



Third Quarter 2014 Investor Presentation

# Cautionary Statement

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This investor presentation may contain forward-looking statements, as defined by federal securities laws, including statements about United's financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United Community Banks, Inc.'s filings with the Securities and Exchange Commission, including its 2013 Annual Report on Form 10-K and its most recent quarterly report on Form 10-Q under the sections entitled "Forward-Looking Statements". Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

## Non-GAAP Measures

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This presentation also contains financial measures determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). Such non-GAAP financial measures include the following: core fee revenue, core operating expense, core earnings, tangible common equity to tangible assets, tangible equity to tangible assets and tangible common equity to risk-weighted assets. The most comparable GAAP measures to these measures are: fee revenue, operating expense, net income (loss), and equity to assets.

Management uses these non-GAAP financial measures because we believe they are useful for evaluating our operations and performance over periods of time, as well as in managing and evaluating our business and in discussions about our operations and performance. Management believes these non-GAAP financial measures provide users of our financial information with a meaningful measure for assessing our financial results and credit trends, as well as for comparison to financial results for prior periods. These non-GAAP financial measures should not be considered as a substitute for financial measures determined in accordance with GAAP and may not be comparable to other similarly titled financial measures used by other companies. For a reconciliation of the differences between our non-GAAP financial measures and the most comparable GAAP measures, please refer to the 'Non-GAAP Reconciliation Tables' at the end of the Appendix to this presentation.

# Highlights Third Quarter 2014

IMPROVING QUARTERLY RESULTS			
\$ in millions			
	3Q14	2Q14	3Q13
Net Income	\$17.6	\$16.4	\$15.5
EPS	\$.29	\$.27	\$.21
ROA	.95%	.88%	.86%
ROCE	9.41%	8.99%	7.38%

## ➔ Net Interest Revenue of \$57.0 Million vs. \$55.0 Million in 2Q13 and \$54.3 Million in 3Q13

- Loan growth of \$159 million in 3Q14, up \$302 million from 3Q13
- Focus on specialized lending and commercial
- Margin of 3.32% vs. 3.21% in 2Q14 and 3.26% in 3Q13
  - Balance sheet restructured late 2Q14
  - Loan yield of 4.45%, up 1 bps from 2Q14; and, investment securities yield of 2.23%, up 12 bps from 2Q14
  - Core deposit growth of \$90 million in 3Q14

## ➔ Core Fee Revenue of \$14.4 Million

- Up \$.5 million compared to 2Q14
- Gain on sales of SBA loans of \$.95 million vs. \$.74 million in 2Q14
- Mortgage revenue of \$2.2 million, up \$.4 million from 2Q14

## ➔ Operating Efficiency Strengthens

- Efficiency ratio of 57.96%; vs. 58.65% last quarter
- Continued focus on reducing costs and growing revenue

# Highlights Third Quarter 2014

## ➡ **Solid Improvement in Credit Quality**

- Provision of \$2.0 million vs. \$3.0 million 3Q13
- Net charge-offs decline to .28% of total loans vs. .42% in 3Q13
- NPAs declined to .29% of total assets vs. .32% in 2Q14 and .42% in 3Q13
- Allowance 1.57% of total loans vs. 1.66% at 2Q14 and 1.88% at 3Q13
- Classified ratio of 24%, up from 23% at 2Q14

## ➡ **Balance Sheet**

- Loan growth this quarter of \$159 million, or 14% annualized
- C&I up \$96 million
- CRE up \$27 million
- Indirect Auto up \$27 million

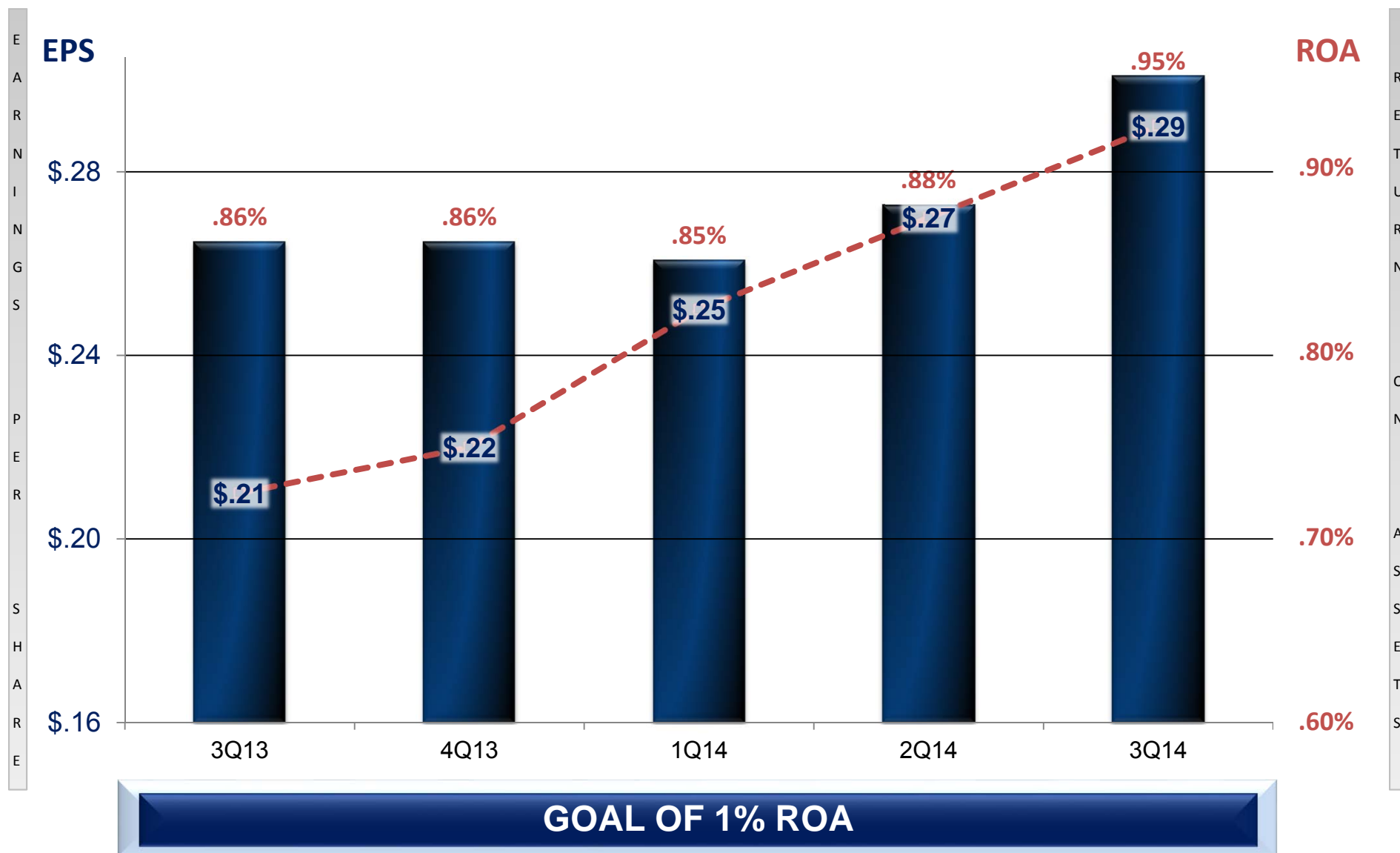
## ➡ **Solid Capital Ratios – Increased Dividend to Shareholders**

- Approved quarterly dividend of 5 cents (up 2 cents)
- Tier I Common to Risk Weighted Assets of 11.0%; Tangible Common to RWAs of 14.1%
- Tier 1 Risk Based Capital of 12.1% and Tier I Leverage of 8.7%

## ➡ **Continued Strong Core Transaction Deposit Growth**

- Up \$90 million in the third quarter or 10% annualized
- Up \$299 million from year ago or 9%
- Represents 66% of total customer deposits

# Earnings Per Share / Return on Assets



# 2014 Goals

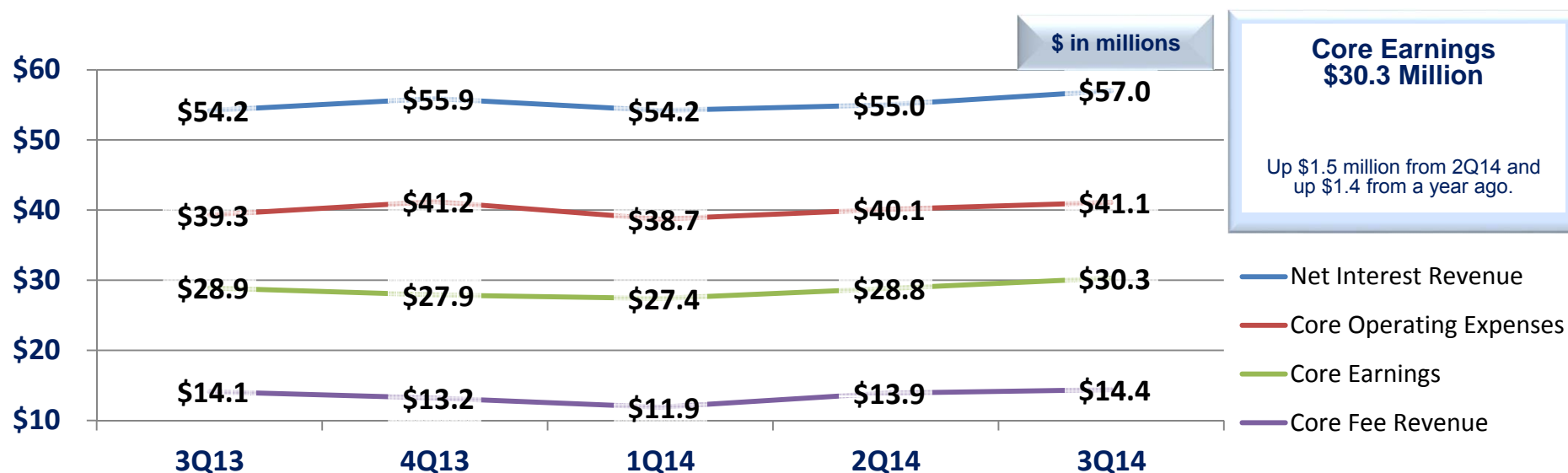
## LEVERAGE OUR STRENGTHS

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

## HOW?

- **Continue to invest in and improve commercial and retail capabilities**
  - Diversify portfolio – focus on: C&I; owner occupied; specialized lending for healthcare, corporate, asset-based and SBA
  - Momentum building across footprint
  - Invest in people; strengthen commercial and grow specialized lending area and markets
  - Grow loans in mid-single digits
- **Improve retail and small business bank**
  - Grow sales with better / diversified product design, merchandising and campaign execution
  - Improve our technology with a focus on making it easy for our customers to bank with us
  - Increase core transaction deposits in the mid-single digits
- **Grow net interest revenue by improving pricing discipline on both loans and deposits**
- **Credit trends and costs continue at or below current levels**
- **Grow fee revenue by investing in mortgage, advisory services, and SBA capabilities**
- **Maintain operating efficiency below 60 percent while investing in revenue producers**
- **Seek acquisition opportunities that fit our culture, risk and return targets**

