 | 164 | 189 | 227 |
| Sold | 22 | 29 | 33 | 40 | 49 |
| ***Total*** | **113** | **156** | **197** | **229** | **276** |
| **Total Res Construction** | **$ 328** | **$ 424** | **$ 495** | **$ 538** | **$ 611** |

# Loans – markets served *(at quarter-end)*

| *(in millions)* | 3Q 09 | 2Q 09 | 1Q 09 | 4Q 08 | 3Q 08 |
|---|---|---|---|---|---|
| LOANS BY MARKET | | | | | |
| Atlanta MSA | $1,526 | $1,605 | $1,660 | $1,706 | $1,800 |
| Gainesville MSA | 402 | 413 | 422 | 420 | 426 |
| North Georgia | 1,942 | 1,978 | 2,014 | 2,040 | 2,066 |
| Western North Carolina | 786 | 794 | 808 | 810 | 815 |
| Coastal Georgia | 440 | 455 | 460 | 464 | 458 |
| East Tennessee | 267 | 268 | 269 | 265 | 265 |
| **Total loans** | **$5,363** | **$5,513** | **$5,633** | **$5,705** | **$5,830** |

# Loans – markets served *(at year-end)*

| *(in millions)* | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| **LOANS BY MARKET** | | | | | |
| Atlanta MSA | $ 1,706 | $ 2,002 | $ 1,654 | $ 1,207 | $ 1,061 |
| Gainesville MSA | 420 | 400 | 354 | 249 | -- |
| North Georgia | 2,040 | 2,060 | 2,034 | 1,790 | 1,627 |
| Western North Carolina | 810 | 806 | 773 | 668 | 633 |
| Coastal Georgia | 464 | 415 | 358 | 306 | 274 |
| East Tennessee | 265 | 246 | 207 | 178 | 140 |
| **Total loans** | **$ 5,705** | **$ 5,929** | **$ 5,380** | **$ 4,398** | **$ 3,735** |

# Lending – credit summary *(as of September 30, 2009)*

*(in millions)*

| | |
|---|---|
| **Legal lending limit** | **$219** |
| **House lending limit** | **20** |
| **Top 25 relationships** | **423** |

- 7.9% of total loans

## Regional credit review

- Standard underwriting

# NPAs by loan category and market

*(in thousands)*

| Loan Category | 2Q 09 NPLs | 2Q 09 OREO | 2Q 09 Total NPAs |
|---|---|---|---|
| Commercial (sec. by RE) | $ 37,755 | $ 5,395 | $ 43,150 |
| Commercial Construction | 15,717 | 5,847 | 21,564 |
| Commercial & Industrial | 11,378 | - | 11,378 |
| Total Commercial | 64,850 | 11,242 | 76,092 |
| Residential Construction | 176,400 | 81,648 | 258,048 |
| Residential Mortgage | 44,256 | 11,864 | 56,120 |
| Consumer / Installment | 2,342 | - | 2,342 |
| **Total** | **$ 287,848** | **$ 104,754** | **$ 392,602** |

| Markets | 2Q 09 NPLs | 2Q 09 OREO | 2Q 09 Total NPAs |
|---|---|---|---|
| Atlanta MSA | $ 148,155 | $ 50,450 | $ 198,605 |
| Gainesville MSA | 9,745 | 3,511 | 13,256 |
| North Georgia | 72,174 | 37,454 | 109,628 |
| Western North Carolina | 21,814 | 7,245 | 29,059 |
| Coastal Georgia | 30,311 | 3,904 | 34,215 |
| Eastern Tennessee | 5,649 | 2,190 | 7,839 |
| **Total** | **$ 287,848** | **$ 104,754** | **$ 392,602** |

# Liquidity – loans / deposits

*(in millions)*

| | 3Q 09 | 4Q 08 | 3Q 08 | Variance vs 4Q 08 | Variance vs 3Q 08 |
|---|---|---|---|---|---|
| **Loans** | **$ 5,363** | **$ 5,705** | **$ 5,830** | **$ (342)** | **$ (467)** |
| Core (DDA, MMDA, Savings) | $ 2,340 | $ 2,087 | $ 2,156 | $ 253 | $ 184 |
| Public Funds | 607 | 843 | 602 | (236) | 5 |
| CD's | 3,035 | 3,281 | 3,186 | (246) | (151) |
| **Total Deposits** *(excl Brokered)* | **$ 5,982** | **$ 6,211** | **$ 5,944** | **$ (229)** | **$ 38** |
| **Loan to Deposit Ratio** | **90%** | **92%** | **98%** | | |
| Investment Securities | $ 1,533 | $ 1,617 | $ 1,401 | $ (84) | $ 132 |
| **Percent of Assets** | **18%** | **19%** | **17%** | | |
| Commercial Paper | $ 397 | $ 369 | $ - | $ 28 | $ 397 |

