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**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):**

September 23, 2009

**United Community Banks, Inc.**

(Exact name of registrant as specified in its charter)

Georgia

(State or other jurisdiction of  
incorporation)

No. 0-21656

(Commission File Number)

No. 58-180-7304

(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:

- 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 7.01 Regulation FD Disclosure.**

On September 23, 2009, United Community Banks, Inc. (the “*Company*”) issued a press release announcing the launch of an offering of \$175 million of the Company’s common stock. The press release is filed as Exhibit 99.1 to this Form 8-K.

Beginning on September 23, 2009, the Company will hold investor meetings to give a presentation titled “United Community Banks, Inc., Follow-on Offering of Common Stock, September 2009” (the “*Investor Presentation*”). A copy of the Investor Presentation that will be shown and discussed during each such investor meeting is filed as Exhibit 99.2 to this Form 8-K.

### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 99.1               | Press Release, dated September 23, 2009.   |
| 99.2               | Investor Presentation titled “United Community Banks, Inc., Follow-on Offering of Common Stock, September 2009”. |

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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.

*/s/ Rex S. Schuette*

\_\_\_\_\_  
Rex S. Schuette  
Executive Vice President and  
Chief Financial Officer

September 23, 2009



*For Immediate Release*

September 23, 2009

For more information:

Rex S. Schuette  
Chief Financial Officer  
706-781-2265  
rex\_schuette@ucbi.com

**UNITED COMMUNITY BANKS, INC. ANNOUNCES  
\$175 MILLION PUBLIC COMMON STOCK OFFERING**

BLAIRSVILLE, GA, September 23, 2009 — United Community Banks, Inc. (Nasdaq: UCBI), announced today that it will commence an underwritten public offering of approximately \$175 million of its common stock. The net proceeds from the offering will be used to provide capital to support its subsidiary bank and for general corporate purposes, which will position United to take advantage of strategic business opportunities.

United expects to grant the underwriters a 30-day option to purchase up to an additional 15 percent of the shares offered to cover any over allotments. The shares will be issued pursuant to a prospectus supplement filed with the Securities and Exchange Commission as part of an effective Form S-3 shelf registration statement (File No. 333-159958). Sandler O'Neill + Partners, L.P. and SunTrust Robinson Humphrey will serve as joint book-running managers.

In conjunction with this offering, United has amended its existing shelf registration statement to increase the total dollar amount from \$150 million to \$300 million.

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This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities described herein, nor shall there be any offer or sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. United has filed a registration statement (including prospectus) with the SEC for the offering to which this communication relates. Prospective investors should read the prospectus in that registration statement, the preliminary prospectus supplement and other documents that United has filed with the SEC for more complete information about United and the offering. Investors may obtain these documents without charge by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, copies of the preliminary prospectus supplement and the prospectus relating to the offering may be obtained from Sandler O'Neill + Partners, L.P., 919 Third Avenue, 6<sup>th</sup> Floor, New York, NY 10022, (866) 805-4128.

#### 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 110 banking offices located 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.

#### Forward-Looking Statements

*This press release includes forward-looking statements within the meaning of the "Safe-Harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are necessarily subject to risk and uncertainty and actual results could differ materially due to various risk factors, including those set forth from time to time in our filings with the SEC. You should not place undue reliance on forward-looking statements*

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*and we undertake no obligation to update any such statements. In this press release we make forward-looking statements about our ability to raise common capital, the amount of capital we intend to raise and our intended use of that capital. Specific risks that could cause results to differ from the forward-looking statements are set forth in our filings with the SEC and include, without limitation, negative reaction to our public offering, unfavorable pricing of the offering and deterioration in the economy or our loan portfolio that could alter our intended use of the capital.*

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**Follow-on Offering of Common Stock**

**NASDAQ: UCBI**

**September 2009**

The Bank That **SERVICE** Built.™

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## Cautionary statement

The issuer has filed a registration statement (including a prospectus and prospectus supplement) with the Securities and Exchange Commission ("SEC") for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC, including the prospectus supplement, for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in this offering will arrange to send you the prospectus if you request it by calling toll-free 1-866-805-4128.

This presentation contains forward-looking statements, including, without limitation, statements about United Community Banks, Inc.'s plans, strategies and prospects and our financial outlook and business environment. The words "believe," "expect," "anticipate," "intend," "estimate," "goals," "would," "could," "should" and other expressions which indicate future events and trends identify forward-looking statements. The forward-looking statements include, among others, our statements regarding: (1) our ability to become profitable, (2) our ability to avoid regulatory actions more serious than an informal memorandum of understanding, (3) the results of our most recent internal stress test, (4) our ability to raise capital, maintain liquidity and access other sources of funding, (5) the success of the local economies in which we operate, (6) our concentration of residential and commercial construction and development loans, (7) the sufficiency of our allowance for loan losses, (8) non-cash charges resulting from goodwill impairment testing, and (9) our ability to fully realize deferred tax assets. 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 our current assumptions, expectations and projections about future events.

Although we believe that our current assumptions, expectations and projections reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct or that the benefits anticipated with respect to the forward-looking statements will be achieved. Important risks, uncertainties and other factors, some of which may be beyond our control, that could cause actual results to differ materially from those anticipated in our forward-looking statements include, but are not limited to, (i) our ability to raise capital, (ii) increased capital requirements mandated by our regulators, (iii) variation in interest rates, (iv) continued deterioration in the credit quality of certain loans, (v) the effect of credit risk exposure, (vi) declines in the value of our assets, (vii) financial market and economic conditions generally and in the markets in which we operate, and (viii) recent and ongoing changes to the state and federal regulatory schemes under which we and other financial services companies operate, as well as those risks discussed in our filings with SEC, including those discussed under the heading "Risk Factors" included in Item 1A of our most recent Annual Report on Form 10-K and those discussed in our prospectus supplement dated September 23, 2009, which discussions are hereby incorporated by reference. Forward-looking statements speak only as of the date made. We assume no responsibility to update or revise forward-looking statements and caution readers, listeners and conference attendees not to place undue reliance on any such statements.

## 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, noninterest income, noninterest expense, net (loss) income, diluted (loss) earnings per share and equity to assets.

Management uses these non-GAAP financial measures because it believes 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 provides 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 pages 28 – 30 and 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.

## Offering summary

|                                      |  |
|--------------------------------------|--|
| <b>Issuer:</b>                       | United Community Banks, Inc.   |
| <b>Ticker / Exchange:</b>            | UCBI / NASDAQ (GSM)  |
| <b>Transaction Size:</b>             | Approximately \$175 million  |
| <b>Pro Forma Shares Outstanding:</b> | Approximately 73,533,042 <sup>(1)</sup>                              |
| <b>Over-Allotment Option:</b>        | 15%  |
| <b>Use of Proceeds:</b>              | General Corporate Purposes   |
| <b>Joint Book Running Managers:</b>  | Sandler O'Neill + Partners, L.P.<br>SunTrust Robinson Humphrey, Inc. |

(1) Based on UCBI's closing stock price of \$7.25 per share as of September 21, 2009 and 49,395,111 common shares outstanding as of September 15, 2009

## Transaction rationale

- **Increases Tangible Common Equity ratio to approximately 7.2%**
  - *Strengthens regulatory capital ratios*
- **Provides an opportunity to continue aggressively resolving problem loans**
- **Positions UCBI for an earlier return to profitability**
- **Positions UCBI to take advantage of competitor dislocation**
- **Positions UCBI to take advantage of strategic business opportunities**

