

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):

February 26, 2003

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)

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[EX-99.1 INVESTOR PRESENTATION](#)

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Items 1-4. Not Applicable

Item 5. Not Applicable

Item 6. Not Applicable

Item 7. Exhibits.

99.1 Slide Package prepared for use by Jimmy C. Tallent, President and Chief Executive Officer and Rex S. Schuette, Executive Vice President and Chief Financial Officer of United Community Banks, Inc. for analyst presentations.

Item 8. Not Applicable

Item 9. Regulation FD Disclosure.

Investor presentation to be presented by Jimmy C. Tallent, President and Chief Executive Officer and Rex S. Schuette, Executive Vice President and Chief Financial Officer of United Community Banks, Inc. is furnished under Regulation FD. The slides are included herein as Exhibit 99.1.

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.

February 26, 2003

/s/ Rex S. Schuette

Rex S. Schuette
Executive Vice President and
Chief Accounting Officer



United Community Banks, Inc.

Investor Presentation

February 2003

United Community Banks, Inc.
Jimmy Tallent, President and Chief Executive Officer

For further information please contact:
Rex Schuette, Chief Financial Officer
Office: (706) 781-2265, Fax: (706) 745-9046
Email: rex_schuette@ucbi.com

Safe Harbor 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 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 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.

United Community Banks, Inc.

- **Who We Are**
- **Our Performance Record**
- **Our Strategies for Success**
- **Why Invest in United Community Banks**

United at a Glance

- **3rd largest Georgia bank holding company**
- **\$3.2 billion in assets**
- **Nasdaq symbol UCBI—6 analysts**
- **Market capitalization \$510 million**
- **Unique footprint**
- **History of growth and profitability**
- **Management team depth**

Community-Focused Model

- **Seventeen community banks**
- **Local bank presidents and boards**
- **High quality, personal customer service**
- **Best place to bank and work**
- **Family of 1100 employees**

Experienced Management Team

| | |
|--------------------------------------------------------------------|-------------|
| Jimmy Tallent, President and CEO | 1984 |
| Harold Brewer, COO <i>(Brintech, Inc.)</i> | 2000 |
| Rex Schuette, CFO <i>(State Street Corp.)</i> | 2001 |
| Guy Freeman, Banking | 1994 |
| Tom Gilliland, General Counsel and Secretary | 1992 |
| Jim Campbell, Retail Banking <i>(Trans Financial, Inc.)</i> | 1999 |
| Ray Williams, Risk Management <i>(Bank South Corp.)</i> | 2002 |
| Craig Metz, Marketing <i>(Bank South Corp.)</i> | 2002 |

Meeting Our Customers' Needs

- **Core community banking**
- **Simple block-and-tackle approach**
- **Real estate lending to home buyers and small businesses**
- **Customer service**
- **Product line, convenience, and technology**



U **Unique**
UNITED **Footprint**

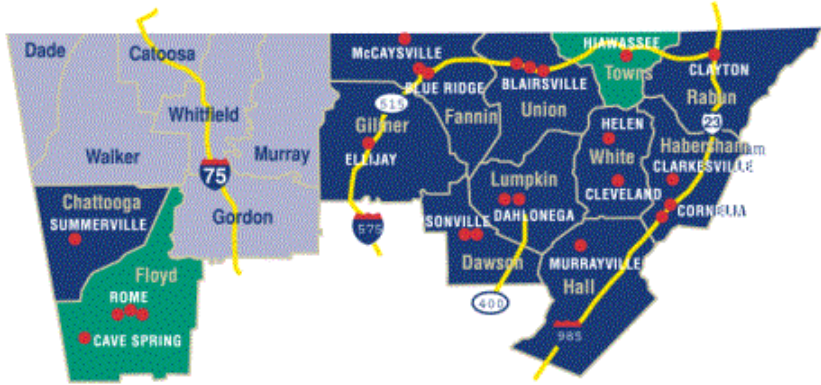


A Leader in Our Traditional Markets

| <u>Market*</u> | <u>Offices</u> | <u>Counties</u> | <u>Share</u> | <u>Rank</u> |
|------------------------|----------------|-----------------|--------------|-------------|
| North Georgia | 24 | 12 | 23% | 1 |
| Western North Carolina | 14 | 9 | 14 | 3 |
| Metro Atlanta | 15 | 10 | 2 | 10 |