# Core Earnings Trend and Core Fee Revenue



CORE EARNINGS				\$ in thousands	CORE FEE REVENUE			
	3Q14	Variance - Increase / (Decrease)			3Q14	Variance - Increase / (Decrease)		
		2Q14	3Q13			2Q14	3Q13	
Net Interest Revenue	\$ 56,967	\$ 2,017	\$ 2,710	Overdraft Fees	\$ 3,071	\$ 127	\$ (132)	
Fee Revenue	14,419	481	453	Interchange Fees	3,811	(165)	(141)	
Gross Revenue	71,386	2,498	3,163	Other Service Charges	1,320	(287)	19	
Operating Expense (Excl OREO)	41,097	966	1,772	Total Service Charges and Fees	8,202	(325)	(254)	
Pre-Tax, Pre-Credit (Core)	\$ 30,289	\$ 1,532	\$ 1,391	Mortgage Loan & Related Fees	2,178	301	(376)	
Net Interest Margin	3.32 %	.11 %	.06 %	Brokerage Fees	1,209	(36)	(65)	
				Gains from SBA Loan Sales	945	201	945	
				Other	1,885	340	203	
				Total Fee Revenue - Core	14,419	481	453	
				Non-Core <sup>(1)</sup>	(7)	(212)	(266)	
				Reported - GAAP	\$ 14,412	\$ 269	\$ 187	

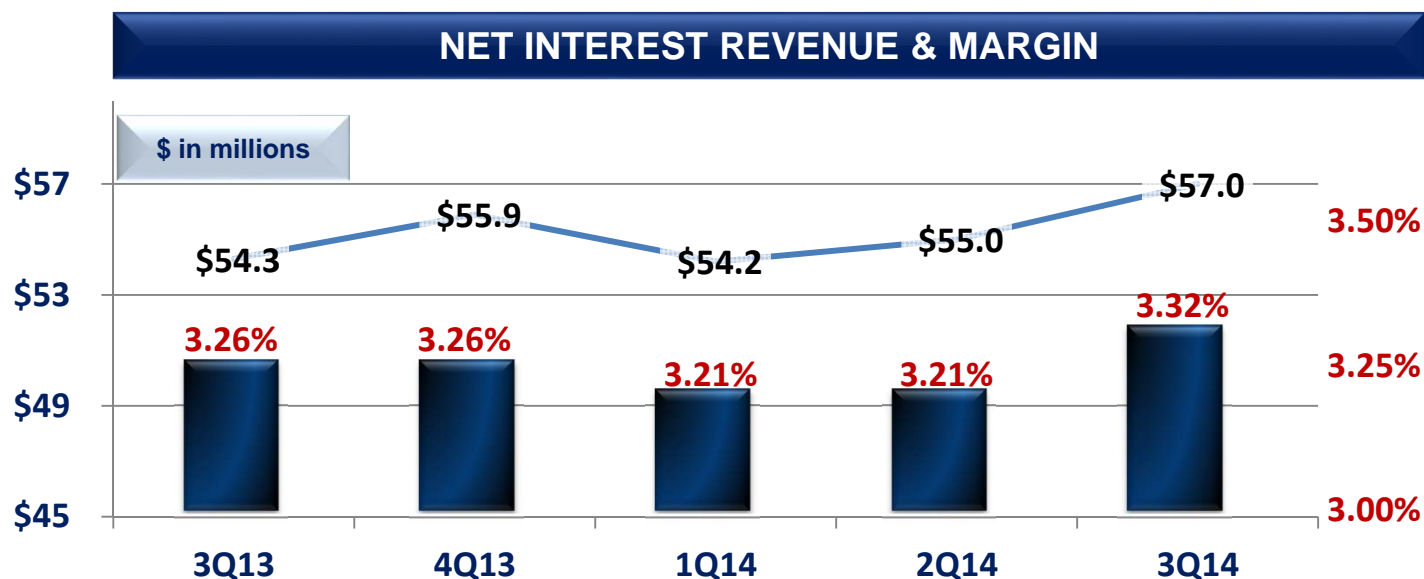
# Core Operating Expenses

\$ in thousands

	Variance - Increase / (Decrease)		
	3Q14	2Q14	3Q13
Salaries & Employee Benefits	\$ 25,684	\$ 1,696	\$ 3,172
Communications & Equipment	3,094	57	(211)
Occupancy	3,425	163	46
FDIC Assessment	1,131	(294)	(1,274)
Advertising & Public Relations	894	(245)	(68)
Postage, Printing & Supplies	876	72	232
Professional Fees	2,274	102	(376)
Other Expense	3,719	(585)	251
<b>Core Operating Expenses</b>	<b>41,097</b>	<b>966</b>	<b>1,772</b>
Non-Core <sup>(1)</sup>	267	(134)	(505)
<b>Reported GAAP</b>	<b>\$ 41,364</b>	<b>\$ 832</b>	<b>\$ 1,267</b>
	3Q14	2Q14	3Q13
<b>Efficiency Ratio</b>	<b>57.96 %</b>	<b>(.69) %</b>	<b>(.59) %</b>



# Key Drivers of Net Interest Revenue / Margin



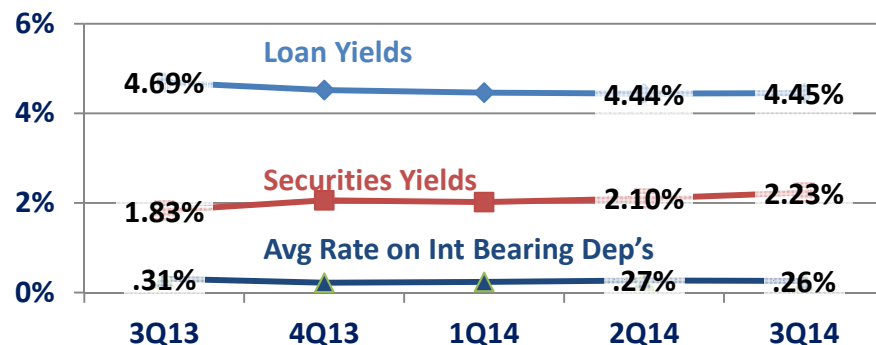
## Net Interest Revenue

3Q growth impacted by:

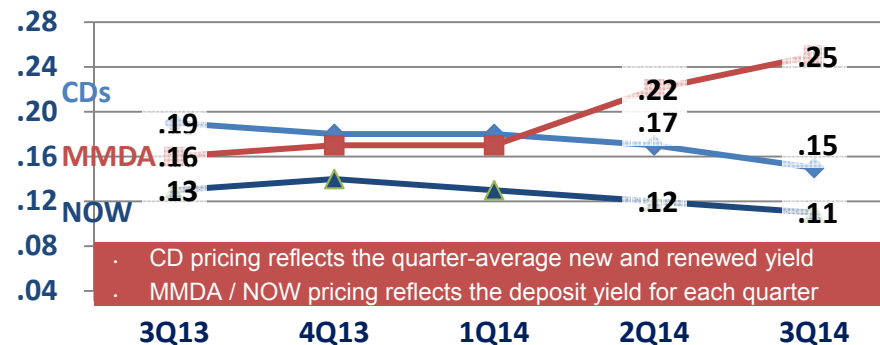
- ➔ Net loan growth
- ➔ Higher securities yield

## KEY DRIVERS OF NIR

### Loan / Securities Pricing



### Deposit Pricing (excl. brokered)



# Net Income

\$ in thousands

## Quarterly Net Income \$ in millions

3Q14 \$17.6

2Q14 \$16.4

1Q14 \$15.4

4Q13 15.9

3Q13 15.5

60.2M  
Shares  
Outstanding

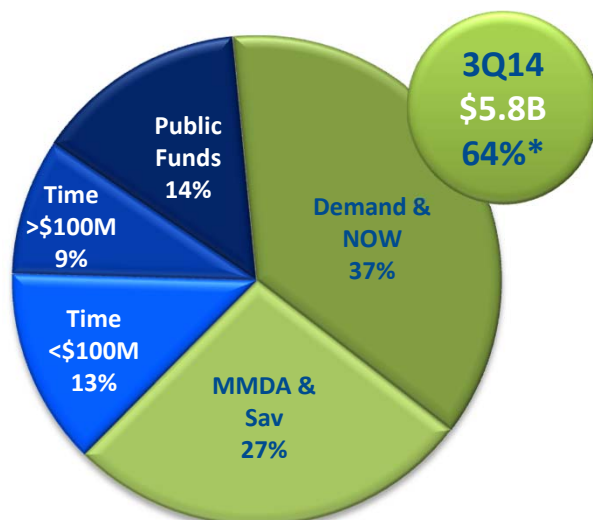
## NET OPERATING INCOME

		Variance - Increase / (Decrease)	
	3Q14	2Q14	3Q13
<b>Core Earnings (Pre-Tax, Pre-Credit)</b>	<b>\$ 30,289</b>	<b>\$ 1,532</b>	<b>\$ 1,391</b>
Provision for Loan Loss	2,000	(200)	(1,000)
<b>NON-CORE FEE REVENUE:</b>			
Securities Gains	11	(4,424)	11
Loss on Prepayment of Borrowings	-	4,446	-
Bank Owned Life Insurance Policy Gain	-	-	(86)
Deferred Compensation Plan Assets Gains (Losses)	(18)	(234)	(191)
<b>Total Non-Core Fee Revenue</b>	<b>(7)</b>	<b>(212)</b>	<b>(266)</b>
<b>NON-CORE OPERATING EXPENSES:</b>			
Foreclosed Property Write Downs	108	(197)	(221)
Foreclosed Property (Gains) Losses on Sales	(264)	159	384
Forclosed Property Maintenance Expenses	441	221	(72)
Severance Costs	-	(83)	(405)
Gains (Losses) on Deferred Comp Plan Liability	(18)	(234)	(191)
<b>Total Non-Core Operating Expenses</b>	<b>267</b>	<b>(134)</b>	<b>(505)</b>
Income Tax Expense	10,399	395	514
<b>Net Income</b>	<b>\$ 17,616</b>	<b>\$ 1,259</b>	<b>\$ 2,116</b>
Preferred Stock Dividends	-	-	3,059
<b>Net Income Available to Common Shareholders</b>	<b>\$ 17,616</b>	<b>\$ 1,259</b>	<b>\$ 5,175</b>
<b>Net Income Per Share</b>	<b>\$ .29</b>	<b>\$ .02</b>	<b>\$ .08</b>
<b>Tangible Book Value</b>	<b>\$ 12.10</b>	<b>\$ .19</b>	<b>\$ 1.15</b>
<b>Return on Assets</b>	<b>.95 %</b>	<b>.07 %</b>	<b>.09 %</b>
<b>Return on Common Equity</b>	<b>9.41</b>	<b>.42</b>	<b>2.03</b>