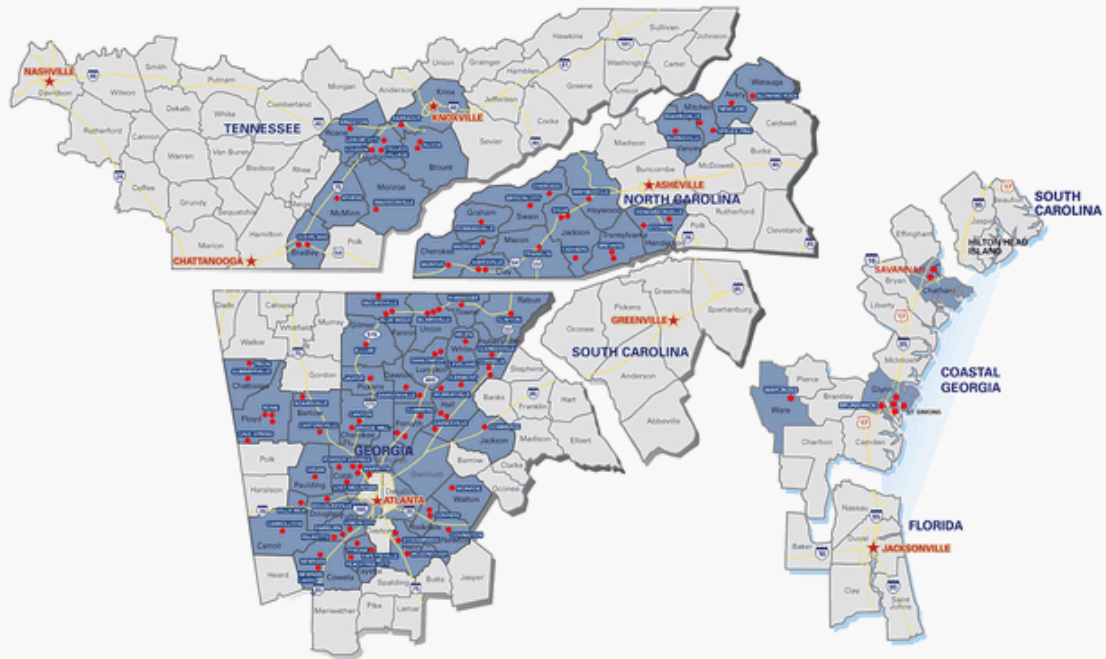
## Strengthened capital position

|   | As of June 30, 2009          |                            |                      |
|---|------------------------------|----------------------------|----------------------|
|   | Reported                     | As Adjusted <sup>(1)</sup> | Peers <sup>(2)</sup> |
| Tangible Common Equity /<br>Tangible Assets | 5.33 %                       | 7.21 %                     | 5.72 %               |
| Tangible Equity /<br>Tangible Assets        | 7.47                         | 9.31                       | 7.48                 |
|   | <b>Well-<br/>Capitalized</b> |                            |                      |
| Tier 1 Leverage                             | 5.00 %                       | 7.68                       | 8.82                 |
| Tier 1 Risk Based Capital                   | 6.00                         | 10.44                      | 12.13                |
| Total Risk Based Capital                    | 10.00                        | 13.11                      | 13.86                |

(1) Assumes gross proceeds of \$175.0 million in connection with a common stock offering

(2) UCBI peer group includes BOH, WFC, FMR, UMBF, TRMK, UMPQ, MBFI, ONB, UBSI, FMBI, PCBC, BPFH  
Data Source: SNL Financial

# United at a glance



- **Assets**     **\$8.4 billion**
- **Deposits**     **6.8 billion**
- **“Community Banks”**     **27**
- **Offices**     **110**

The Bank That **SERVICE** Built.™

# Business and operating model

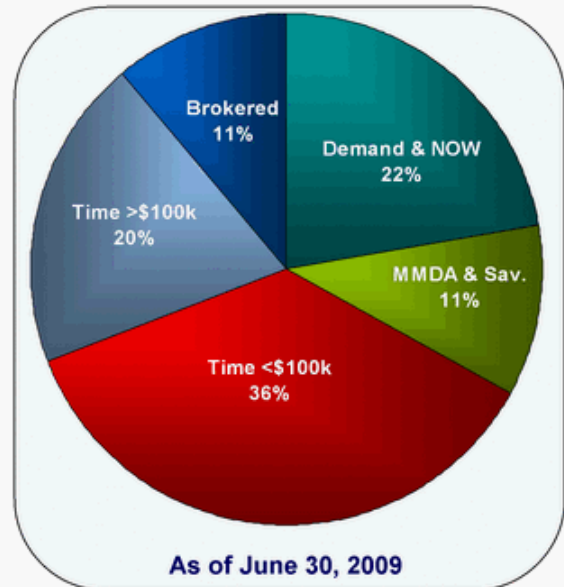
## Community bank service, large bank resources

- **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*



## Deposit mix (total \$6.8 billion)

|                                  | 2Q 09           | 4Q 08                    |
|----------------------------------|-----------------|--------------------------|
| Demand & NOW                     | \$ 1,525        | \$ 1,457                 |
| MMDA & Savings                   | 744             | 630                      |
| <b>Core Transaction Deposits</b> | <b>\$ 2,269</b> | <b>\$ 2,087</b>          |
|                                  | 17.4 %          | <i>Annualized Growth</i> |
| <br>                             |                 |                          |
| Time < \$100,000                 | 1,985           | 1,945                    |
| Public Deposits                  | 480             | 755                      |
| <b>Total Core Deposits</b>       | <b>\$ 4,734</b> | <b>\$ 4,787</b>          |
| <br>                             |                 |                          |
| Time > \$100,000                 | 1,293           | 1,336                    |
| Public Deposits                  | 59              | 87                       |
| <b>Total Customer Deposits</b>   | <b>\$ 6,086</b> | <b>\$ 6,210</b>          |
| <br>                             |                 |                          |
| Brokered Deposits                | \$ 763          | \$ 793                   |
| <b>Total Deposits</b>            | <b>\$ 6,849</b> | <b>\$ 7,003</b>          |

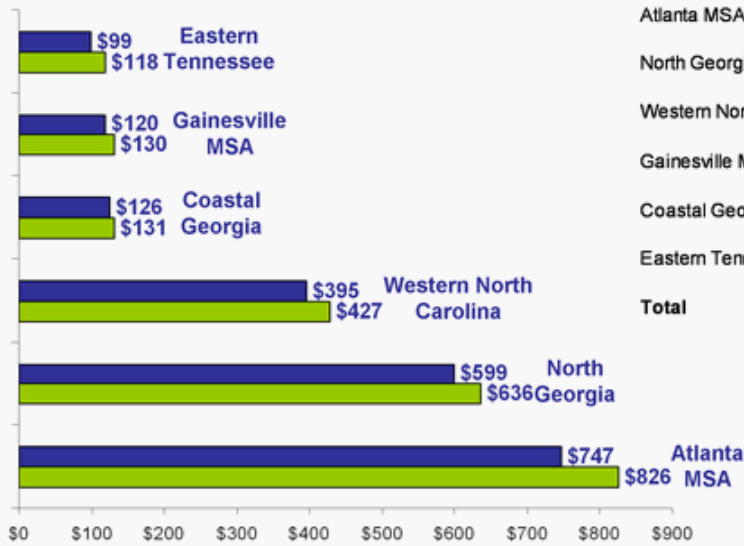


Note: Dollars in millions

# Core transaction deposits

## Geographic Diversity

■ 4Q 08 ■ 2Q 09



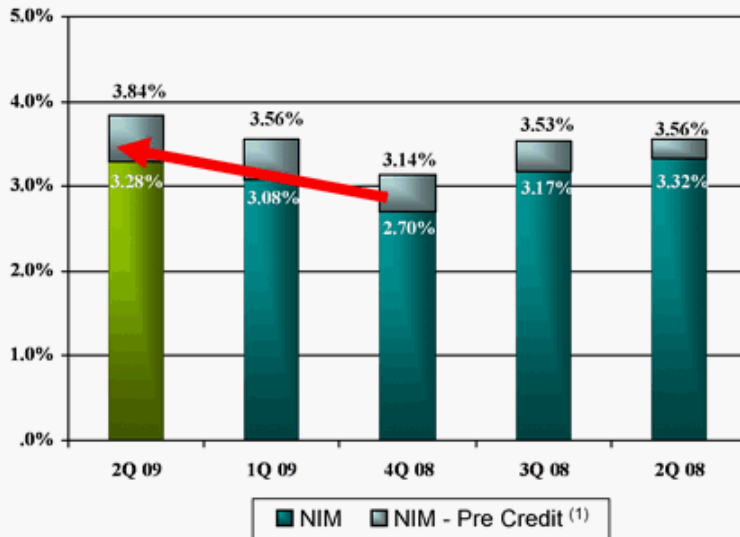
Note: Dollars in millions

## Core Transaction Deposits / Total Deposits (%)

|                        | 2Q 09         | 4Q 08         |
|------------------------|---------------|---------------|
| Atlanta MSA            | 38.6 %        | 34.6 %        |
| North Georgia          | 24.7          | 22.4          |
| Western North Carolina | 40.9          | 38.5          |
| Gainesville MSA        | 40.0          | 39.0          |
| Coastal Georgia        | 36.3          | 28.6          |
| Eastern Tennessee      | 29.7          | 24.6          |
| <b>Total</b>           | <b>33.1 %</b> | <b>29.8 %</b> |

# Net interest margin

## Net Interest Margin



(1) Excluding impact of nonaccrual loans, OREO and interest reversals

## NIM Characteristics

- Second quarter margin improvement of **20 bps**
- 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**