** Includes markets where UCBI has offices; deposit data as of 6/02*

North Georgia



Western North Carolina



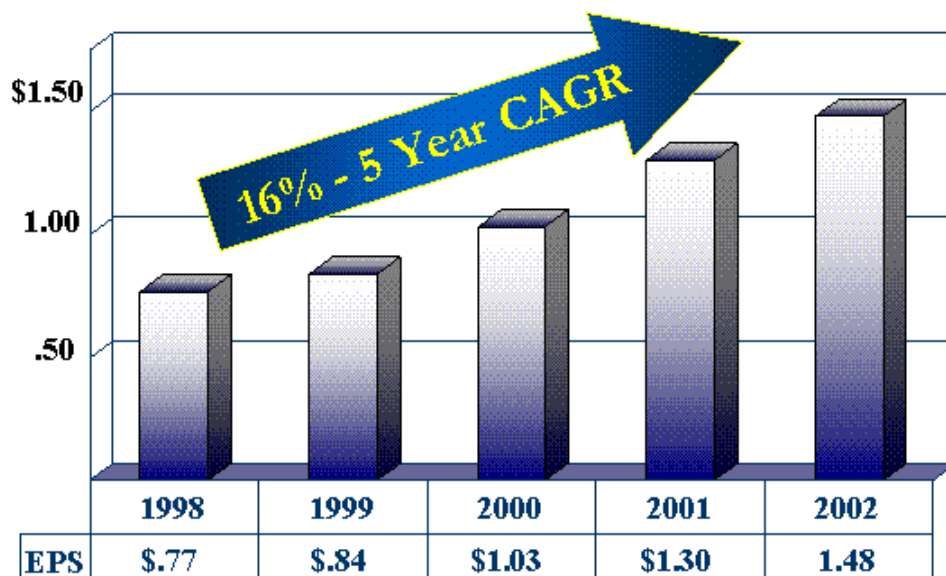
Metro Atlanta



Five-Year CAGR

| | |
|---------------|-----|
| Assets | 18% |
| Loans | 19 |
| Deposits | 15 |
| Total Revenue | 18 |

Sustainable Double-Digit EPS Growth



(Excludes merger-related charges)

Continuing Growth – Year 2002

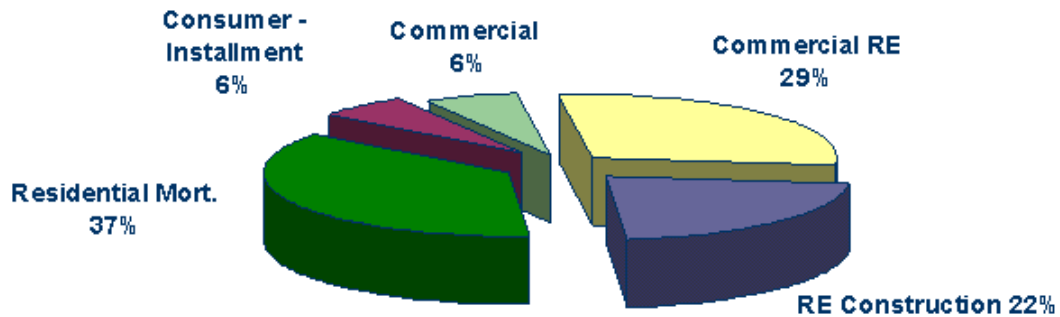
| | <u>2002</u> | <u>vs. 2001</u> |
|--------------------------|-------------|-----------------|
| Loans, as of Year End | \$2,381.8 | 19% |
| Total Revenue | \$143.4 | 12 |
| Total Operating Expenses | 91.1 | 9 |
| Net Income | 32.8 | 16 |
| Diluted EPS | 1.48 | 14 |

(\$ in millions, except per share data)

Continuing Strong Profitability in 2002

| | <u>2002</u> | <u>2001</u> |
|---------------------|-------------|-------------|
| ROE | 16.54% | 16.73% |
| ROA | 1.11 | 1.10 |
| Net Interest Margin | 4.33 | 4.51 |
| Efficiency Ratio | 60.66 | 62.52 |
| NPAs/Assets | .25 | .35 |