# Liquidity – wholesale borrowings

*(in millions)*

| | Unused Capacity | 3Q 09 | 4Q 08 | 3Q 08 | Variance vs 4Q 08 | Variance vs 3Q 08 |
|---|---|---|---|---|---|---|
| Brokered Deposits | $ 1,256 | $ 839 | $ 793 | $ 745 | $ 46 | $ 94 |
| FHLB | 812 | 315 | 235 | 285 | 80 | 30 |
| Fed Funds | 150 | - | 8 | 16 | (8) | (16) |
| Other Wholesale | 490 | 102 | 100 | 104 | 2 | (2) |
| **Total Wholesale** | $ 2,708 | **$ 1,256** | **$ 1,136** | **$ 1,150** | **$ 120** | **$ 106** |

| | 3Q 09 | 4Q 08 | 3Q 08 | Variance vs 4Q 08 | Variance vs 3Q 08 |
|---|---|---|---|---|---|
| Sub-Debt | $ 96 | $ 97 | $ 97 | $ (1) | $ (1) |
| Trust Preferred Securities | 54 | 54 | 41 | - | 13 |
| **Total Long-Term Debt** | **$ 150** | **$ 151** | **$ 138** | **$ (1)** | **$ 12** |

# Business mix – deposits *(at quarter-end)*

*(in millions)*

| DEPOSITS BY CATEGORY | 3Q 09 | 2Q 09 | 1Q 09 | 4Q 08 | 3Q 08 |
|---|---|---|---|---|---|
| Demand & NOW | $ 1,481 | $ 1,525 | $ 1,485 | $ 1,457 | $ 1,591 |
| MMDA & Savings | 858 | 744 | 665 | 630 | 565 |
| **Core Transaction Deposits** | **2,339** | **2,269** | **2,150** | **2,087** | **2,156** |
| Time < $100,000 | 1,848 | 1,985 | 1,904 | 1,945 | 1,807 |
| Public Deposits | 557 | 480 | 485 | 756 | 499 |
| **Total Core Deposits** | **4,744** | **4,734** | **4,539** | **4,788** | **4,462** |
| Time > $100,000 | 1,187 | 1,293 | 1,275 | 1,336 | 1,379 |
| Public Deposits | 50 | 59 | 75 | 87 | 103 |
| **Total Customer Deposits** | **5,981** | **6,086** | **5,889** | **6,211** | **5,944** |
| Brokered Deposits | 840 | 763 | 727 | 793 | 745 |
| **Total Deposits** | **6,821** | **6,849** | **6,616** | **7,004** | **6,689** |

# Analyst coverage

- **FIG Partners**
  *(Market Perform – Sept 29, 2009)*
- **Fox-Pitt Kelton Cochran**
  *(In Line – Sept 25, 2009)*
- **Keefe, Bruyette & Woods**
  *(Market Perform – Jul 27, 2009)*
- **Raymond James & Associates**
  *(Outperform – Sept 28, 2009)*
- **Sandler O'Neill & Partners**
  *(Hold – Sept 28, 2009)*
- **Soleil (Tenner Investment Research)**
  *(Hold – Jul 8, 2009)*
- **Stephens, Inc.**
  *(Equal-Weight – Sept 25, 2009)*
- **Sterne Agee & Leach, Inc.**
  *(Neutral – Sept 29, 2009)*
- **SunTrust Robinson Humphrey**
  *(Buy – Sept 28, 2009)*

# Southern Community Bank

- Purchased – June 19, 2009 *($ in millions)*
- Nine years old – Enhances presence in southside metro Atlanta markets
- Four banking offices in southside metro Atlanta MSA – Fayetteville, Coweta and Henry counties
- 54 employees
- $208 in customer deposits, including $53 core deposits
- FDIC assisted transaction: 80% guarantee on $109 loss threshold
  95% guarantee above $109 loss threshold
  - Fully discounted bid with no credit exposure
  - Accounted for credit related items (at FMV) as "covered assets" on balance sheet

| | |
|---|---|
| Loans | $110 |
| OREO | 25 |
| FDIC receivable | 95 |
| Total Covered Assets | $230 |