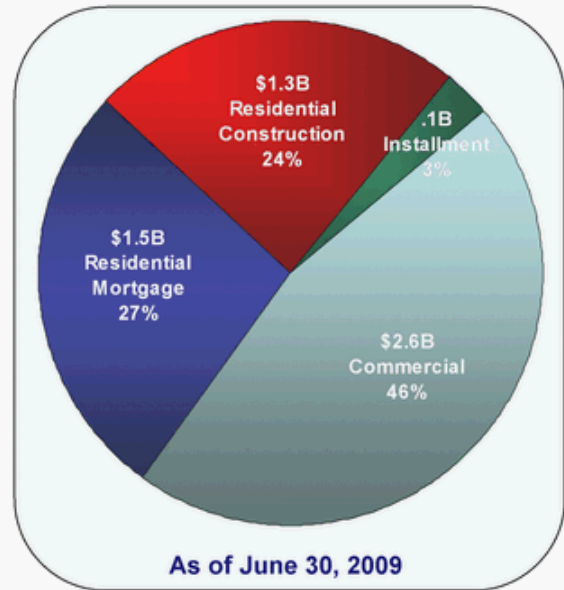
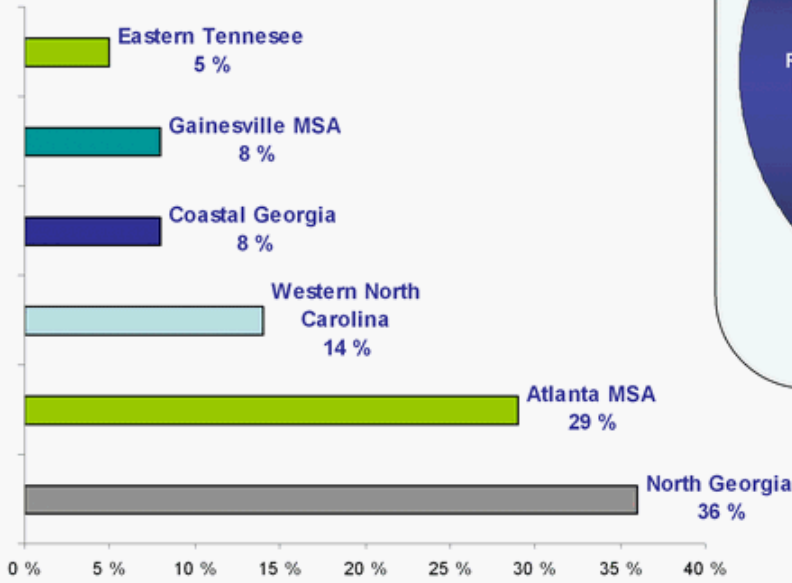
- *Continuous external loan review*
- *Intensive executive management involvement:*
  - *Weekly past due meetings*
  - *Weekly NPA/ORE meetings*
  - *Quarterly criticized watch loan review meetings*
  - *Quarterly pass commercial and CRE portfolio review meetings*
- *Internal loan review of new credit relationships*
- *Ongoing stress testing... commenced in 2007*

### ▪ **Policy**

- *Ongoing enhancements to credit policy*
- *Periodic updates to portfolio limits*

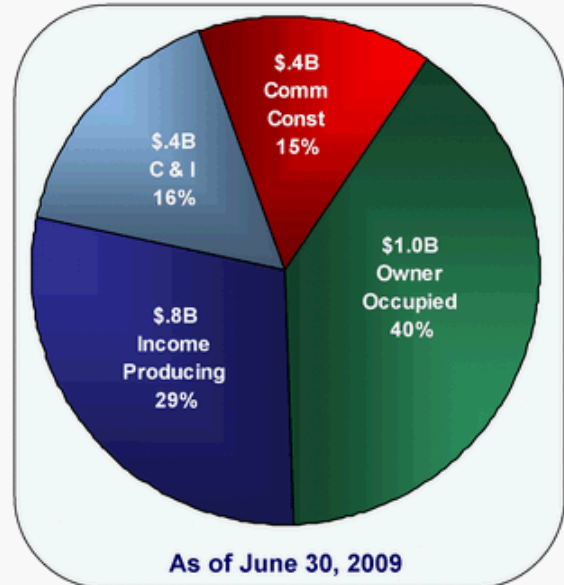
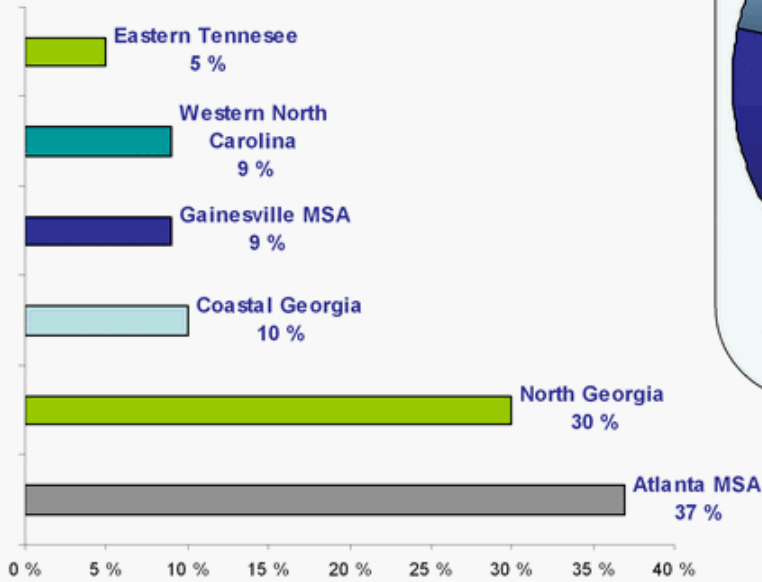
# Loan portfolio (total \$5.5 billion)

## Geographic Diversity



# Commercial loans (total \$2.6 billion)

## Geographic Diversity



**Average Loan Size**

- CRE = \$450k
- C&I = \$71k
- Comm. Constr. = \$661k

## Commercial real estate *(by loan type)*

| <i>Loan Type</i>                    | June 30, 2009   |            |
|-------------------------------------|-----------------|------------|
|                                     | Amount          | % of Total |
| Office Buildings                    | \$ 405          | 23 %       |
| Small Businesses                    | 399             | 22         |
| Single-Unit Retail/Strip Centers    | 234             | 13         |
| Small Warehouses/Storage            | 166             | 9          |
| Hotels/Motels                       | 119             | 7          |
| Churches                            | 115             | 6          |
| Franchise / Restaurants             | 84              | 5          |
| Multi-Residential Properties        | 79              | 4          |
| Convenience Stores                  | 69              | 4          |
| Farmland                            | 53              | 3          |
| Multi-Unit Retail                   | 41              | 2          |
| Miscellaneous                       | 33              | 2          |
| <b>Total Commercial Real Estate</b> | <b>\$ 1,797</b> |            |

Note: Dollars in millions

### Portfolio Characteristics

- **58% owner-occupied**
- **42% income producing**
- **Typical owner-occupied: small business, doctors, dentists, attorneys, CPAs**
- **\$12 million project limit**
- **48% LTV <sup>(1)</sup>**
- **\$450k average credit size**

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



## Commercial construction *(by loan type)*

| <i>Loan Type</i>                     | June 30, 2009 |            |
|--------------------------------------|---------------|------------|
|                                      | Amount        | % of Total |
| Raw Land – Vacant (Unimproved)       | \$ 167        | 44 %       |
| Land Development – Vacant (Improved) | 132           | 35         |
| Office Buildings                     | 32            | 8          |
| Retail Buildings                     | 21            | 6          |
| Churches                             | 6             | 2          |
| Miscellaneous                        | 20            | 5          |
| <b>Total Commercial Construction</b> | <b>\$ 379</b> |            |