Loan Mix (December 2002 – Products)

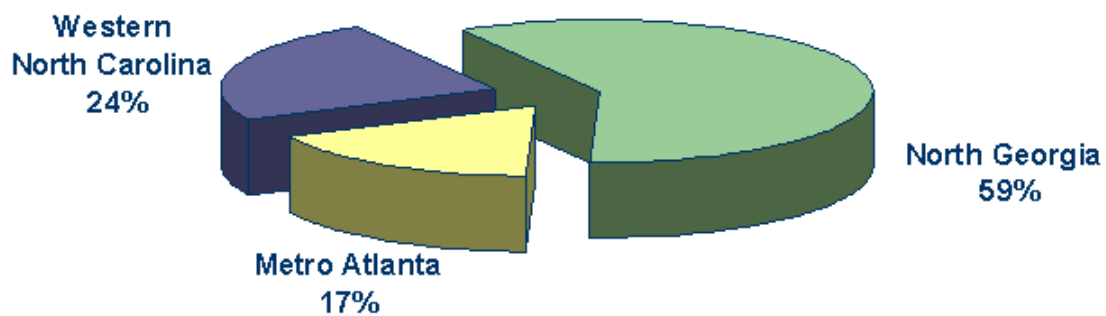


Loans (\$ in millions)

(88% secured by real estate)

| | 1999 | | 2000 | | 2001 | | 2002 | |
|------------------------|--------|------|--------|------|--------|-----|--------|-----|
| Commercial | \$ 151 | 10 % | \$ 177 | 10 % | \$ 147 | 7 % | \$ 141 | 6 % |
| Commercial RE | 412 | 26 | 477 | 27 | 629 | 31 | 683 | 29 |
| RE Construction | 211 | 13 | 257 | 14 | 309 | 15 | 523 | 22 |
| Residential Mortgage | 623 | 40 | 718 | 40 | 778 | 39 | 900 | 37 |
| Consumer - Installment | 167 | 11 | 164 | 9 | 146 | 7 | 135 | 6 |

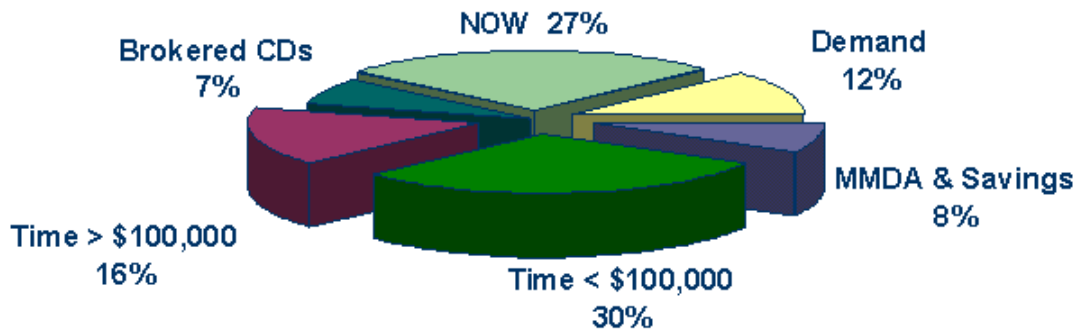
Strong Growth in Metro Atlanta



Lending Limits *(in millions)*

| | |
|-------------------------------------|-------|
| ▪ Legal lending limit | \$ 42 |
| ▪ House lending limit | 15 |
| ▪ Top 25 relationships | |
| ▪ Largest loan | 13 |
| ▪ Total balance (8% of total loans) | 195 |
| ▪ Regional credit review | |

Deposit Mix (December 2002 – Products)



Deposits (\$ in millions)