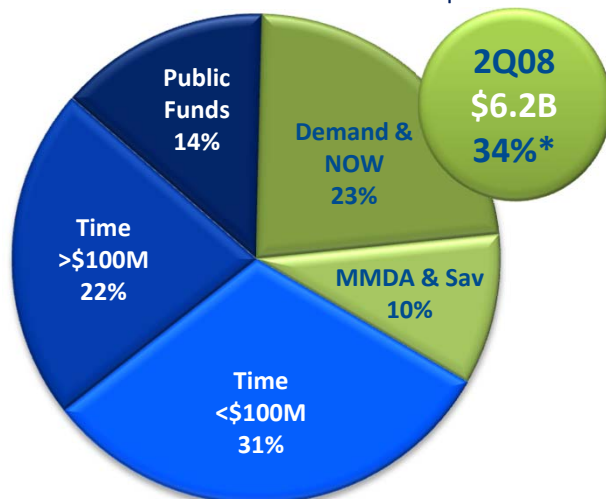
# Customer Deposit Mix & Core Growth

\$ in thousands

## Deposits by % / Customer Mix



\*% of core transaction customer deposits



## Total Deposit Mix

	3Q14	2Q14	3Q13	4Q08
Demand / NOW	\$ 2,159	\$ 2,106	\$ 1,979	\$ 1,457
MMDA / Savings	1,555	1,518	1,437	630
<b>Core Transaction</b>	<b>3,714</b>	<b>3,624</b>	<b>3,416</b>	<b>2,087</b>
Time < \$100,000	770	801	920	1,945
Public Deposits	820	760	734	755
<b>Total Core</b>	<b>5,304</b>	<b>5,185</b>	<b>5,070</b>	<b>4,787</b>
Time > \$100,000	500	521	593	1,336
Public Deposits	32	33	31	87
<b>Total Customer</b>	<b>5,836</b>	<b>5,739</b>	<b>5,694</b>	<b>6,210</b>
Brokered Deposits	405	425	419	793
<b>Total Deposits</b>	<b>\$ 6,241</b>	<b>\$ 6,164</b>	<b>\$ 6,113</b>	<b>\$ 7,003</b>

**Significant growth in core transaction deposits since 4Q08**

## Core Deposit Growth – Category & Market

CATEGORY	Growth		MARKET	Growth	
	3Q14	YTD		3Q14	YTD
Demand	\$ 40.6	\$ 176.5	Atlanta	\$ 25.4	\$ 106.1
MM Accounts	28.4	49.6	N. Georgia	36.4	87.0
Savings	8.7	36.8	North Carolina	23.6	43.5
NOW	12.5	14.1	Coastal Georgia	5.7	21.5
Total Categories	<u>\$ 90.2</u>	<u>\$ 277.0</u>	Tennessee	(1.4)	2.7
Growth (Annualized)	10 %		Gainesville	1.8	14.2
			South Carolina	(1.3)	2.0
				<u>\$ 90.2</u>	<u>\$ 277.0</u>

# Capital Ratios

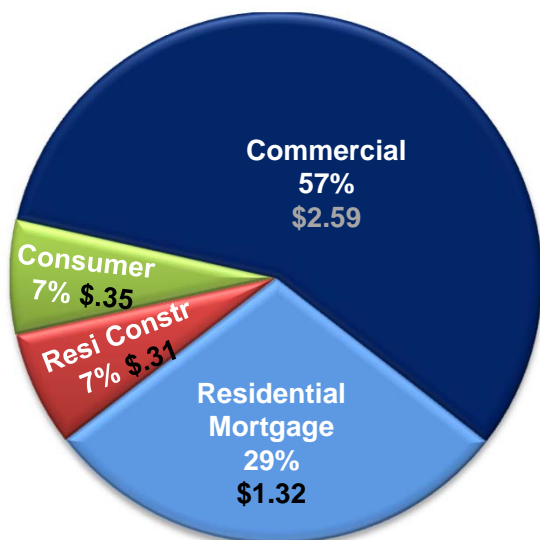
Holding Company	Well-Cap	3Q14	2Q14	1Q14	4Q13	3Q13
Tier I Risk Based Capital ("RBC")	6 %	12.1 %	11.8 %	11.1 %	12.7 %	14.2 %
Total RBC	10	13.3	13.0	12.4	14.0	15.5
Leverage	5	8.7	8.3	8.0	9.1	10.0
Tier 1 Common RBC		11.0	10.7	10.1	9.3	9.0
Tangible Common to Assets		9.8	9.6	9.2	9.0	9.0
Tangible Equity to Assets		9.8	9.6	9.5	11.6	11.8

Bank	Well-Cap	3Q14	2Q14	1Q14	4Q13	3Q13
Tier 1 RBC	6 %	12.6 %	13.4 %	12.6 %	13.5 %	14.5 %
Total RBC	10	13.8	14.6	13.9	14.8	15.7
Leverage	5	9.1	9.4	9.1	9.6	10.2

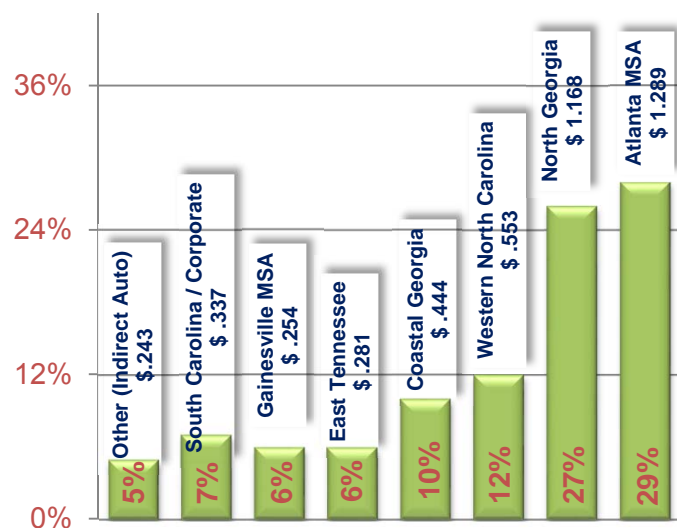
# Loan Portfolio *(total \$4.57 billion)*

\$ in billions

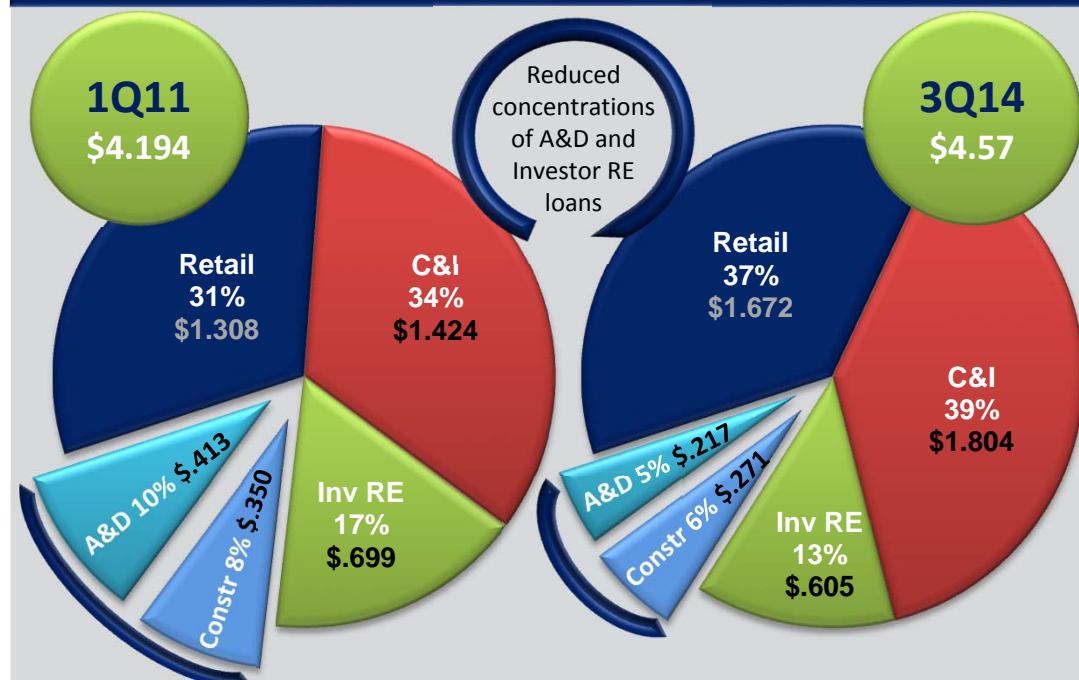
## By Loan Type



## Geographic Diversity



## Diversifying Portfolio



## Total Loans

Period	\$ in Billions
3Q14	\$4.57
2Q14	\$4.410
1Q14	\$4.356
4Q13	\$4.329
3Q13	\$4.267

## Loan Diversification & Type

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

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

\$ in millions

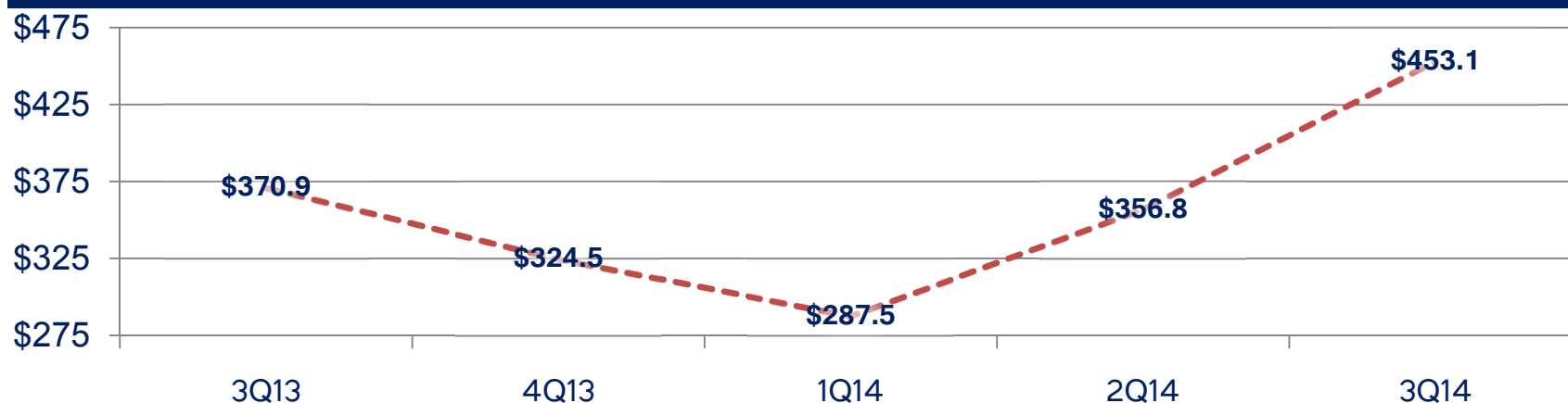
## CATEGORY

	3Q14	2Q14	3Q13
Commercial C & I	\$ 150.0	\$ 115.4	\$ 64.5
Owner Occupied CRE	48.1	65.6	58.2
Income Producing CRE	62.1	40.8	28.1
Commercial Constr.	3.9	2.7	4.9
Total Commercial	264.1	224.5	155.7
Residential Mortgage	31.6	19.2	49.8
Residential HELOC	43.5	32.9	55.4
Residential Construction	44.8	34.0	32.5
Consumer	69.1	46.2	77.5
<b>Total Categories</b>	<b>\$ 453.1</b>	<b>\$ 356.8</b>	<b>\$ 370.9</b>