Note: Dollars in millions

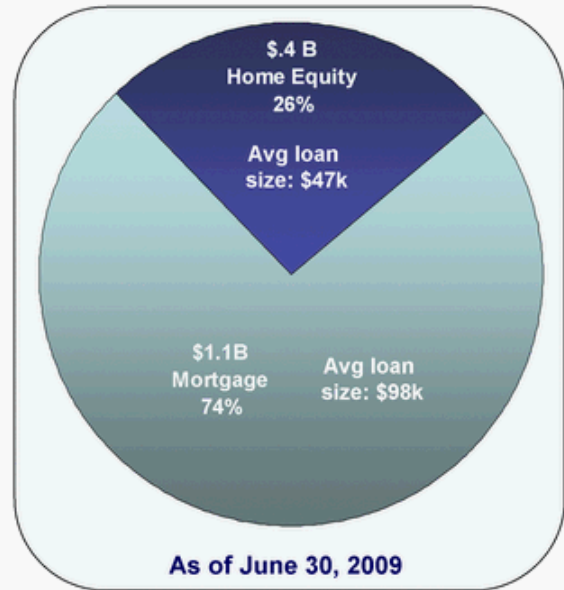
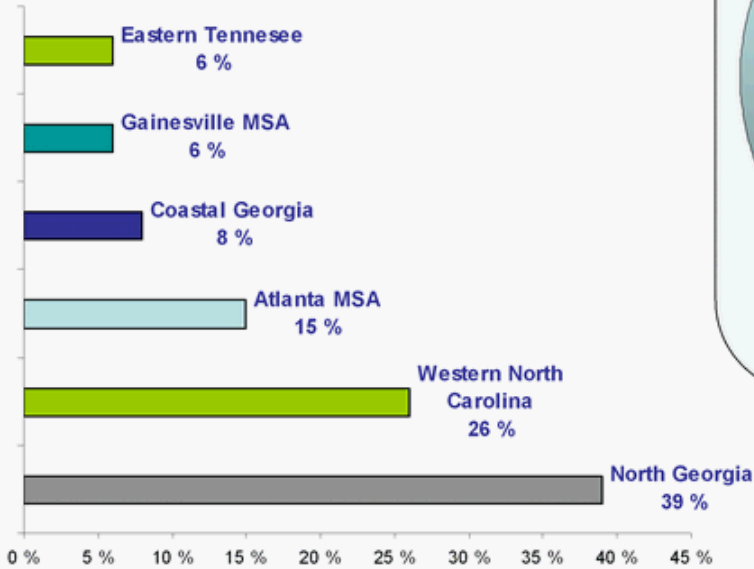
### Portfolio Characteristics

- **Avg Loan Size: \$661k**
- **Avg LTVs (1)**
  - Total: 46%
  - Raw Land: 44%
  - Land Dev.: 40%

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

# Residential mortgage (total \$1.5 billion)

## Geographic Diversity

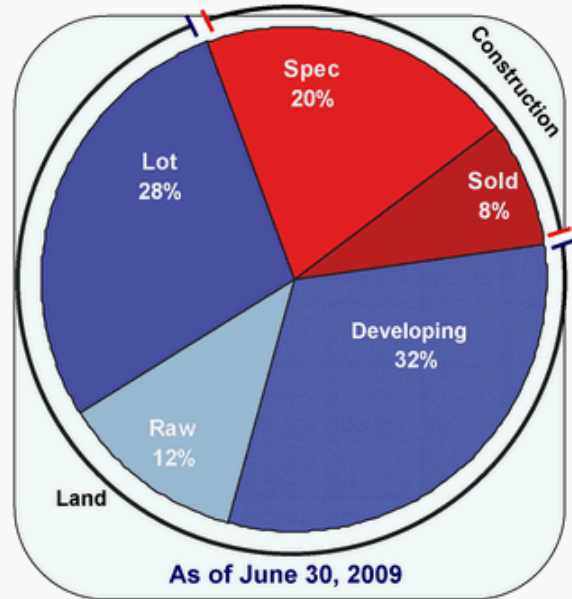
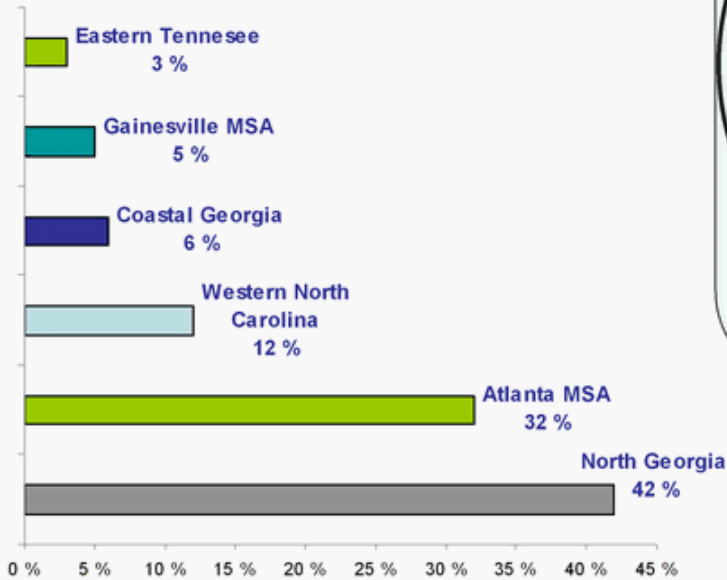


### Origination Characteristics

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

# Residential construction (total \$1.3 billion)

## Geographic Diversity



## Average Loan Size

- Spec = \$226k
- Sold = \$173k
- Develop. = \$979k
- Raw = \$452k
- Lot = \$169k

# Atlanta MSA *(residential construction)*

|                               | 2Q 09         | 4Q 08         | 2Q 08         | Versus 2Q 09   |                |
|-------------------------------|---------------|---------------|---------------|----------------|----------------|
|                               |               |               |               | 4Q 08          | 2Q 08          |
| <b>Land Loans</b>             |               |               |               |                |                |
| Developing Land               | \$ 124        | \$ 167        | \$ 232        | \$(43)         | \$(108)        |
| Raw Land                      | 63            | 56            | 50            | 7              | 13             |
| Lot Loans                     | 81            | 86            | 117           | (5)            | (36)           |
| <b>Total</b>                  | <b>\$ 268</b> | <b>\$ 309</b> | <b>\$ 399</b> | <b>\$(41)</b>  | <b>\$(131)</b> |
| <b>Construction Loans</b>     |               |               |               |                |                |
| Spec                          | \$ 127        | \$ 189        | \$ 271        | \$(62)         | \$(144)        |
| Sold                          | 29            | 40            | 58            | (11)           | (29)           |
| <b>Total</b>                  | <b>\$ 156</b> | <b>\$ 229</b> | <b>\$ 329</b> | <b>\$(73)</b>  | <b>\$(173)</b> |
| <b>Total Res Construction</b> | <b>\$ 424</b> | <b>\$ 538</b> | <b>\$ 728</b> | <b>\$(114)</b> | <b>\$(304)</b> |

Note: Dollars in millions

## Credit quality

|   | <u>2Q 09</u>        | <u>1Q 09</u>       | <u>4Q 08</u>       | <u>3Q 08</u>       | <u>2Q 08</u>       |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Charge-offs</b>                        | <b>\$ 58.3</b>      | <b>\$ 43.3</b>     | <b>\$ 74.0</b>     | <b>\$ 55.7</b>     | <b>\$ 14.3</b>     |
| as % of Average Loans                         | 4.18%               | 3.09%              | 5.09%              | 3.77%              | .97%               |
| <b>Allowance for LL</b>                       | <b>\$ 146.0</b>     | <b>\$ 144.0</b>    | <b>\$ 122.3</b>    | <b>\$ 111.3</b>    | <b>\$ 91.0</b>     |
| as % of Total Loans                           | 2.64%               | 2.56%              | 2.14%              | 1.91%              | 1.53%              |
| as % of NPLs                                  | 51                  | 56                 | 64                 | 80                 | 74                 |
| <b>as % of NPLs - Adjusted <sup>(1)</sup></b> | <b>82</b>           | <b>117</b>         | <b>125</b>         | <b>93</b>          | <b>74</b>          |
| <b>Past Due Loans (30 – 90 Days)</b>          | <b>1.61%</b>        | <b>1.67%</b>       | <b>2.33%</b>       | <b>1.39%</b>       | <b>1.10%</b>       |
| <b>Non-Performing Loans</b>                   | <b>\$ 287.8</b>     | <b>\$ 259.2</b>    | <b>\$ 190.7</b>    | <b>\$ 139.3</b>    | <b>\$ 123.8</b>    |
| <b>OREO</b>                                   | <b><u>104.8</u></b> | <b><u>75.4</u></b> | <b><u>59.8</u></b> | <b><u>38.4</u></b> | <b><u>28.4</u></b> |
| <b>Total NPAs</b>                             | <b>\$ 392.6</b>     | <b>\$ 334.6</b>    | <b>\$ 250.5</b>    | <b>\$ 177.7</b>    | <b>\$ 152.2</b>    |
| <b>as % of Total Assets</b>                   | <b>4.67%</b>        | <b>4.11%</b>       | <b>2.94%</b>       | <b>2.20%</b>       | <b>1.84%</b>       |
| <b>as % of Loans &amp; OREO</b>               | <b>6.99</b>         | <b>5.86</b>        | <b>4.35</b>        | <b>3.03</b>        | <b>2.55</b>        |