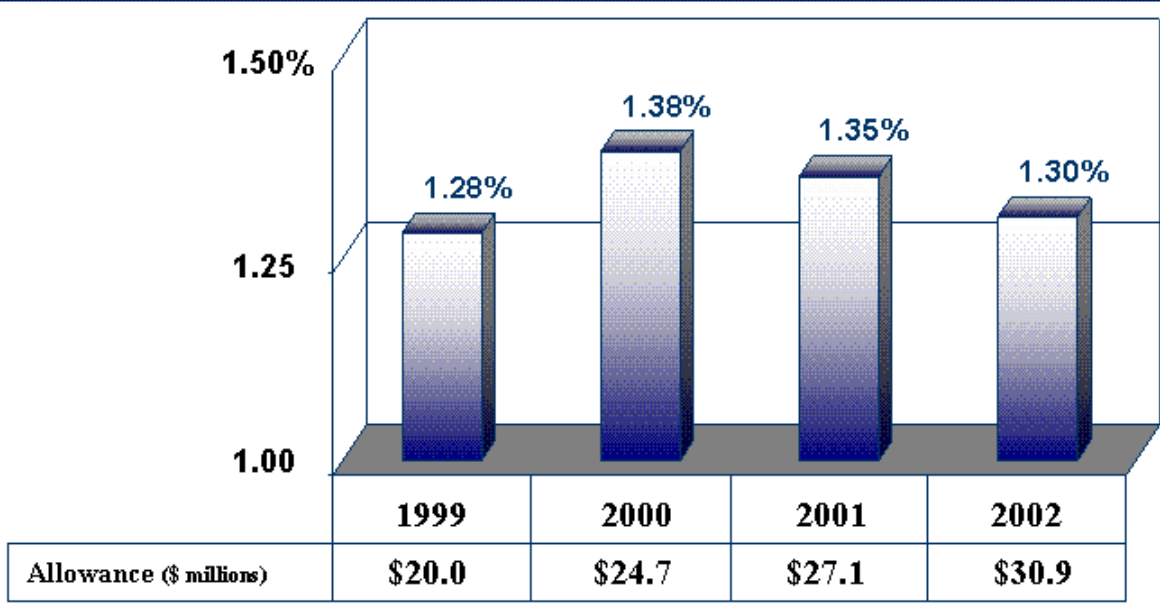
| | 1999 | | 2000 | | 2001 | | 2002 | |
|--------------------------|--------|------|--------|------|--------|------|--------|------|
| NOW | \$ 296 | 16 % | \$ 317 | 16 % | \$ 409 | 19 % | \$ 635 | 27 % |
| Demand | 227 | 12 | 257 | 13 | 279 | 13 | 298 | 12 |
| MMDA and Savings | 183 | 10 | 184 | 9 | 215 | 10 | 200 | 8 |
| Time < 100K | 832 | 45 | 866 | 43 | 772 | 36 | 719 | 30 |
| Time >100K | 259 | 14 | 319 | 16 | 371 | 18 | 370 | 16 |
| Brokered Deposits | 70 | 4 | 53 | 3 | 70 | 3 | 164 | 7 |

Strong Credit Quality

| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> |
|--------------------------------------------------------|--------------|--------------|--------------|--------------|
| Net Charge-Offs (<i>\$ millions</i>) | \$2.1 | \$3.0 | \$4.6 | \$3.1 |
| As a Percentage of Average Loans | .15% | .18% | .25% | .14% |
| -National Peer Average | .22% | .21% | .30% | .40%* |
| Non-Performing Assets (<i>\$ in millions</i>) | \$3.7 | \$6.7 | \$9.7 | \$8.0 |
| As Percent of Total Assets | .15% | .27% | .35% | .25% |
| -National Peer Average | .46% | .53% | .58% | .71%* |