## MARKET

	3Q14	2Q14	3Q13
Atlanta	\$ 96.7	\$ 91.0	\$ 116.6
Coastal Georgia	38.4	28.5	40.5
N. Georgia	61.5	69.0	71.5
North Carolina	25.9	21.0	38.4
Tennessee	27.0	16.7	18.9
Gainesville	10.9	10.1	18.6
South Carolina	141.4	88.3	13.5
Other (Indirect Auto)	51.3	32.2	52.9
<b>Total Markets</b>	<b>\$ 453.1</b>	<b>\$ 356.8</b>	<b>\$ 370.9</b>

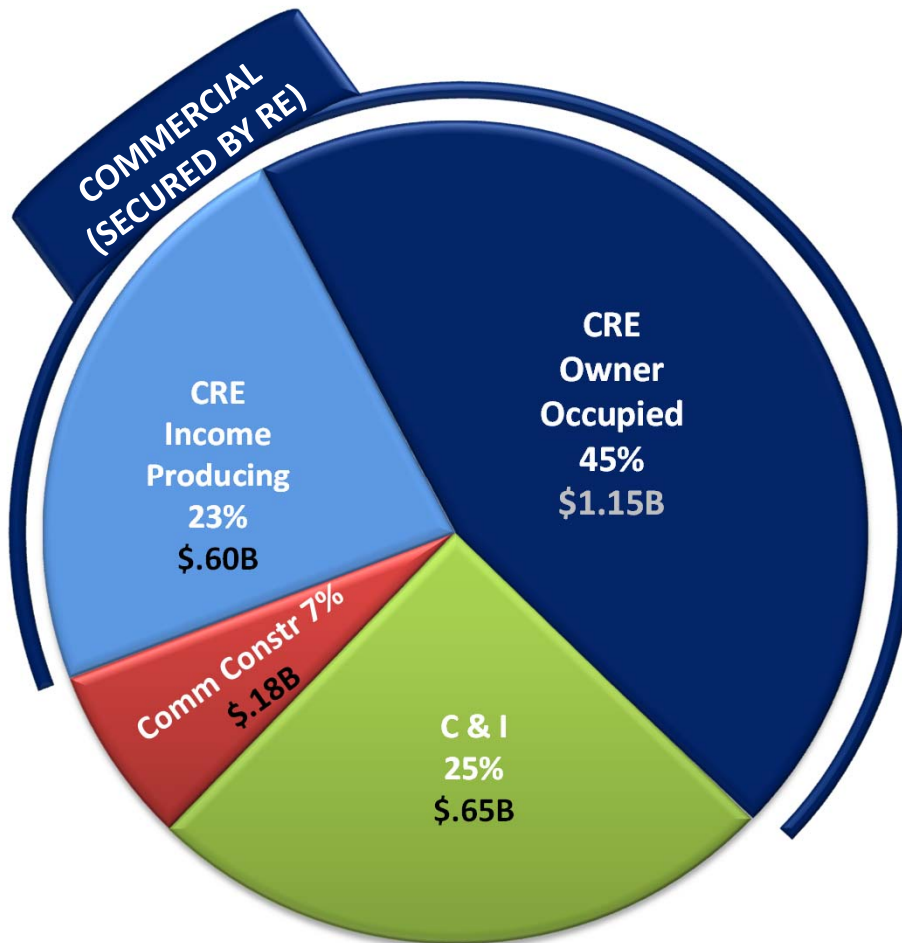
## New Loans Funded and Advances



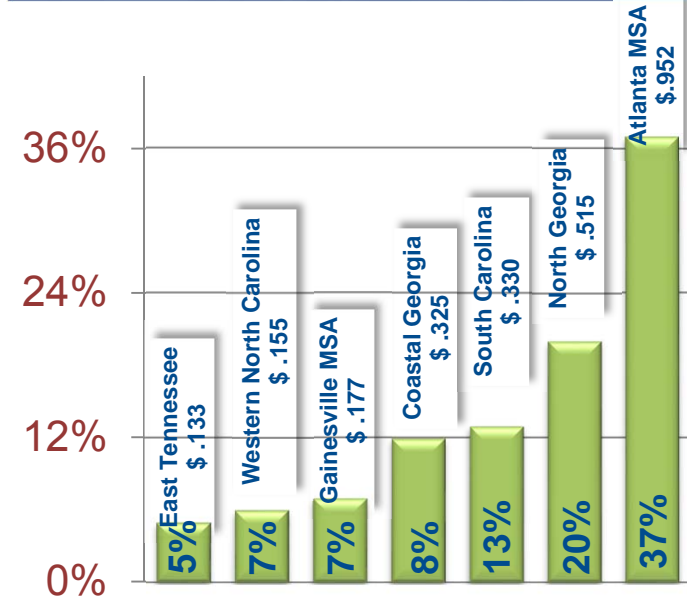
# Commercial Loans **(total \$2.59 billion)**

\$ in billions

By Loan Type



Geographic Diversity



Average Loan Size

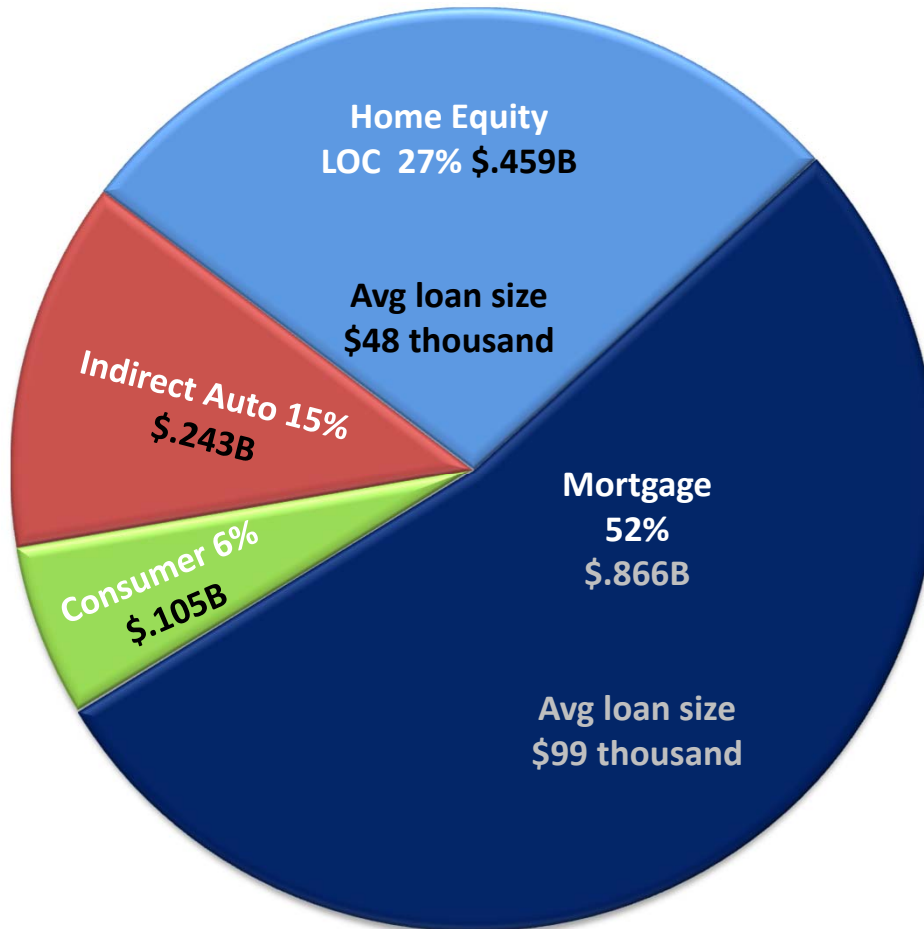
Type	\$ in Thousands
Owner Occup'd	\$423
Income Prod	609
C & I	123
Comm Constr	500