Note: Dollars in millions

(1) Excluding loans with no allocated reserve

## Net charge-offs by category

| Category                     | 2Q 09            |                | % of Avg Loans |               |               |                    |
|------------------------------|------------------|----------------|----------------|---------------|---------------|--------------------|
|                              | NCOs             | % of Avg Loans | 1Q 09          | 4Q 08         | 3Q 08         | LTM <sup>(1)</sup> |
| Commercial (sec. by RE)      | \$ 5,986         | 1.34 %         | 0.20 %         | 1.10 %        | 0.06 %        | 0.68 %             |
| Commercial Construction      | 756              | 0.80           | 0.05           | 1.14          | 0.17          | 0.54               |
| Commercial & Industrial      | 3,107            | 3.16           | 0.89           | 3.24          | 0.96          | 2.07               |
| Total Commercial             | 9,849            | 1.54           | 0.28           | 1.46          | 0.24          | 0.89               |
| Residential Construction     | 44,240           | 12.90          | 10.52          | 14.93         | 11.94         | 12.61              |
| Residential Mortgage         | 3,526            | 0.95           | 0.80           | 1.52          | 0.88          | 1.04               |
| Consumer / Installment       | 697              | 1.80           | 1.99           | 2.34          | 1.58          | 1.93               |
| <b>Total Net Charge-offs</b> | <b>\$ 58,312</b> | <b>4.18 %</b>  | <b>3.09 %</b>  | <b>5.09 %</b> | <b>3.77 %</b> | <b>4.03 %</b>      |

Note: Dollars in thousands

(1) Based on simple average of the four quarters

## Net charge-offs by market

| <b>Markets</b>               | <b>2Q 09</b>     |                       | <b>% of Avg Loans</b> |               |               |                           |
|------------------------------|------------------|-----------------------|-----------------------|---------------|---------------|---------------------------|
|                              | <b>NCOs</b>      | <b>% of Avg Loans</b> | <b>1Q 09</b>          | <b>4Q 08</b>  | <b>3Q 08</b>  | <b>LTM <sup>(1)</sup></b> |
| Atlanta MSA                  | \$ 37,473        | 8.89 %                | 6.16 %                | 10.80 %       | 10.08 %       | 8.98 %                    |
| Gainesville MSA              | 4,125            | 4.38                  | 1.18                  | 8.60          | 1.49          | 3.91                      |
| North Georgia                | 12,571           | 2.52                  | 1.64                  | 1.91          | 0.88          | 1.74                      |
| Western North Carolina       | 1,015            | 0.51                  | 1.83                  | 1.16          | 0.42          | 0.98                      |
| Coastal Georgia              | 969              | 0.85                  | 2.84                  | 2.70          | 0.22          | 1.65                      |
| Eastern Tennessee            | 2,159            | 3.21                  | 1.28                  | 2.02          | 0.43          | 1.73                      |
| <b>Total Net Charge-offs</b> | <b>\$ 58,312</b> | <b>4.18 %</b>         | <b>3.09 %</b>         | <b>5.09 %</b> | <b>3.77 %</b> | <b>4.03 %</b>             |

Note: Dollars in thousands

(1) Based on simple average of the four quarters

## NPAs by category and market

| <b>Category</b>          | <b>2Q 09</b>      |                   |                   | <b>Markets</b>         | <b>2Q 09</b>      |                   |                   |
|--------------------------|-------------------|-------------------|-------------------|------------------------|-------------------|-------------------|-------------------|
|                          | <b>NPLs</b>       | <b>OREO</b>       | <b>Total NPAs</b> |                        | <b>NPLs</b>       | <b>OREO</b>       | <b>Total NPAs</b> |
| Commercial (sec. by RE)  | \$ 37,755         | \$ 5,395          | \$ 43,150         | Atlanta MSA            | \$ 148,155        | \$ 50,450         | \$ 198,605        |
| Commercial Construction  | 15,717            | 5,847             | 21,564            | Gainesville MSA        | 9,745             | 3,511             | 13,256            |
| Commercial & Industrial  | 11,378            | --                | 11,378            | North Georgia          | 72,174            | 37,454            | 109,628           |
| Total Commercial         | 64,850            | 11,242            | 76,092            | Western North Carolina | 21,814            | 7,245             | 29,059            |
| Residential Construction | 176,400           | 81,647            | 258,047           | Coastal Georgia        | 30,311            | 3,904             | 34,215            |
| Residential Mortgage     | 44,256            | 11,865            | 56,121            | Eastern Tennessee      | 5,649             | 2,190             | 7,839             |
| Consumer / Installment   | 2,342             | --                | 2,342             |                        |                   |                   |                   |
| <b>Total NPAs</b>        | <b>\$ 287,848</b> | <b>\$ 104,754</b> | <b>\$ 392,602</b> | <b>Total NPAs</b>      | <b>\$ 287,848</b> | <b>\$ 104,754</b> | <b>\$ 392,602</b> |

Note: Dollars in thousands



## Key trends - loan portfolio and credit quality

- **The majority of credit challenges continue to be centered in residential construction, primarily in Atlanta**
- **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**
- **Residential mortgage and HELOCs continue to perform well**
- **The pace of ORE sales continues to accelerate and demand has improved**
- **A projected rise in 3Q charge-offs is primarily tied to the 1Q and 2Q rise in NPAs, a more aggressive disposition strategy, and a clearing of specific reserves previously set aside**

# Credit quality – SCAP analysis

## Imputed Stress Test Loss Estimates

| Loan Type  | Balance as of 12/31/08 |              | Management – Base |                | Management – 14 More Adverse |                | SCAP – 14 Selected Banks |                | SCAP – 14 More Adverse |                |
|--|------------------------|--------------|-------------------|----------------|------------------------------|----------------|--------------------------|----------------|------------------------|----------------|
|  | \$MM                   | %            | %                 | \$MM           | %                            | \$MM           | %                        | \$MM           | %                      | \$MM           |
| Commercial & Industrial                                      | \$358.7                | 6.2          | 4.6               | \$16.3         | 5.3                          | \$18.6         | 6.9                      | \$24.5         | 6.5                    | \$28.0         |
| 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  | 1,094                  | 1.9          | 3.0               | 3.3            | 4.0                          | 4.4            | 0.0                      | 0.0            | 7.0                    | 2.2            |
| <b>Total</b>   | <b>\$5,704.9</b>       | <b>100.0</b> |                   | <b>\$410.4</b> |                              | <b>\$519.5</b> |                          | <b>\$597.1</b> |                        | <b>\$634.9</b> |
| <i>Losses as % of 12/31/08 Gross Loans</i>                   |                        |              |                   | <i>7.2%</i>    |                              | <i>9.1%</i>    |                          | <i>10.5%</i>   |                        | <i>11.1%</i>   |
| <b>Estimated Credit Losses as of December 31, 2008</b>       |                        |              |                   | <b>\$410.4</b> |                              | <b>\$519.5</b> |                          | <b>\$597.1</b> |                        | <b>\$634.9</b> |
| <b>Less: 1/1/09 – 6/30/09 Net Charge-Offs</b>                |                        |              |                   | <b>(101.6)</b> |                              | <b>(101.6)</b> |                          | <b>(101.6)</b> |                        | <b>(101.6)</b> |
| <b>Estimated Potential Credit Losses (7/1/09 – 12/31/10)</b> |                        |              |                   | <b>\$308.8</b> |                              | <b>\$417.9</b> |                          | <b>\$495.5</b> |                        | <b>\$533.3</b> |