** As of 9/30/02*

Allowance for Loan Losses



Commitment to Our Shareholders

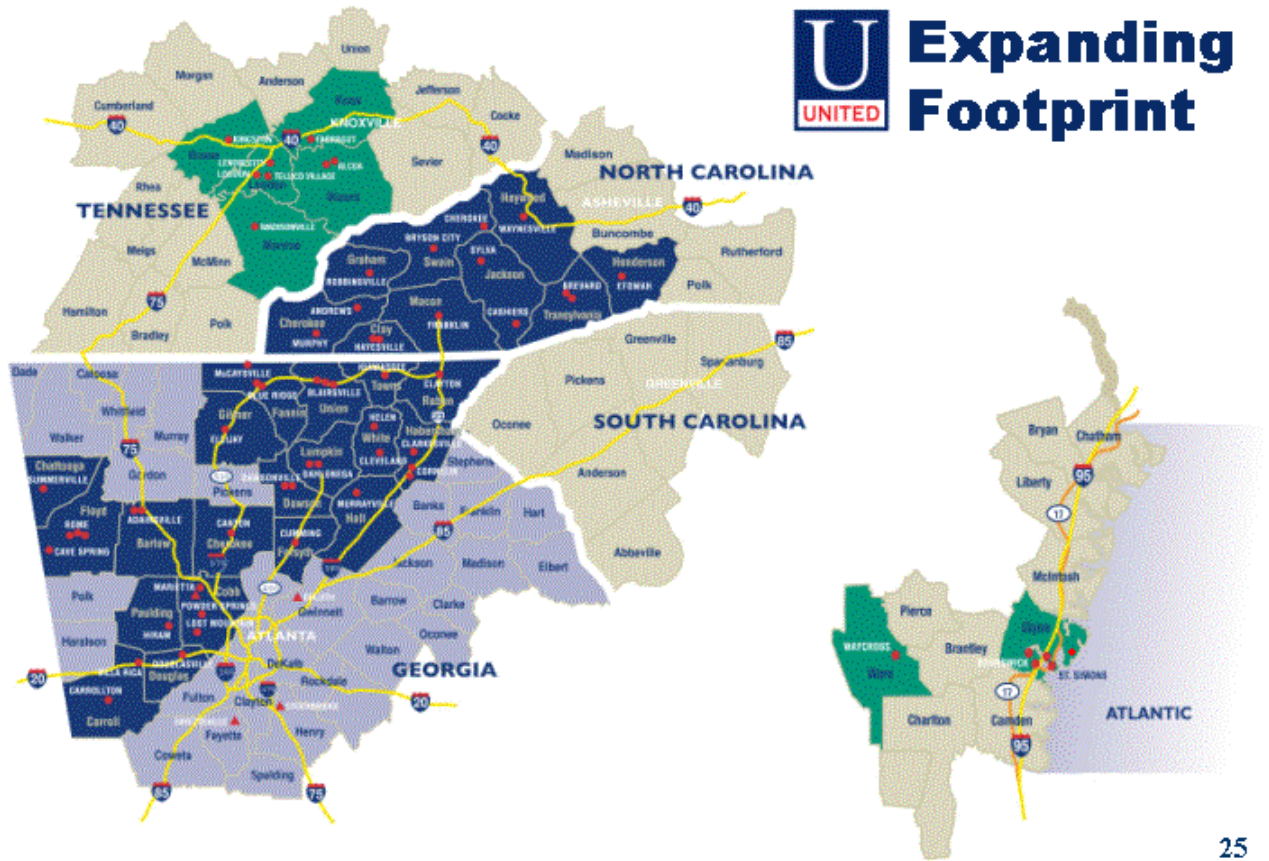
- **Sustainable double-digit EPS growth**
- **Return on equity of 16% to 18%**
- **Expand franchise and shareholder value**

Executing Our Balanced Plan

- **Organic growth**
- **De novo offices**
- **Selective mergers**
- **Continued expense management discipline**

➤ Our Strategies for Success – Growth Objectives

U
UNITED
**Expanding
Footprint**



First Central Bank – Lenoir City, TN

- **\$29.9 million transaction value – 70% stock, 30% cash**
- **2.30 times book value**
- **Close by the end of the 1st quarter 2003**
- **Slightly accretive to GAAP earnings per share in 2003**
- **12 years old - \$150 million in assets, \$135 million in deposits**
- **8 offices in attractive Tennessee markets including 5 in the high-growth Knoxville MSA; 75 FTE**
- **Complements our existing North Georgia and Western North Carolina markets**

Eastern Tennessee



First Georgia Bank – Brunswick, GA

- **\$42.6 million transaction value – 70% stock, 30% cash**
- **2.04 times book value**
- **Close during the 2nd quarter 2003**
- **Slightly accretive to GAAP earnings per share in 2003**
- **19 years old - \$260 million in assets, \$225 million in deposits**
- **6 banking offices serving Glynn County and the Golden Isles, as well as nearby Waycross, Ware County; 140 FTE**
- **Among the fastest growing and affluent markets on the Southeast coast**