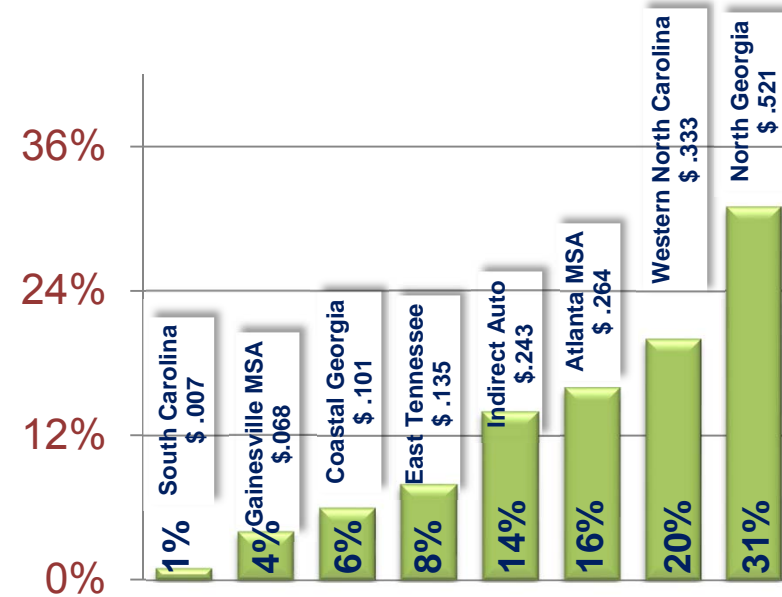
# Retail **(total \$1.67 billion)**

\$ in billions

## By Loan Type



## Geographic Diversity



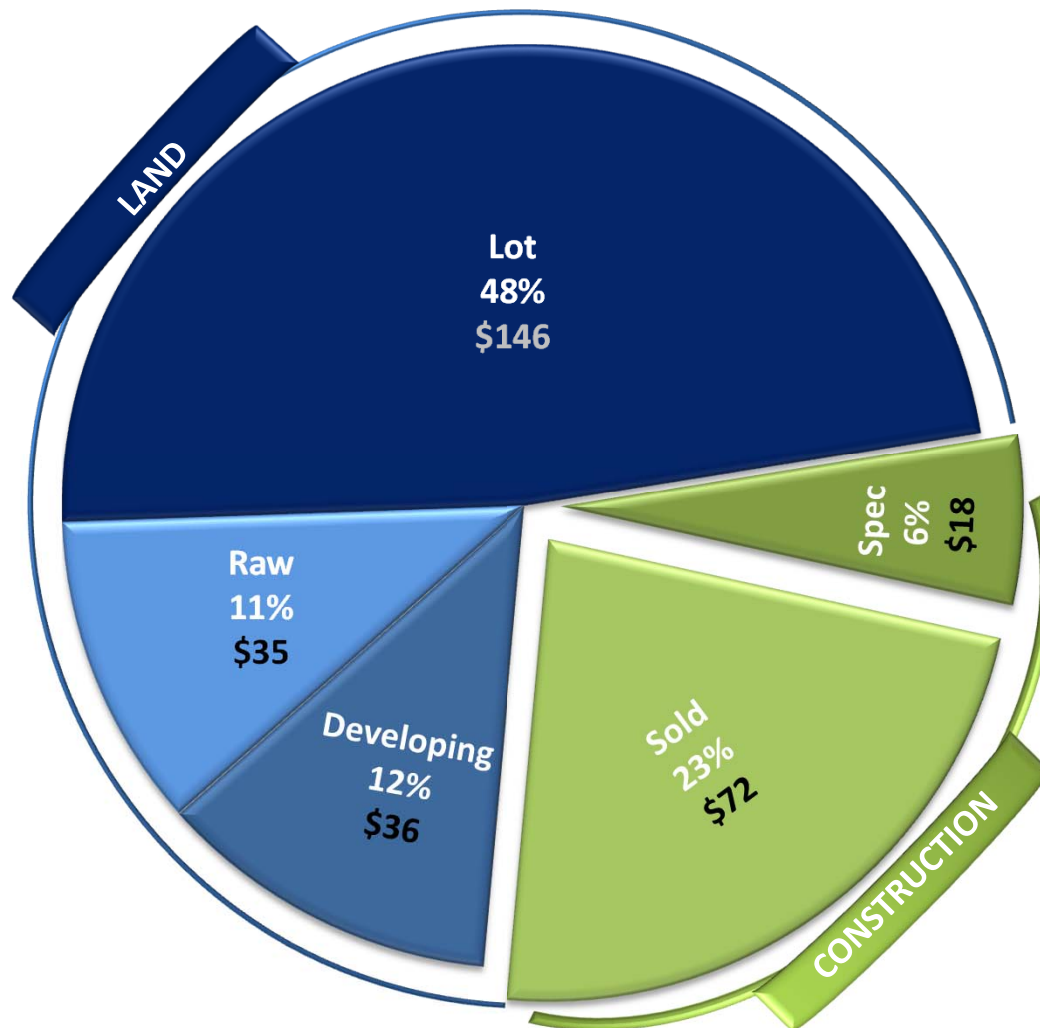
- ➡ Success with new portfolio products and HELOCs
- ➡ Conservative underwriting
- ➡ 62.5% of HE Primary Lien



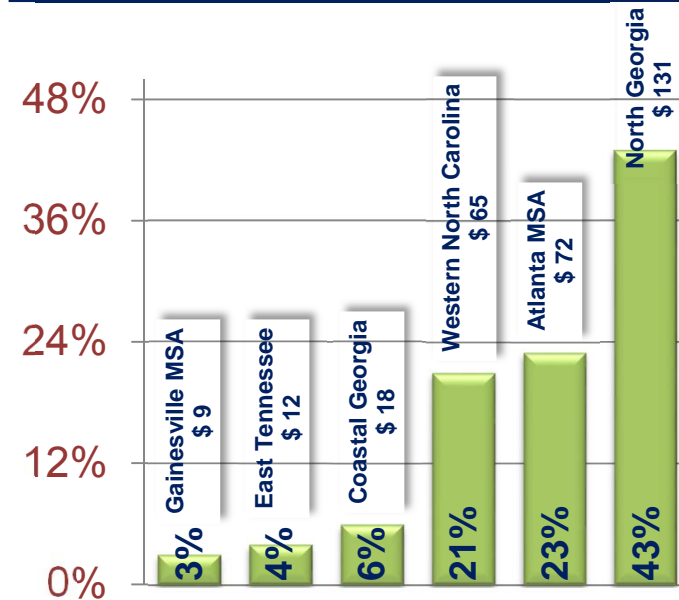
# Residential Construction **(total \$307 million)**

\$ in millions

By Loan Type



Geographic Diversity



	3Q14	2Q14	1Q14	4Q13	3Q13	3Q14 vs. 3Q13
<b>TOTAL COMPANY</b>						
<b>Land Loans</b>						
Developing	\$ 36	\$ 34	\$ 37	\$ 39	\$ 40	\$ (4)
Raw	35	36	37	38	35	-
Lot	146	151	159	166	167	(21)
Total	217	221	233	243	242	(25)
<b>Construction Loans</b>						
Spec	18	19	19	23	30	(12)
Sold	72	62	66	62	46	26
Total	90	81	85	85	76	14
Total	\$ 307	\$ 302	\$ 318	\$ 328	\$ 318	\$ (11)

# Credit Quality

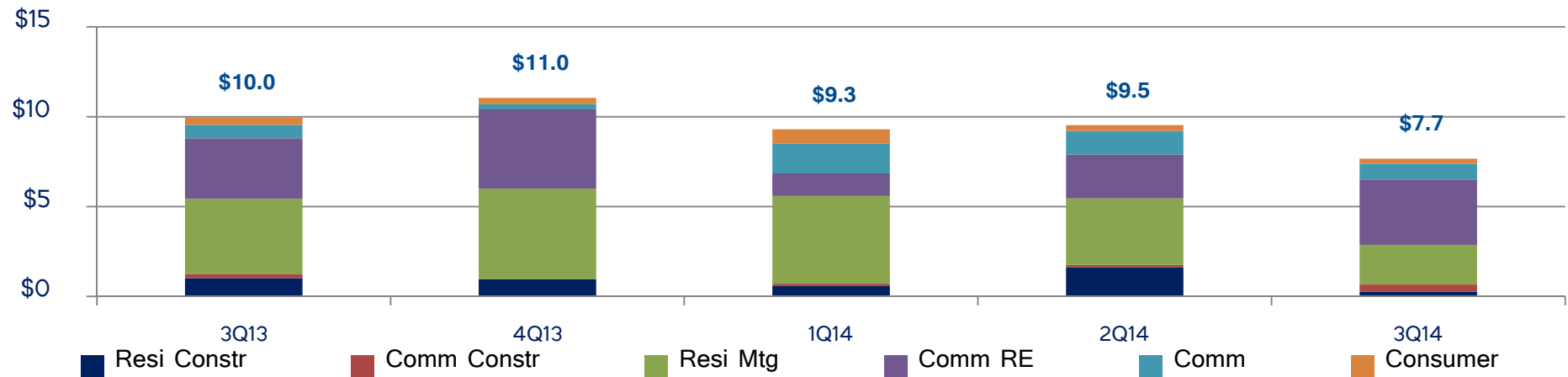
\$ in millions

	3Q14	2Q14	1Q14	4Q13	3Q13
<b>Net Charge-offs</b>	<b>\$ 3.2</b>	<b>\$ 4.2</b>	<b>\$ 4.0</b>	<b>\$ 4.4</b>	<b>\$ 4.5</b>
as % of Average Loans	.28 %	.38 %	.38 %	.41 %	.42 %
<b>Allowance for Loan Losses</b>	<b>\$ 71.9</b>	<b>\$ 73.2</b>	<b>\$ 75.2</b>	<b>\$ 76.8</b>	<b>\$ 80.4</b>
as % of Total Loans	1.57 %	1.66 %	1.73 %	1.77 %	1.88 %
as % of NPLs	384	353	299	286	308
<b>Past Due Loans (30 - 89 Days)</b>	<b>.35 %</b>	<b>.32 %</b>	<b>.40 %</b>	<b>.58 %</b>	<b>.45 %</b>
<b>Non-Performing Loans</b>	<b>\$ 18.7</b>	<b>\$ 20.7</b>	<b>\$ 25.2</b>	<b>\$ 26.8</b>	<b>\$ 26.1</b>
<b>OREO</b>	<b>3.2</b>	<b>3.0</b>	<b>5.6</b>	<b>4.2</b>	<b>4.5</b>
<b>Total NPAs</b>	<b>21.9</b>	<b>23.7</b>	<b>30.8</b>	<b>31.0</b>	<b>30.6</b>
<b>Performing Classified Loans</b>	<b>149.0</b>	<b>147.5</b>	<b>164.9</b>	<b>172.7</b>	<b>173.6</b>
<b>Total Classified Assets</b>	<b>\$ 170.9</b>	<b>\$ 171.2</b>	<b>\$ 195.7</b>	<b>\$ 203.7</b>	<b>\$ 204.2</b>
as % of Tier 1 / Allowance	24 %	23 %	27 %	27 %	26 %
<b>Accruing TDRs (see page 27)</b>	<b>\$ 82.2</b>	<b>\$ 84.5</b>	<b>\$ 77.9</b>	<b>\$ 78.7</b>	<b>\$ 79.8</b>
<b>As % of Original Principal Balance</b>					
<b>Non-Performing Loans</b>	<b>68.6 %</b>	<b>66.5 %</b>	<b>65.8 %</b>	<b>65.3 %</b>	<b>61.6 %</b>
<b>OREO</b>	<b>54.5</b>	<b>50.4</b>	<b>53.9</b>	<b>44.5</b>	<b>41.5</b>
<b>Total NPAs</b>					
as % of Total Assets	.29	.32	.42	.42	.42
as % of Loans & OREO	.48	.54	.71	.72	.72

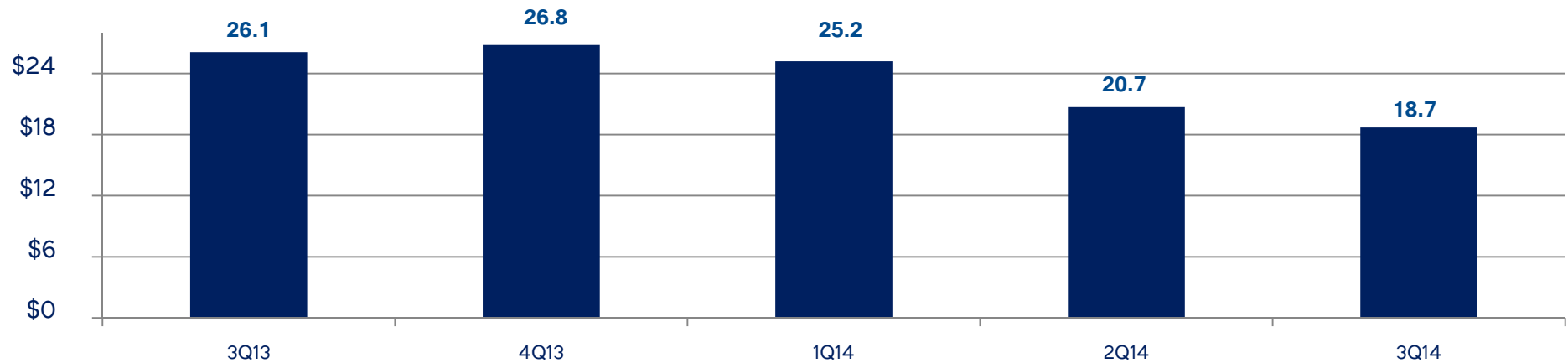
# Non-Performing Loans (NPLs) Inflow Trends