  - Pre-tax gain on acquisition of $11.4
- Accretive to earnings per share in 2009

# Non-GAAP reconciliation tables

*(in millions, except EPS)*

| | Operating Earnings to GAAP Earnings Reconciliation | | | | |
|---|---|---|---|---|---|
| | 3Q 09 | 2Q09 | 1Q09 | 4Q08 | 3Q08 |
| ***Core fee revenue reconciliation*** | | | | | |
| Core fee revenue | $ 14.5 | $ 13.7 | $ 12.6 | $ 12.6 | $ 13.0 |
| Securities gains (losses), net | 1.2 | (.7) | .3 | .8 | .1 |
| FHLB prepayment charge | - | - | - | (2.7) | - |
| Gain on acquisition | - | 11.4 | - | - | - |
| **Fee Revenue (GAAP)** | **$ 15.7** | **$ 24.4** | **$ 12.9** | **$ 10.7** | **$ 13.1** |
| ***Core operating expense reconciliation*** | | | | | |
| Core operating expense | $ 45.7 | $ 47.8 | $ 48.3 | $ 47.2 | $ 46.9 |
| Foreclosed property expense | 7.9 | 5.7 | 4.3 | 5.2 | 10.1 |
| FDIC special assessment | - | 3.8 | - | - | - |
| BOLI expense recovery | - | (2.0) | - | - | - |
| Goodwill impairment charge | 25.0 | - | 70.0 | - | - |
| Severance costs | - | - | 2.9 | - | - |
| **Operating expense (GAAP)** | **$ 78.6** | **$ 55.3** | **$ 125.5** | **$ 52.4** | **$ 57.0** |
| ***Diluted loss per common share reconciliation*** | | | | | |
| Diluted operating loss per common share | $ (.93) | $ (.53) | $ (.71) | $ (.99) | $ (.84) |
| Gain from acquisition | - | .15 | - | - | - |
| Noncash goodwill impairment charge | (.50) | - | (1.45) | - | - |
| Severance costs | - | - | (.04) | - | - |
| **Diluted loss per common share (GAAP)** | **$ (1.43)** | **$ (.38)** | **$ (2.20)** | **$ (.99)** | **$ (.84)** |

# Non-GAAP reconciliation tables

| | Operating Earnings to GAAP Earnings Reconciliation | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 3Q09 | | 2Q09 | | 1Q09 | | 4Q08 | | 2Q08 | |
| ***Net interest margin - pre credit reconciliation*** | | | | | | | | | | |
| Net interest margin - pre credit | 3.97 | % | 3.80 | % | 3.53 | % | 3.13 | % | 3.53 | % |
| Effect of interest reversals, lost interest, and carry costs of NPAs | (.58) | | (.52) | | (.45) | | (.43) | | (.36) | |
| **Net interest margin** | **3.39** | % | **3.28** | % | **3.08** | % | **2.70** | % | **3.17** | % |
| ***Tangible common equity and tangible equity to tangible assets reconciliation*** | | | | | | | | | | |
| Tangible common equity to tangible assets | 5.36 | % | 5.77 | % | | | | | | |
| Effect of preferred equity | 2.19 | | 2.19 | | | | | | | |
| **Tangible equity to tangible assets** | **7.55** | | **7.96** | | | | | | | |
| Effect of goodwill and other intangibles | 2.72 | | 2.75 | | | | | | | |
| **Equity to assets (GAAP)** | **10.27** | % | **10.71** | % | | | | | | |
| ***Tangible common equity to risk-weighted assets reconciliation*** | | | | | | | | | | |
| Tangible common equity to risk-weighted assets | 10.33 | % | 7.49 | % | | | | | | |
| Effect of other comprehensive income | (.87) | | (.72) | | | | | | | |
| Effect of trust preferred | .89 | | .90 | | | | | | | |
| Effect of deferred tax asset limitation | (.56) | | (.22) | | | | | | | |
| Effect of preferred equity | 2.94 | | 2.99 | | | | | | | |
| **Tier I capital ratio (Regulatory)** | **12.73** | % | **10.44** | % | | | | | | |