(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 Loss Estimates – \$175 Million Common Stock Raise

| Assumptions:                                     |                                    | Stress Test Analysis: Projected as of December 31, 2010 <sup>(4)</sup> |                              |                          |                        |
|--|------------------------------------|--|------------------------------|--------------------------|------------------------|
|  |                                    | Management -<br>Base   | Management -<br>More Adverse | SCAP -<br>Selected Banks | SCAP -<br>More Adverse |
| Gross Proceeds                                   | \$175,000                          |  |                              |                          |                        |
| Net Proceeds                                     | \$165,250                          |  |                              |                          |                        |
| Risk-Weighting of New Capital                    | 20%                                |  |                              |                          |                        |
| Targeted LLR / Loans (12/31/10) <sup>(1)</sup>   | 2.00%                              |  |                              |                          |                        |
| Core Earnings <sup>(2)</sup>                     | \$160,800                          |  |                              |                          |                        |
| Effective Tax Rate                               | 35%                                |  |                              |                          |                        |
| Aggregate TARP Preferred Dividend <sup>(3)</sup> | \$15,428                           |  |                              |                          |                        |
| <b>Estimated Credit Losses</b>                   |                                    | <b>\$ 308,757</b>  | <b>\$ 417,890</b>            | <b>\$ 495,549</b>        | <b>\$ 533,328</b>      |
| Consolidated                                     |                                    |  |                              |                          |                        |
| Tangible Equity / Tangible Assets                |                                    | 8.5 %  | 7.7 %                        | 7.1 %                    | 6.9 %                  |
| Tangible Common Equity / Tangible Assets         |                                    | 6.3  | 5.5                          | 4.9                      | 4.6                    |
| Tangible Common Equity / Risk-Weighted Assets    |                                    | 8.9  | 7.8                          | 6.9                      | 6.3                    |
| Tier 1 Leverage Ratio                            | <u>Well - Capitalized</u><br>5.0 % | 8.7  | 7.4                          | 6.5                      | 6.0                    |
| Tier Risk-Based Capital Ratio                    | 6.0                                | 11.8   | 10.0                         | 8.7                      | 7.9                    |
| Total Risk-Based Capital Ratio <sup>(5)</sup>    | 10.0                               | 14.1   | 12.3                         | 11.0                     | 10.1                   |

Note: Dollars in thousands

(1) Targeted LLR / Loans as of December 31, 2010 based on gross loans (HF) as of June 30, 2009 reduced by the estimated credit losses under the SCAP Analysis

(2) Assumes quarterly projections for Q3'09 - Q4'10 equal actual Q2'09 Core Earnings

(3) Q3'09 - Q4'10

(4) Analysis includes an estimated \$150.0 million in balance sheet reduction 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 – second quarter 2009

|   | Versus 2Q 09   |                |                |                |               |                |
|---|----------------|----------------|----------------|----------------|---------------|----------------|
|   | 2Q 09          | 1Q 09          | 4Q 08          | 2Q 08          | 1Q09          | 4Q 08          |
| <b>Net Interest Revenue</b>                           | \$ 60.9        | \$ 57.4        | \$ 51.9        | \$ 61.8        | \$ 3.5        | \$ 9.0         |
| Fee Revenue <sup>(1)</sup>                            | 13.7           | 12.6           | 12.6           | 14.7           | 1.1           | 1.1            |
| <b>Gross Revenue</b>                                  | <b>\$ 74.6</b> | <b>\$ 70.0</b> | <b>\$ 64.5</b> | <b>\$ 76.5</b> | <b>\$ 4.6</b> | <b>\$ 10.1</b> |
| Operating Expense <sup>(2)</sup>                      | 47.8           | 48.3           | 47.2           | 46.9           | (0.5)         | 0.6            |
| <b>Core Earnings (Pre-Tax/Credit)</b>                 | <b>\$ 26.8</b> | <b>\$ 21.7</b> | <b>\$ 17.3</b> | <b>\$ 29.6</b> | <b>\$ 5.1</b> | <b>\$ 9.5</b>  |
| <b>Net Interest Margin</b>                            | 3.28 %         | 3.08 %         | 2.70 %         | 3.32 %         | 0.20 %        | 0.58 %         |
| <b>Net Interest Margin -Pre Credit <sup>(3)</sup></b> | 3.84           | 3.56           | 3.14           | 3.56           | 0.28          | 0.70           |

Note: Dollars in millions

(1) Excludes FHLB prepayment charge, securities (losses)/gains and gain on acquisition

(2) Excludes BOU expense recovery, special FDIC assessment, foreclosed property costs, severance costs and goodwill impairment charge

(3) Excluding impact of nonaccrual loans, OREO and interest reversals

## Net operating loss – second quarter 2009

|                               |                 |                 |                 |                | Versus 2Q 09   |                |
|-------------------------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
|                               | 2Q 09           | 1Q 09           | 4Q 08           | 2Q 08          | 1Q09           | 4Q 08          |
| <b>Core Earnings</b>          | <b>\$ 26.8</b>  | <b>\$ 21.7</b>  | <b>\$ 17.3</b>  | <b>\$ 29.6</b> | <b>\$ 5.1</b>  | <b>\$ 9.5</b>  |
| Provision for Loan Loss       | (60.0)          | (65.0)          | (85.0)          | (15.5)         | 5.0            | 25.0           |
| Foreclosed Property Expense   | (5.7)           | (4.3)           | (5.2)           | (2.9)          | (1.4)          | (0.5)          |
| FDIC Special Assessment       | (3.8)           | --              | --              | --             | (3.8)          | (3.8)          |
| BOLI Expense Recovery         | 2.0             | --              | --              | --             | 2.0            | 2.0            |
| FHLB Prepayment Charge and    |                 |                 |                 |                | --             | --             |
| Secur (Losses) Gains, net     | (0.7)           | 0.3             | (1.9)           | 0.4            | (1.0)          | 1.2            |
| Income Tax Benefit, net       | 18.3            | 15.3            | 28.1            | (4.5)          | 3.0            | (9.8)          |
| <b>Net Oper (Loss) Income</b> | <b>\$(23.1)</b> | <b>\$(32.0)</b> | <b>\$(46.7)</b> | <b>\$ 7.1</b>  | <b>\$ 8.9</b>  | <b>\$ 23.6</b> |
| <b>Diluted Operating EPS</b>  | <b>\$(0.53)</b> | <b>\$(0.71)</b> | <b>\$(0.99)</b> | <b>\$ 0.15</b> | <b>\$ 0.18</b> | <b>\$ 0.46</b> |

Note: Dollars in millions

## Net loss – second quarter 2009

|                                       | <u>2Q 09</u>     | <u>1Q 09</u>      | <u>4Q 08</u>     | <u>2Q 08</u>  |
|---------------------------------------|------------------|-------------------|------------------|---------------|
| <b>Net Operating (Loss) Income</b>    | \$ (23.1)        | \$ (32.0)         | \$ (46.7)        | \$ 7.1        |
| Gain on Acquisition (\$11.4, pre-tax) | 7.1              | -                 | -                | -             |
| Goodwill Impairment Charge            | -                | (70.0)            | -                | -             |
| Severance Costs (\$2.9, pre-tax)      | -                | (1.8)             | -                | -             |
| <b>Net (Loss) Income</b>              | <b>\$ (16.0)</b> | <b>\$ (103.8)</b> | <b>\$ (46.7)</b> | <b>\$ 7.1</b> |
| <br>                                  |                  |                   |                  |               |
| <b>Earnings (Loss) Per Share</b>      | <b>\$ (.38)</b>  | <b>\$ (2.20)</b>  | <b>\$ (.99)</b>  | <b>\$ .15</b> |

Note: Dollars in millions

## REASONS TO INVEST IN UNITED





## Reasons to invest in United

- **Core franchise supports customer retention and strong market presence**
- **Business model thrives on relationship-driven customer service backed by “big bank” resources**
- **Footprint contains a combination of stable and long-term growth markets**
- **Significant insider ownership**
- **Significant strategic opportunities**

## APPENDIX



## Experienced proven leadership

|                |                           | <u>Joined<br/>UCBI</u> | <u>Years in<br/>Banking</u> |
|----------------|---------------------------|------------------------|-----------------------------|
| 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                          |

## Leading demographics

| Rank | Ticker | Company <sup>(1)</sup>               | State | Total Assets (\$B) | 2009 - 2014 Population Growth <sup>(2)</sup> |
|------|--------|--------------------------------------|-------|--------------------|--|
| 1    | WAL    | Western Alliance Bancorporation      | NV    | \$ 5.7             | 11.9 %                                       |
| 2    | WTNY   | Whitney Holding Corporation          | LA    | 12.0               | 10.3   |
| 3    | PNFP   | Pinnacle Financial Partners, Inc.    | TN    | 5.0                | 9.9  |
| 4    | UCBI   | United Community Banks, Inc.         | GA    | 8.4                | 9.7  |
| 5    | CFR    | Cullen/Frost Bankers, Inc.           | TX    | 15.8               | 9.3  |
| 6    | IBOC   | International Bancshares Corporation | TX    | 11.5               | 8.0  |
| 7    | FCNCA  | First Citizens BancShares, Inc.      | NC    | 17.3               | 7.7  |
| 8    | PRSP   | Prosperity Bancshares, Inc.          | TX    | 8.8                | 7.4  |
| 9    | TSFG   | South Financial Group, Inc.          | SC    | 12.6               | 7.4  |
| 10   | WFSL   | Washington Federal, Inc.             | WA    | 12.0               | 7.0  |
| 11   | TCBI   | Texas Capital Bancshares, Inc.       | TX    | 5.3                | 6.9  |
| 12   | GBCI   | Glacier Bancorp, Inc.                | MT    | 5.6                | 6.7  |
| 13   | SNV    | Synovus Financial Corp.              | GA    | 34.3               | 6.1  |
| 14   | CVBF   | CVB Financial Corp.                  | CA    | 6.4                | 5.8  |
| 15   | CBC    | Capitol Bancorp Ltd.                 | MI    | 5.7                | 5.7  |