\$ in millions

## Quarterly NPL Inflows

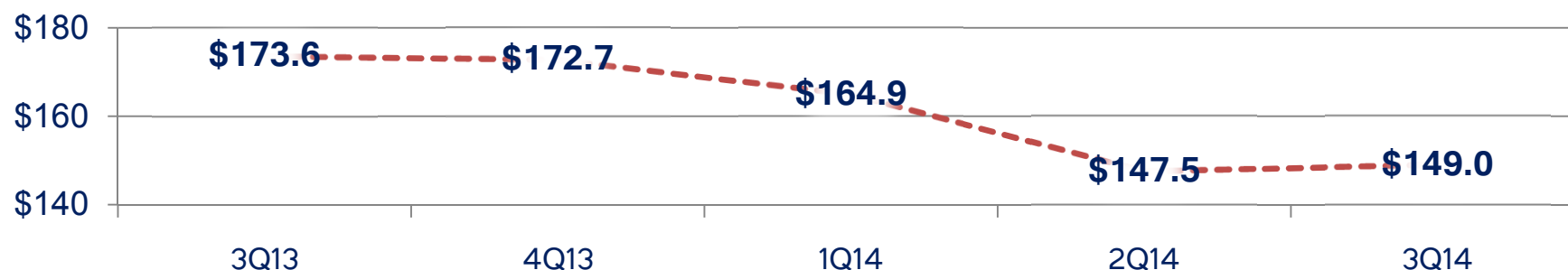


## Total NPLs



# Performing Classified Loans

\$ in millions



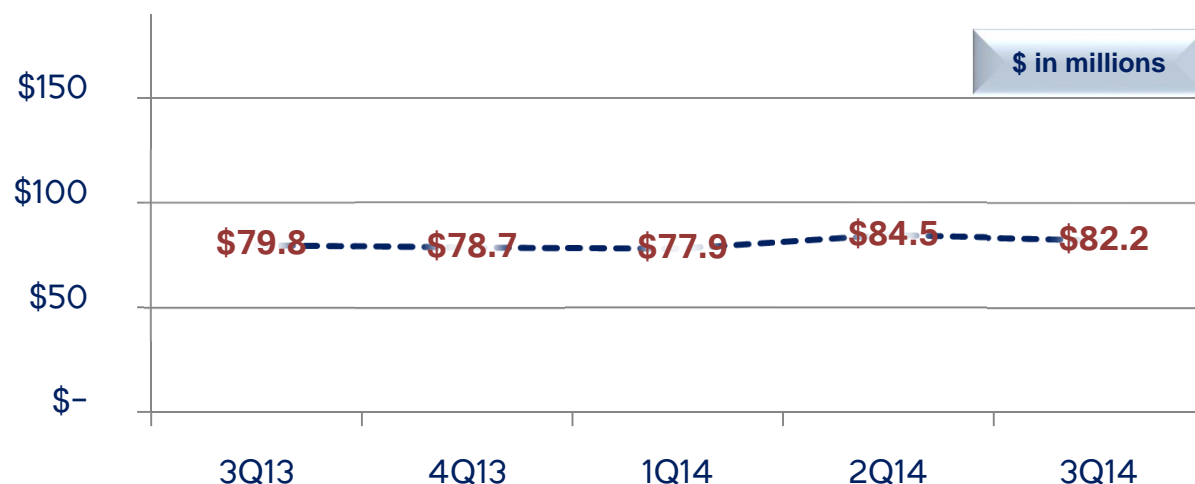
By Category					
	3Q13	4Q13	1Q14	2Q14	3Q14
Commercial:					
Commercial & Industrial	\$ 10	\$ 9	\$ 8	\$ 6	\$ 7
Owner Occupied	40	43	48	48	50
Total C & I	50	52	56	54	57
Income Producing CRE	36	34	37	25	22
Commercial Construction	17	17	5	4	4
<b>Total Commercial</b>	<b>103</b>	<b>104</b>	<b>98</b>	<b>83</b>	<b>83</b>
Residential Mortgage	45	44	43	42	43
Home Equity Lines of Credit	8	8	8	7	8
Residential Construction	16	14	13	13	12
Consumer / Installment	2	3	2	2	3
<b>Total Performing Classified</b>	<b>\$ 174</b>	<b>\$ 173</b>	<b>\$ 164</b>	<b>\$ 147</b>	<b>\$ 149</b>
Classified to Tier 1 + ALL	26 %	27 %	27 %	23 %	24 %

# TDRs

\$ in thousands

LOAN TYPE	Accruing		Non-Accruing		Total TDRs	
	3Q14 <sup>(1)</sup>	3Q13	3Q14	3Q13	3Q14	3Q13
Commercial (Sec by RE)	\$42,820	\$40,733	\$ 2,532	\$ 2,431	\$45,352	\$43,164
Commercial & Industrial	2,927	2,854	13	65	2,941	2,919
Commercial Construction	11,065	12,824	19	-	11,084	12,824
Total Commercial	56,812	56,411	2,564	2,496	59,377	58,907
Residential Mortgage	16,848	15,553	2,040	2,376	18,887	17,929
Residential Construction	8,288	7,738	1,796	2,553	10,084	10,291
Consumer Installment	211	144	34	59	245	203
Total	<u>\$82,159</u>	<u>\$79,846</u>	<u>\$ 6,434</u>	<u>\$ 7,484</u>	<u>\$88,593</u>	<u>\$87,330</u>

## Accruing TDRs



➔ TDR credit quality improving

➔ Accruing TDR past due 30 – 89 days = 2.46%

➔ 54% of accruing TDRs are pass credits

# Net Charge-offs by Category & Market

\$ in thousands

## NET CHARGE-OFFS BY CATEGORY

	3Q14		% of Average Loans (Annualized)			
	Total	% of Avg Loans	2Q14	1Q14	4Q13	3Q13
Commercial (Sec. by RE):						
Owner Occupied	\$ 746	.26 %	(.64) %	.10 %	.57 %	.58 %
Income Producing	104	.07	.29	.13	.21	.14
Total Comm (Sec. by RE)	850	.19	(.32)	.11	.44	.49
Commercial & Industrial	(341)	(.23)	.52	.35	(.13)	.12
Commercial Construction	103	.24	.34	-	(.02)	.39
Total Commercial	612	.10	(.10)	.15	.30	.36
Residential Mortgage	1,116	.52	1.17	.70	.64	.31
Home Equity LOC	356	.31	.42	.93	.38	.37
Residential Construction	712	.94	2.13	.27	.40	1.31
Consumer/ Installment	359	.43	.18	.54	.62	.28
<b>Total Net Charge-offs</b>	<b>\$ 3,155</b>	<b>.28</b>	<b>.38</b>	<b>.38</b>	<b>.41</b>	<b>.42</b>

## NET CHARGE-OFFS BY MARKET

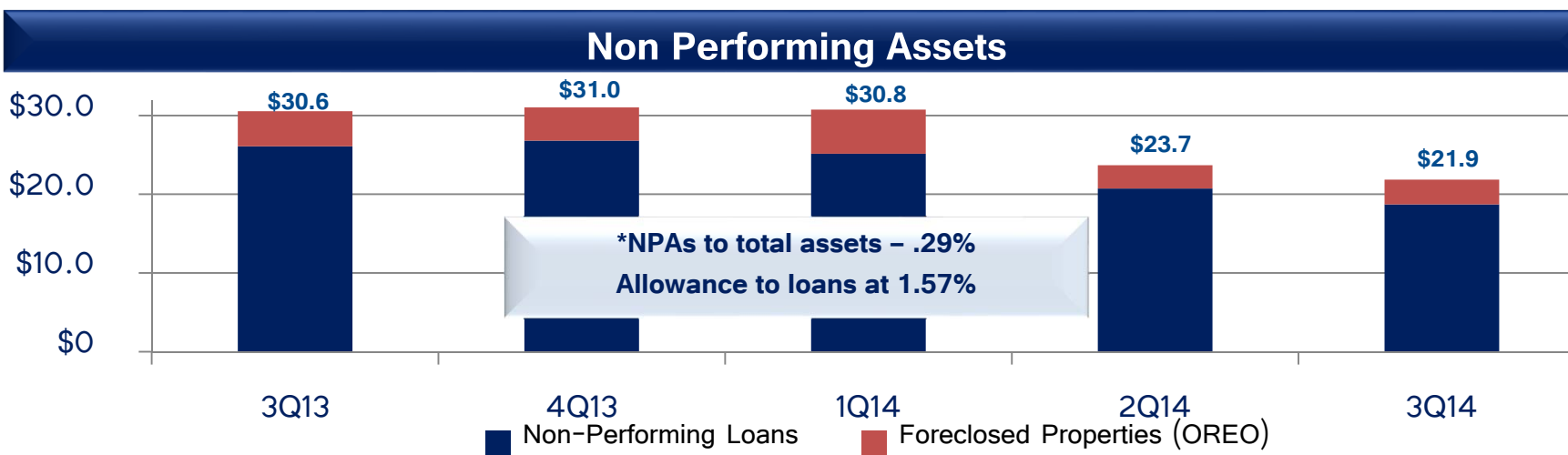
North Georgia	\$ 1,861	.63 %	(.25) %	.42 %	.51 %	.66 %
Atlanta MSA	(250)	(.08)	.46	.39	.20	.33
North Carolina	656	.47	1.55	.41	.76	.49
Coastal Georgia	228	.21	.11	.49	.33	.14
Gainesville MSA	259	.40	1.23	.22	.54	.15
East Tennessee	230	.33	.42	.35	.46	.51
South Carolina / Corporate	5	.01	-	-	-	-
Other (Indirect Auto)	166	.31	.14	.14	.20	.17

# NPAs by Loan Category & Market

\$ in thousands

3Q14			
	NPLs	OREO	Total NPAs
<b>LOAN CATEGORY</b>			
Commercial (sec. by RE):			
Owner Occupied	\$ 2,156	\$ 1,024	\$ 3,180
Income Producing	1,742	42	1,784
Commercial & Industrial	1,593	-	1,593
Commercial Construction	148	-	148
<b>Total Commercial</b>	<b>5,639</b>	<b>1,066</b>	<b>6,705</b>
Residential Mortgage	8,350	1,769	10,119
HELOC	720	90	810
Residential Construction	3,543	221	3,764
Consumer/ Installment	493	-	493
<b>Total</b>	<b>\$ 18,745</b>	<b>\$ 3,146</b>	<b>\$ 21,891</b>
<b>MARKET</b>			
Gainesville	\$ 1,403	\$ 85	\$ 1,488
Coastal Georgia	781	160	941
East Tennessee	1,227	245	1,472
North Carolina	4,919	398	5,317
Atlanta MSA	1,724	364	2,088
North Georgia	7,392	1,717	9,109
South Carolina	945	177	1,122
Indirect Auto	354	-	354

3Q13			
	NPLs	OREO	Total NPAs
<b>LOAN CATEGORY</b>			
Commercial (sec. by RE):			
Owner Occupied	\$ 6,358	\$ 591	\$ 6,949
Income Producing	1,657	139	1,796
Commercial & Industrial	609	376	985
Commercial Construction	343	-	343
<b>Total Commercial</b>	<b>8,967</b>	<b>1,106</b>	<b>10,073</b>
Residential Mortgage	11,335	1,679	13,014
HELOC	1,169	475	1,644
Residential Construction	4,097	1,207	5,304
Consumer/ Installment	520	-	520
<b>Total</b>	<b>\$ 26,088</b>	<b>\$ 4,467</b>	<b>\$ 30,555</b>
<b>MARKET</b>			
Gainesville	\$ 1,036	\$ -	\$ 1,036
Coastal Georgia	995	928	1,923
East Tennessee	1,629	25	1,654
North Carolina	5,680	762	6,442
Atlanta MSA	3,096	1,026	4,122
North Georgia	13,652	1,726	15,378