Coastal Georgia



Growth from Early Partnerships

| <u>Affiliates</u> | <u>Date</u> | <u>Asset Size</u> | |
|--------------------|-------------|-------------------|--------------|
| | | <u>Acq.</u> | <u>12/02</u> |
| North Carolina | Mar-90 | \$ 55 | \$ 763 |
| N. GA – Blue Ridge | Feb-92 | 52 | 278 |
| Towns | Oct-92 | 20 | 128 |
| White | Aug-95 | 71 | 185 |
| Habersham | Sep-96 | 33 | 138 |
| Rabun | Sep-97 | 72 | 158 |
| N. GA – Gilmer | Jan-98 | 23 | 117 |

Staying Focused on Our Customers

- Extensive customer service survey and benchmark study in 4th quarter 2002
- Key indicators of customer satisfaction and loyalty
- High marks - overall 9.45 out of a possible 10.00
- 95 percent of respondents had already or would likely recommend United to others
- Bottom line – we are on the right track
- Continue to work harder

Well-Positioned for Growth

- **Early 2002 – strengthened key staff and infrastructure**
- **Building customer relationships**
- **Low incremental investment to achieve the next level of growth**
- **A \$3 billion company with the resources of a much larger organization**

EPS Estimates – Analyst Consensus

| Quarter / Year | Consensus EPS | High | Low | # of Estimates |
|----------------|---------------|--------|--------|----------------|
| Q1-03 | \$.39 | \$.40 | \$.38 | 5 |
| Q2-03 | .40 | .41 | .40 | 5 |
| 2003 | 1.66 | 1.68 | 1.65 | 6 |

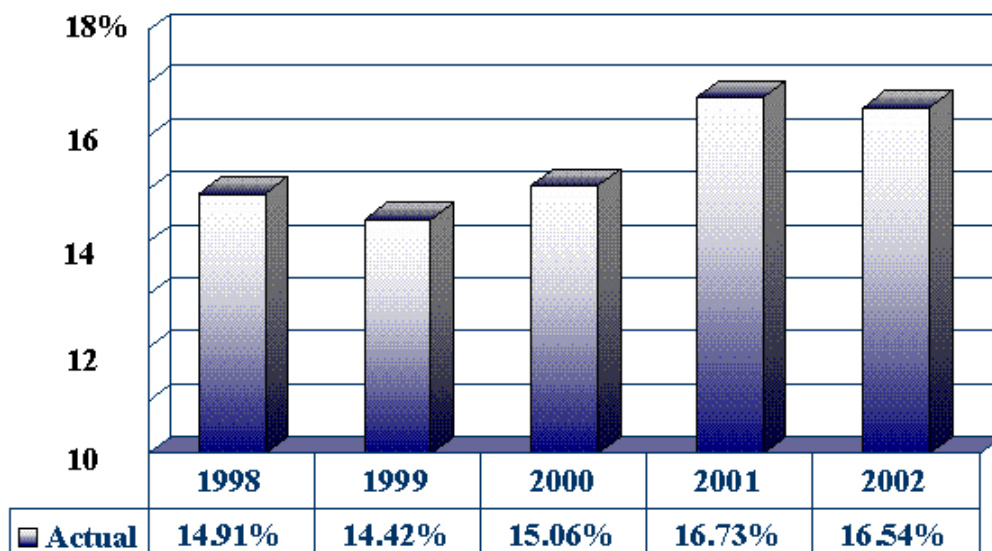
United's guidance:

- Net interest margin in low 4% range
- Loan growth of 10% to 14%
- EPS growth of 12% to 15%

Attractive Investment

- **Unique and expanding footprint in economically vibrant regions**
- **Experienced management team with deep knowledge of their markets**
- **Strong historical financial performance**
- **Excellent prospects for growth and financial performance**

High Return On Common Equity



(Excludes merger-related charges and FAS 115)

Growth from Recent Partnerships

| <u>Affiliates</u> | <u>Date</u> | <u>Asset Size</u> | |
|-------------------|-------------|-------------------|--------------|
| | | <u>Acq.</u> | <u>12/02</u> |
| West GA | Nov-01 | \$ 85 | \$ 145 |
| Metro | Jul-00 | 153 | 225 |
| Dawson | Jul-00 | 119 | 129 |
| Rome | Aug-99 | 108 | 194 |
| Adairsville | Mar-99 | 38 | 57 |