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

Data Source: SNL Financial

## Market share opportunities *(excellent growth prospects)*

| <b>Markets <sup>(1)</sup></b> | <b>Market<br/>Deposits</b> | <b>United<br/>Deposits</b> | <b>Banks</b> | <b>Offices</b> | <b>Deposit<br/>Share</b> | <b>Rank <sup>(1)</sup></b> |
|-------------------------------|----------------------------|----------------------------|--------------|----------------|--------------------------|----------------------------|
| North Georgia                 | \$ 9.1                     | \$ 2.6                     | 11           | 24             | 29 %                     | 1                          |
| Atlanta MSA                   | 59.8                       | 2.1                        | 10           | 40             | 3                        | 8                          |
| Gainesville MSA               | 2.6                        | .3                         | 1            | 7              | 12                       | 4                          |
| Coastal Georgia               | 7.0                        | .4                         | 2            | 9              | 6                        | 6                          |
| Western North Carolina        | 7.1                        | 1.0                        | 1            | 20             | 14                       | 3                          |
| Eastern Tennessee             | 13.1                       | .4                         | 2            | 10             | 3                        | 7                          |
| <b>Total Markets</b>          | <b>\$98.7</b>              | <b>\$ 6.8</b>              | <b>27</b>    | <b>110</b>     |                          |                            |

**Note:** Dollars in billions

(1) FDIC deposit market share and rank as of June 30, 2008 for markets where United Community Banks takes deposits.

**Data Source:** SNL Financial and FDIC

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

**Legal lending limit** **\$174**

**House lending limit** **20**

**Top 25 relationships** **430**

▪ 7.8% of total loans

**Regional credit review**

▪ Standard underwriting

Note: Dollars in millions

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

| <b>Market</b>          | <b><u>2Q 09</u></b> | <b><u>1Q 09</u></b> | <b><u>4Q 08</u></b> | <b><u>3Q 08</u></b> | <b><u>2Q 08</u></b> |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Atlanta MSA            | \$ 1,605            | \$ 1,660            | \$ 1,706            | \$ 1,800            | \$ 1,934            |
| Gainesville MSA        | 413                 | 422                 | 420                 | 426                 | 422                 |
| North Georgia          | 1,978               | 2,014               | 2,040               | 2,066               | 2,065               |
| Western North Carolina | 794                 | 808                 | 810                 | 815                 | 819                 |
| Coastal Georgia        | 455                 | 460                 | 464                 | 458                 | 436                 |
| Eastern Tennessee      | <u>268</u>          | <u>269</u>          | <u>265</u>          | <u>265</u>          | <u>257</u>          |
| <b>Total loans</b>     | <b>\$ 5,513</b>     | <b>\$ 5,633</b>     | <b>\$ 5,705</b>     | <b>\$ 5,830</b>     | <b>\$ 5,933</b>     |

Note: Dollars in millions

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

| <b>Market</b>          | <b><u>2008</u></b> | <b><u>2007</u></b> | <b><u>2006</u></b> | <b><u>2005</u></b> | <b><u>2004</u></b> |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Atlanta MSA            | \$ 1,706           | \$ 2,002           | \$ 1,654           | \$ 1,207           | \$ 1,061           |
| Gainesville MSA        | 420                | 400                | 354                | 249                | --                 |
| North Georgia          | 2,040              | 2,060              | 2,033              | 1,790              | 1,627              |
| Western North Carolina | 810                | 806                | 773                | 668                | 633                |
| Coastal Georgia        | 464                | 415                | 358                | 306                | 274                |
| Eastern Tennessee      | <u>265</u>         | <u>246</u>         | <u>207</u>         | <u>178</u>         | <u>140</u>         |
| <b>Total loans</b>     | <b>\$ 5,705</b>    | <b>\$ 5,929</b>    | <b>\$ 5,379</b>    | <b>\$ 4,398</b>    | <b>\$ 3,735</b>    |

Note: Dollars in millions



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

| <b>Loans By Category</b> | <b><u>2Q 09</u></b> | <b><u>1Q 09</u></b> | <b><u>4Q 08</u></b> | <b><u>3Q 08</u></b> | <b><u>2Q 08</u></b> | <b>Year over<br/>Year<br/>Change</b> |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------------------|
|                          |                     |                     |                     |                     |                     | %                                    |
| Commercial (sec. by RE)  | \$1,797             | \$1,779             | \$1,627             | \$1,604             | \$1,584             | 13                                   |
| Commercial construction  | 379                 | 377                 | 500                 | 509                 | 522                 | (27)                                 |
| Commercial & Industrial  | <u>399</u>          | <u>387</u>          | <u>410</u>          | <u>425</u>          | <u>417</u>          | (4)                                  |
| <b>Total commercial</b>  | <b>2,575</b>        | <b>2,543</b>        | <b>2,537</b>        | <b>2,538</b>        | <b>2,523</b>        | <b>2</b>                             |
| Residential construction | 1,315               | 1,430               | 1,479               | 1,596               | 1,745               | (25)                                 |
| Residential mortgage     | 1,470               | 1,504               | 1,526               | 1,528               | 1,494               | (2)                                  |
| Consumer/installment     | <u>153</u>          | <u>156</u>          | <u>163</u>          | <u>168</u>          | <u>171</u>          | (11)                                 |
| <b>Total Loans</b>       | <b>\$5,513</b>      | <b>\$5,633</b>      | <b>\$5,705</b>      | <b>\$5,830</b>      | <b>\$5,933</b>      | <b>(7)</b>                           |

Note: Dollars in millions

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

| <i>Loans by market</i>   | <u>2008</u>    | <u>2007</u>    | <u>2006</u>    | <u>2005</u>    | <u>2004</u>    |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Commercial (sec. by RE)  | \$1,627        | \$1,476        | \$1,230        | \$1,055        | \$ 966         |
| Commercial construction  | 500            | 527            | 469            | 359            | 250            |
| Commercial & Industrial  | <u>410</u>     | <u>418</u>     | <u>296</u>     | <u>237</u>     | <u>212</u>     |
| <b>Total commercial</b>  | <b>2,537</b>   | <b>2,421</b>   | <b>1,995</b>   | <b>1,651</b>   | <b>1,428</b>   |
| 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     | <u>163</u>     | <u>177</u>     | <u>180</u>     | <u>161</u>     | <u>150</u>     |
| <b>Total Loans</b>       | <b>\$5,705</b> | <b>\$5,929</b> | <b>\$5,377</b> | <b>\$4,398</b> | <b>\$3,735</b> |

Note: Dollars in millions

## Residential construction – total company

|                               | <u>2Q 09</u>    | <u>1Q 09</u>    | <u>4Q 08</u>    | <u>3Q 08</u>    | <u>2Q 08</u>    |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Land Loans</b>             |                 |                 |                 |                 |                 |
| Developing Land               | \$ 413          | \$ 445          | \$ 484          | \$ 516          | \$ 569          |
| Raw Land                      | 159             | 155             | 153             | 142             | 139             |
| Lot Loans                     | <u>369</u>      | <u>390</u>      | <u>358</u>      | <u>385</u>      | <u>401</u>      |
| <b>Total</b>                  | <b>\$ 941</b>   | <b>\$ 990</b>   | <b>\$ 995</b>   | <b>\$ 1,043</b> | <b>\$ 1,109</b> |
| <b>Construction Loans</b>     |                 |                 |                 |                 |                 |
| Spec                          | \$ 268          | \$ 317          | \$ 347          | \$ 393          | \$ 450          |
| Sold                          | <u>106</u>      | <u>123</u>      | <u>137</u>      | <u>160</u>      | <u>186</u>      |
| <b>Total</b>                  | <b>\$ 374</b>   | <b>\$ 440</b>   | <b>\$ 484</b>   | <b>\$ 553</b>   | <b>\$ 636</b>   |
| <b>Total Res Construction</b> | <b>\$ 1,315</b> | <b>\$ 1,430</b> | <b>\$ 1,479</b> | <b>\$ 1,596</b> | <b>\$ 1,745</b> |