United  
COMMUNITY BANKS, INC.®

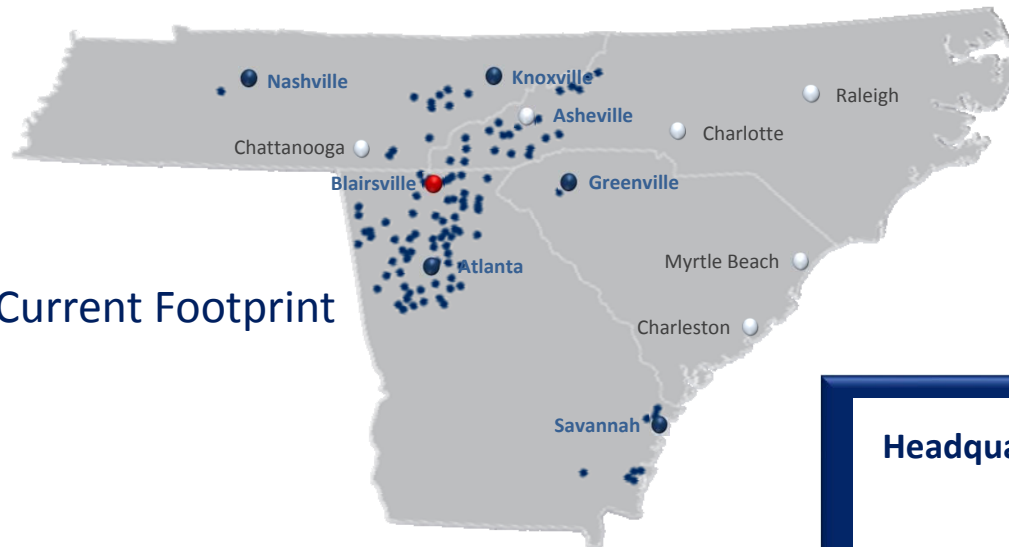
APPENDIX



# Footprint

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- Current Footprint



**Headquartered in Blairsville, Georgia with  
103 locations in:  
Georgia; North Carolina; South Carolina;  
and Tennessee**

# United at a Glance

➡ Founded in 1950

➡ Third-largest bank holding company headquartered in Georgia with 1,515 employees

Deposit Market Share <sup>(1)</sup>			
Market	Offices	Deposit Market Share	Rank
North Georgia	22	35%	1
Atlanta	36	4	6
Gainesville	5	12	4
Coastal Georgia	8	5	7
W. North Carolina	19	8	3
E. Tennessee	8	2	8
Greenville, SC	1	1	25

Key Statistics as of 9/30/14 (in billions)		
Assets	Deposits	Loans
\$7.53	\$6.24	\$4.57

# Business and Operating Model

## ➡ Service is Point of Differentiation

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

“Community bank service, large bank resources”

### Twenty-eight “community banks”

Local CEOs with deep roots in their communities  
Resources of a \$7.53 billion bank

### Strategic footprint with substantial banking opportunities

Operates in a number of the more demographically attractive U.S. markets

### Disciplined growth strategy

Organic growth supported by de novos and selective acquisitions

# Experienced Proven Leadership

- Over 40 years in banking
- Led company from \$42 million in assets in 1989 to \$7.5 billion today
- Trustee of Young Harris College
- Georgia Power Company Board Member
- GA Economic Developers Association Spirit of Georgia Award recipient

**Jimmy C. Tallent**  
President & CEO  
*Joined 1984*



- Over 31 years in banking
- Responsible for overall operations
- Former Consultant and Special Assistant to the CEO and EVP of Commercial Banking for TD Bank Financial Group; and President & CEO of The South Financial Group

**H. Lynn Harton**  
Chief Operating Officer  
*Joined 2012*



- Over 36 years in banking
- Responsible for accounting, finance and reporting activities, M&A, and investor relations
- Former CAO and Controller for State Street Corporation
- Former ABA Accounting Committee Chairman

**Rex S. Schuette**  
EVP & CFO  
*Joined 2001*



- Over 31 years in banking
- Responsible for Risk Management and Credit Risk Administration; Chairman of Risk Management Committee; also responsible for credit underwriting, review, policy and special assets
- Former EVP & SCO for SunTrust Banks

**David P. Shearrow**  
EVP & CRO  
*Joined 2007*



- Over 36 years in banking
- Responsible for 28 community banks with 103 branch offices
- Formerly of Riegel Textile Credit Union; President of Farmers and Merchants Bank
- Former Georgia Board of Natural Resources Board Chairman

**Bill M. Gilbert**  
President of Community Banking  
*Joined 2000*



# Market Share Opportunities & Demographics

## EXCELLENT GROWTH OPPORTUNITIES

Markets	Market Deposits (in billions) <sup>(1)</sup>	Deposits (in billions) <sup>(2,3)</sup>	Banks	Offices <sup>(3)</sup>	Deposit Share <sup>(1)</sup>	Rank <sup>(1)</sup>
North Georgia	\$ 6.3	\$ 2.2	11	22	35 %	1
Western North Carolina	11.3	.9	1	19	8	3
Gainesville, Georgia	2.8	.3	1	5	12	4
Atlanta, Georgia	56.3	2.2	10	36	4	6
Coastal Georgia	7.1	.3	2	8	5	7
East Tennessee	15.7	.3	2	8	2	8
Greenville, SC	9.4	-	1	1	1	25
<b>Total Markets</b>	<b>\$ 108.9</b>	<b>\$ 6.2</b>	<b>28</b>	<b>99</b>		

<sup>1</sup> FDIC deposit market share and rank as of 6/14 for markets where United takes deposits. Data Source: FDIC.

<sup>2</sup> Based on current quarter.

<sup>3</sup> Excludes five loan production offices

## FAST GROWING MARKETS

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

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

# Liquidity

\$ in millions

	Unused Capacity	3Q14	2Q14	3Q13	Variance	
					vs 2Q14	vs 3Q13
<b>Wholesale Borrowings</b>						
Brokered Deposits	\$ 313 <sup>(1)</sup>	\$ 405	\$ 424	\$ 419	\$ (19)	\$ (14)
FHLB	516	330	175	-	155	330
Holding Company LOC	50	-	40	-	(40)	-
Fed Funds	350	-	25	-	(25)	-
Other Wholesale	-	6	11	54	(5)	(48)
<b>Total</b>	<b>\$ 1,229</b>	<b>\$ 741</b>	<b>\$ 675</b>	<b>\$ 473</b>	<b>\$ 66</b>	<b>\$ 268</b>
<b>Long-Term Debt</b>						
Senior Debt		\$ 75	\$ 75	\$ 75	\$ -	\$ -
Sub-Debt		-	-	-	-	-
Trust Preferred Securities		55	55	55	-	-
<b>Total Long-Term Debt</b>		<b>\$ 130</b>	<b>\$ 130</b>	<b>\$ 130</b>	<b>\$ -</b>	<b>\$ -</b>

## WHOLESALE BORROWINGS

## LOANS / DEPOSITS

	3Q14	2Q14	3Q13	Variance	
				vs 2Q14	vs 3Q13
Loans	\$ 4,569	\$ 4,410	\$ 4,267	\$ 159	\$ 302
Core (DDA, MMDA, Savings)	\$ 3,714	\$ 3,624	\$ 3,416	\$ 90	\$ 298
Public Funds	852	793	765	59	87
CD's	1,269	1,322	1,513	(53)	(244)
Total Deposits (excl Brokered)	\$ 5,835	\$ 5,739	\$ 5,694	\$ 96	\$ 141
<b>Loan to Deposit Ratio</b>	<b>78%</b>	<b>77%</b>	<b>75%</b>		
Investment Securities:					
Available for Sale -Fixed	\$ 1,115	\$ 1,076	\$ 1,138	\$ 39	\$ (23)
-Floating	674	665	825	9	(151)
Held to Maturity -Fixed	428	443	197	(15)	231
-Floating	5	6	9	(1)	(4)
Total Investment Securities	2,222	2,190	2,169	32	53
<b>Floating as % of Total Securities</b>	<b>31%</b>	<b>31%</b>	<b>18%</b>		

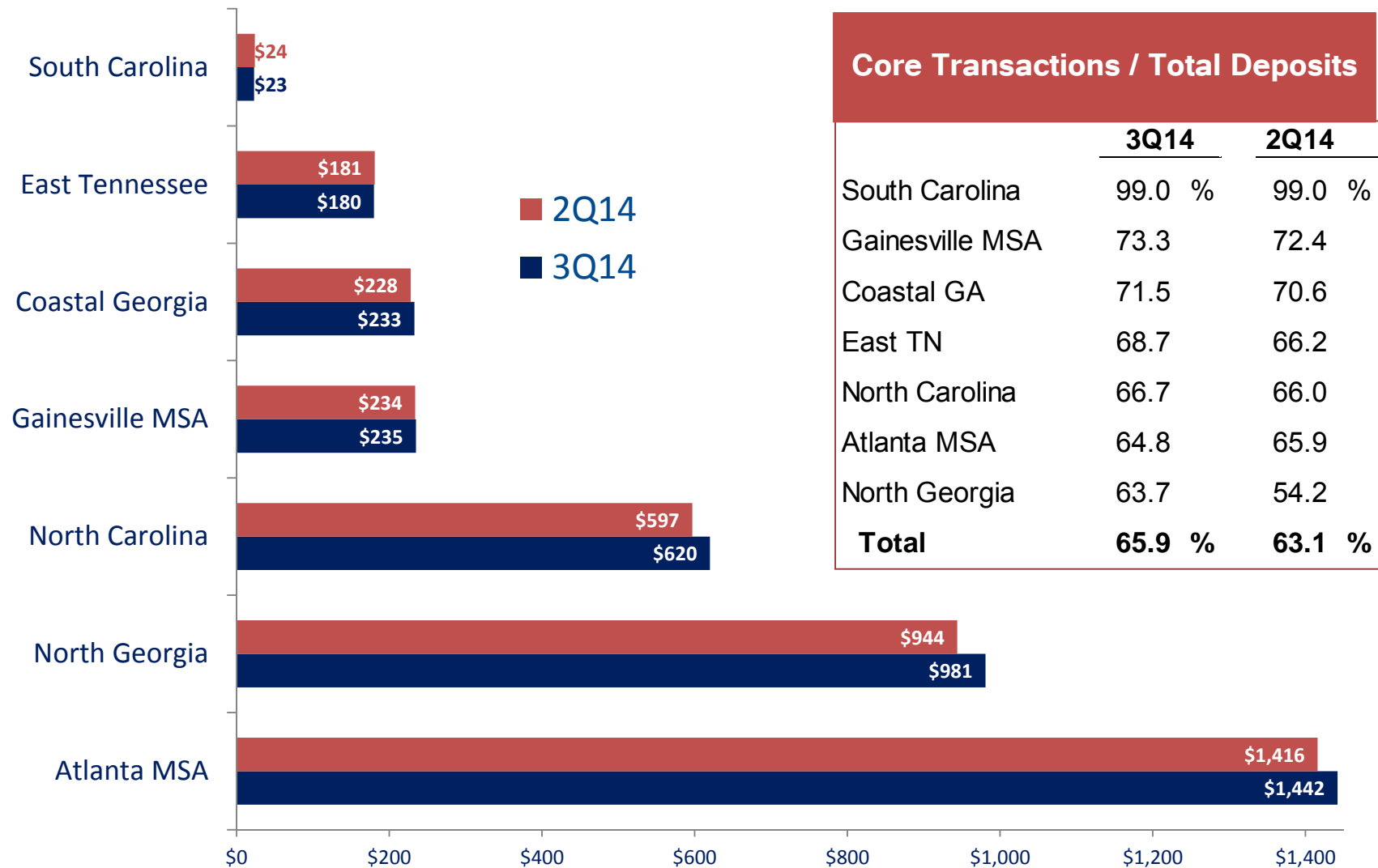
# Business Mix – Deposits *(at quarter-end)*