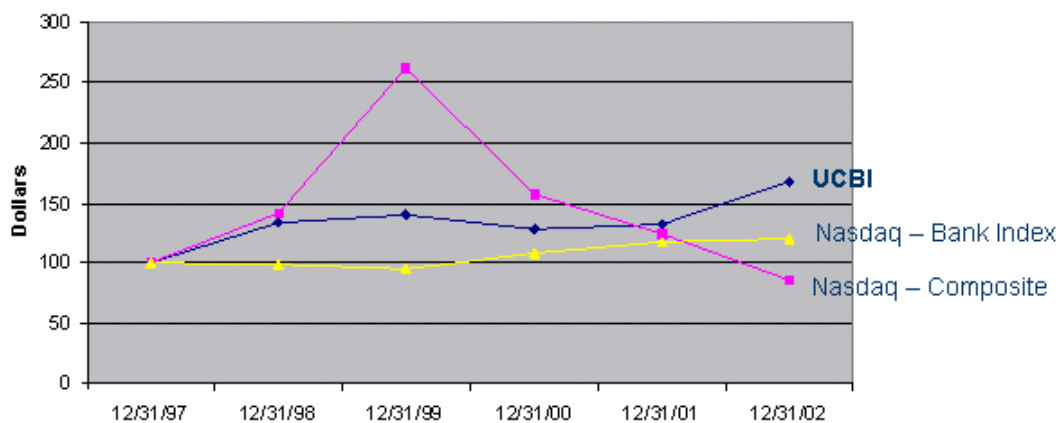
Shareholder Information

| | |
|------------------------------------------------------------|-----------------|
| Share Price <i>(As of 2/21/03)</i> | \$ 24.00 |
| 2002 Trading Range <i>(52-week range)</i> | 20 – 30 |
| Book Value Per Share <i>(As of 12/31/02)</i> | 10.34 |
| Annual Dividend <i>(Payout ratio of 18% - 2003)</i> | .30 |
| Market Capitalization <i>(\$ million)</i> | 510 |
| Shares Outstanding <i>(As of 12/31/02- million)</i> | 21.3 |
| Average Daily Volume <i>(Since 3/18/02)</i> | 34,000 |
| Stock Purchases <i>(1.5 million authorized)</i> | 621,800 |
| Shareholder Accounts | 7,000 |
| Insider Ownership | 33% |

Analyst Coverage and Market Makers

- **McConnell, Budd & Romano**
(Outperform, 2/14/03)
- **Keefe, Bruyette & Woods**
(Outperform, 1/29/03)
- **Stephens, Inc**
(Overweight, 1/28/03)
- **Sandler O'Neill & Partners, LP**
(Maintain, 1/28/03)
- **SunTrust Robinson-Humphrey**
(Equal Weight, 1/28/03)
- **FTN Financial Securities Corp.**
(Neutral, 10/31/02)
- Deutsche Banc Alex Brown
- FTN Financial Securities Corp.
- Goldman, Sachs & Co.
- Herzog, Heine, Guduld
- Hill, Thompson, Magid & Co.
- Keefe, Bruyette & Woods, Inc.
- Knight Securities
- McConnell, Budd & Downes
- Merrill Lynch
- Morgan Keegan & Company
- NDB Capital Markets
- Ryan Beck & Co., Inc
- Sandler O'Neill & Partners, LP
- Spear, Leeds & Kellogg
- Stephens, Inc.
- SunTrust Robinson Humphrey Co.
- Trident Securities

Returning Value to Our Shareholders



| Index | Period Ending | | | | | | CAGR |
|---------------------|---------------|----------|----------|----------|----------|----------|------|
| | 12/31/97 | 12/31/98 | 12/31/99 | 12/31/00 | 12/31/01 | 12/31/02 | |
| UCBI | 100 | 134 | 140 | 128 | 133 | 168 | 11% |
| Nasdaq - Composite | 100 | 141 | 261 | 157 | 125 | 86 | -3% |
| Nasdaq - Bank Index | 100 | 99 | 96 | 109 | 118 | 121 | 4% |