Note: Dollars in millions

## Residential construction – Atlanta MSA

|                                  | <u>2Q 09</u>  | <u>1Q 09</u>  | <u>4Q 08</u>  | <u>3Q 08</u>  | <u>2Q 08</u>  |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b><i>Land Loans</i></b>         |               |               |               |               |               |
| Developing Land                  | \$ 124        | \$ 148        | \$ 167        | \$ 185        | \$ 232        |
| Raw Land                         | 63            | 52            | 56            | 47            | 50            |
| Lot Loans                        | 81            | 98            | 86            | 103           | 117           |
| <b><i>Total</i></b>              | <b>\$ 268</b> | <b>\$ 298</b> | <b>\$ 309</b> | <b>\$ 335</b> | <b>\$ 399</b> |
| <b><i>Construction Loans</i></b> |               |               |               |               |               |
| Spec                             | \$ 127        | \$ 164        | \$ 189        | \$ 227        | \$ 271        |
| Sold                             | 29            | 33            | 40            | 49            | 58            |
| <b><i>Total</i></b>              | <b>\$ 156</b> | <b>\$ 197</b> | <b>\$ 229</b> | <b>\$ 276</b> | <b>\$ 329</b> |
| <b>Total Res Construction</b>    | <b>\$ 424</b> | <b>\$ 495</b> | <b>\$ 538</b> | <b>\$ 611</b> | <b>\$ 728</b> |

Note: Dollars in millions

## Liquidity – wholesale borrowings

|                        | Unused Capacity | Versus 2Q 09    |                 |                 |               |               |
|------------------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|
|                        |                 | 2Q 09           | 4Q 08           | 2Q 08           | 4Q 08         | 2Q 08         |
| Brokered Deposits      | \$ 1,337        | \$ 763          | \$ 793          | \$ 531          | \$(30)        | \$ 232        |
| FHLB                   | 1,101           | 283             | 235             | 286             | 48            | (3)           |
| Fed Funds              | 150             | --              | 8               | 184             | (8)           | (184)         |
| Other Wholesale        | 377             | 252             | 100             | 105             | 152           | 147           |
| <b>Total Wholesale</b> | <b>\$ 2,965</b> | <b>\$ 1,298</b> | <b>\$ 1,136</b> | <b>\$ 1,106</b> | <b>\$ 162</b> | <b>\$ 192</b> |

|                             |               |               |               |              |              |
|-----------------------------|---------------|---------------|---------------|--------------|--------------|
| Sub-Debt                    | \$ 96         | \$ 97         | \$ 67         | \$(1)        | \$ 29        |
| Trust Preferred Securities  | 54            | 54            | 41            | --           | 13           |
| <b>Total Long-Term Debt</b> | <b>\$ 150</b> | <b>\$ 151</b> | <b>\$ 108</b> | <b>\$(1)</b> | <b>\$ 42</b> |

Note: Dollars in millions

## Liquidity – loans / deposits

|  | 2Q 09           | 4Q 08           | 2Q 08           | Versus 2Q 09   |               |
|--|-----------------|-----------------|-----------------|----------------|---------------|
|  |                 |                 |                 | 4Q 08          | 2Q 08         |
| <b>Loans</b>                           | \$ 5,513        | \$ 5,705        | \$ 5,933        | \$(192)        | \$(420)       |
| Core Transaction Accounts              | \$ 2,269        | \$ 2,087        | \$ 2,279        | \$ 182         | \$(10)        |
| Public Funds                           | 539             | 842             | 678             | (303)          | (139)         |
| CDs                                    | 3,278           | 3,281           | 3,204           | (3)            | \$ 74         |
| <b>Total Deposits (excl. brokered)</b> | <b>\$ 6,086</b> | <b>\$ 6,210</b> | <b>\$ 6,161</b> | <b>\$(124)</b> | <b>\$(75)</b> |
| <b>Loan / Deposit Ratio</b>            | <b>91 %</b>     | <b>92 %</b>     | <b>96 %</b>     |                |               |
| Investment Securities                  | \$ 1,817        | \$ 1,617        | \$ 1,431        | \$ 200         | \$ 386        |
| <b>Percent of Assets</b>               | <b>22 %</b>     | <b>19 %</b>     | <b>17 %</b>     |                |               |
| Commercial Paper                       | --              | \$ 369          | --              | \$(369)        | --            |

Note: Dollars in millions

## Non-GAAP reconciliation tables

|  | Operating Earnings to GAAP Earnings Reconciliation |                 |                 |                |
|--|--|-----------------|-----------------|----------------|
|  | 2Q 09  | 1Q 09           | 4Q 08           | 2Q 08          |
| <b>Core fee revenue reconciliation (\$ millions)</b>           |  |                 |                 |                |
| Core fee revenue   | \$ 13.7  | \$ 12.6         | \$ 12.6         | \$ 14.7        |
| Securities gains (losses), net                                 | (0.7)  | 0.3             | 0.8             | 0.4            |
| FHLB prepayment charge   | --   | --              | (2.7)           | --             |
| Gain on acquisition  | 11.4   | --              | --              | --             |
| Fee revenue  | <u>\$ 24.4</u>                                     | <u>\$ 12.9</u>  | <u>\$ 10.7</u>  | <u>\$ 15.1</u> |
| <b>Core operating expense reconciliation (\$ millions)</b>     |  |                 |                 |                |
| Core operating expense   | \$ 47.8  | \$ 48.3         | \$ 47.2         | \$ 46.9        |
| Foreclosed property expense                                    | 5.7  | 4.3             | 5.2             | 2.9            |
| FDIC special assessment  | 3.8  | --              | --              | --             |
| BOLI expense recovery  | (2.0)  | --              | --              | --             |
| Goodwill impairment charge                                     | --   | 70.0            | --              | --             |
| Severance costs  | --   | 2.9             | --              | --             |
| Operating expense  | <u>\$ 55.3</u>                                     | <u>\$ 125.5</u> | <u>\$ 52.4</u>  | <u>\$ 49.8</u> |
| <b>Diluted (loss) earnings per common share reconciliation</b> |  |                 |                 |                |
| Diluted operating (loss) earnings per common share             | \$(0.53)   | \$(0.71)        | \$(0.99)        | \$ 0.15        |
| Gain from acquisition  | 0.15   | --              | --              | --             |
| Noncash goodwill impairment charge                             | --   | (1.45)          | --              | --             |
| Severance costs  | --   | (0.04)          | --              | --             |
| Diluted (loss) earnings per common share (GAAP)                | <u>\$(0.38)</u>                                    | <u>\$(2.20)</u> | <u>\$(0.99)</u> | <u>\$ 0.15</u> |

## Non-GAAP reconciliation tables

|  | Operating Earnings to GAAP Earnings Reconciliation |               |               |               |
|--|--|---------------|---------------|---------------|
|  | 2Q 09  | 1Q 09         | 4Q 08         | 2Q 08         |
| <b><i>Net interest margin - pre credit reconciliation</i></b>                              |  |               |               |               |
| Net interest margin - pre credit   | 3.84 %   | 3.56 %        | 3.14 %        | 3.56 %        |
| Effect of interest reversals and carry costs<br>of nonperforming assets                    | (0.56)   | (0.48)        | (0.44)        | (0.24)        |
| Net interest margin  | <u>3.28 %</u>                                      | <u>3.08 %</u> | <u>2.70 %</u> | <u>3.32 %</u> |
| <b><i>Tangible common equity and tangible equity to tangible assets reconciliation</i></b> |  |               |               |               |
| Tangible common equity to tangible assets  | 5.33 %   |               |               |               |
| Effect of preferred equity   | 2.13   |               |               |               |
| Tangible equity to tangible assets   | <u>7.46</u>  |               |               |               |
| Effect of goodwill and other intangibles   | 2.72   |               |               |               |
| Equity to assets (GAAP)  | <u>10.18 %</u>                                     |               |               |               |
| <b><i>Tangible common equity to risk-weighted assets reconciliation</i></b>                |  |               |               |               |
| Tangible common equity to risk-weighted assets   | 7.48 %   |               |               |               |
| Effect of other comprehensive income   | (0.72)   |               |               |               |
| Effect of trust preferred  | 0.89   |               |               |               |
| Effect of deferred tax asset limitation  | (0.21)   |               |               |               |
| Effect of preferred equity   | <u>3.00</u>  |               |               |               |
| Tier I capital ratio (Regulatory)  | <u>10.44 %</u>                                     |               |               |               |