\$ in millions

<b>DEPOSITS BY CATEGORY</b>	<b>3Q14</b>	<b>2Q14</b>	<b>1Q14</b>	<b>4Q13</b>	<b>3Q13</b>	<b>3Q14 vs. 3Q13</b>
Demand & Now	\$ 2,159	\$ 2,106	\$ 2,073	\$ 1,969	\$ 1,979	\$ 180
MMDA & Savings	1,555	1,518	1,499	1,468	1,437	118
<b>Core Transaction Deposits</b>	<b>3,714</b>	<b>3,624</b>	<b>3,572</b>	<b>3,437</b>	<b>3,416</b>	<b>298</b>
Time < \$100,000	770	801	828	888	920	(150)
Time ≥ \$100,000 < \$250,000	408	411	427	443	473	(65)
Public Deposits	820	760	804	863	734	86
<b>Total Core Deposits</b>	<b>5,712</b>	<b>5,596</b>	<b>5,631</b>	<b>5,631</b>	<b>5,543</b>	<b>169</b>
Time ≥ \$250,000	92	110	112	114	120	(28)
Public Deposits	32	33	34	32	31	1
<b>Total Customer Deposits</b>	<b>5,836</b>	<b>5,739</b>	<b>5,777</b>	<b>5,777</b>	<b>5,694</b>	<b>142</b>
Brokered Deposits	405	425	471	425	419	(14)
<b>Total Deposits</b>	<b>\$ 6,241</b>	<b>\$ 6,164</b>	<b>\$ 6,248</b>	<b>\$ 6,202</b>	<b>\$ 6,113</b>	<b>\$ 128</b>

# Core Transaction Deposits

\$ in millions





# Lending & Credit Environment

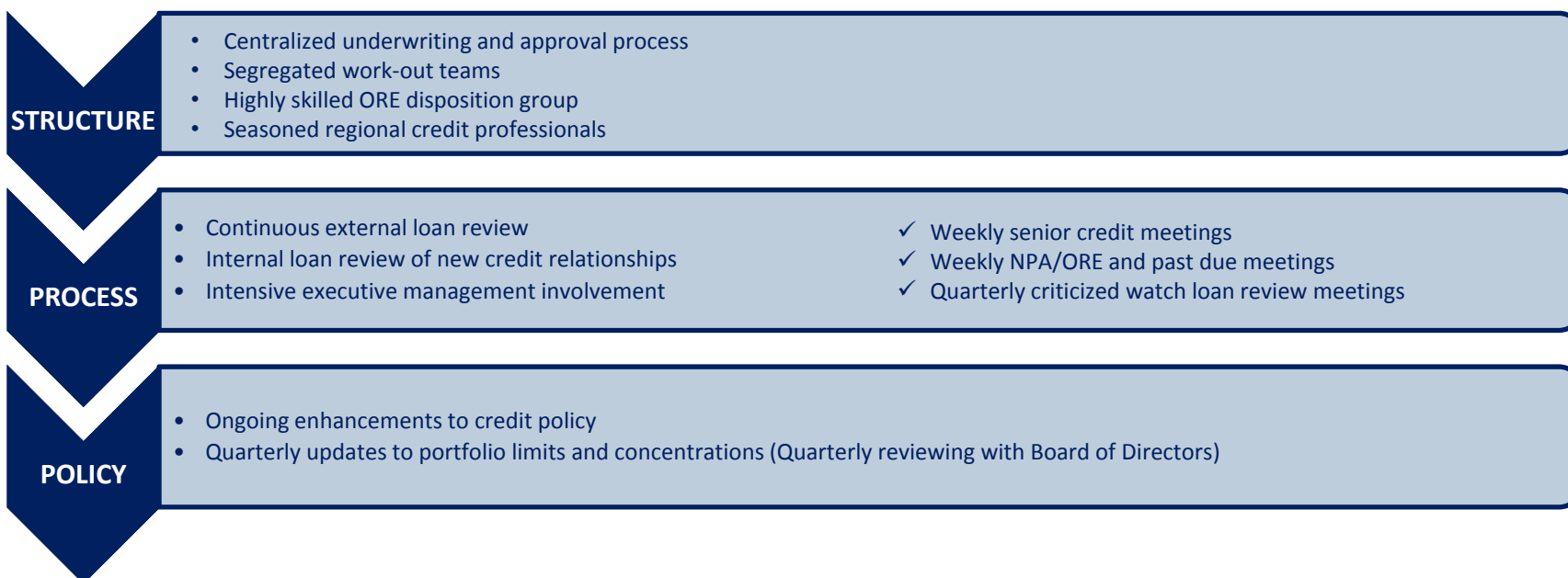
\$ in millions



## Regional Credit Review – Standard Underwriting

• Legal Lending Limit	\$ 197
• House Lending Limit	25
• Project Lending Limit	15
• Top 25 Relationships	385

## PROACTIVELY ADDRESSING CREDIT ENVIRONMENT



# Commercial Construction & Real Estate

\$ in millions

## COMMERCIAL CONSTRUCTION

	30-Sep-14	
	Amount	Percent
Land Develop - Vacant (Improved)	\$ 51	28 %
Raw Land - Vacant (Unimproved)	24	13
Multi-Residential	41	23
Commercial Land Development	14	8
Office Buildings	12	7
Other Properties	15	8
Churches	7	4
Hotels / Motels	12	7
Mfg Facility	-	-
Retail Building	3	2
Warehouse	2	1
Total Commercial Construction	<u>\$ 181</u>	

### Average Loan Size (\$ in thousands)

•Commercial Construction	\$500
•Commercial RE:	
•Composite CRE	460
•Owner Occupied	423
•Income Producing	609

### Commercial RE Characteristics

- 65.5% owner occupied
- Small business, doctors, dentists, attorneys, CPAs
- \$15 million project limit

## COMMERCIAL REAL ESTATE

	30-Sep-14			
	Owner Occupied	Income Producing	Total	Percent
Office Buildings	\$ 315	\$ 148	\$ 463	26.3 %
Retail Building	96	152	248	14.1
Warehouse	116	60	176	10.0
Churches	136	-	136	7.7
Other Properties	123	38	161	9.2
Convenience Stores	95	17	112	6.3
Hotels / Motels	-	65	65	3.7
Restaurants/Franchise Fast Food	34	26	60	3.4
Mfg Facility	51	12	63	3.6
Farmland	50	-	50	2.9
Multi-Resi Properties	-	52	52	3.0
Leasehold Property	16	14	30	1.7
Golf Course/Country Club	24	-	24	1.4
Automotive Dealership	18	4	22	1.2
Automotive Service	18	5	23	1.3
Daycare Facility	11	7	18	1.0
Funeral Home	14	1	15	.9
Carwash	16	-	16	.9
Assisted Living / Nursing Home	11	-	11	.6
Marina	6	-	6	.3
Mobile Home Parks	-	5	5	.3
Movie Theaters/Bowling/Rec	5	-	5	.3
Other Small Business	-	-	-	-
Total Commercial Real Estate	<u>\$ 1,154</u>	<u>\$ 605</u>	<u>\$ 1,759</u>	

# Loans by Business Mix and Region

\$ in millions

	3Q14	2Q14	1Q14	4Q13	3Q13	3Q14 vs. 3Q13
<b>QUARTERLY LOANS - BUSINESS MIX BY CATEGORY</b>						
Commercial:						
Comm & Indus	\$ 650	\$ 554	\$ 495	\$ 472	\$ 457	\$ 193
Owner Occ'd	1,154	1,163	1,142	1,134	1,129	25
Total C & I	1,804	1,717	1,637	1,606	1,586	218
Income Prod CRE	605	598	624	623	614	(9)
Comm Constr	181	160	148	149	137	44
Total Comm	2,590	2,475	2,409	2,378	2,337	253
Resi Mortgage	1,324	1,312	1,313	1,316	1,309	15
Resi Constr	307	302	318	328	318	(11)
Consum / Install	348	321	316	307	303	45
Total Loans	<u>\$ 4,569</u>	<u>\$ 4,410</u>	<u>\$ 4,356</u>	<u>\$ 4,329</u>	<u>\$ 4,267</u>	<u>\$ 302</u>

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

	3Q14	2Q14	1Q14	4Q13	3Q13	3Q14 vs. 3Q13
<b>QUARTERLY LOANS - BY REGION</b>						
North Georgia	\$ 1,168	\$ 1,175	\$ 1,205	\$ 1,240	\$ 1,262	\$ (94)
Atlanta MSA	1,289	1,305	1,290	1,275	1,246	43
North Carolina	553	555	563	572	575	(22)
Coastal Georgia	444	426	425	423	421	23
Gainesville MSA	254	257	262	255	253	1
East Tennessee	281	270	272	280	277	4
South Carolina	337	206	131	88	47	290
Other (Ind. Auto)	243	216	208	196	186	57
Total Loans	<u>\$ 4,569</u>	<u>\$ 4,410</u>	<u>\$ 4,356</u>	<u>\$ 4,329</u>	<u>\$ 4,267</u>	<u>\$ 302</u>

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

# Non-GAAP Reconciliation Tables

\$ in millions

Operating Earnings to GAAP Earnings Reconciliation					
	3Q14	2Q14	1Q14	4Q13	3Q13
<b>CORE FEE REVENUE</b>					
Core fee revenue	\$ 14,419	\$ 13,938	\$ 11,930	\$ 13,219	\$ 13,966
Securities gains, net	11	4,435	217	70	-
Losses on prepayment of borrowings	-	(4,446)	-	-	-
BOLI death benefit gain	-	-	-	-	86
Mark to market on deferred compensation plan assets	(18)	216	29	230	173
<b>Fee revenue (GAAP)</b>	<b>\$ 14,412</b>	<b>\$ 14,143</b>	<b>\$ 12,176</b>	<b>\$ 13,519</b>	<b>\$ 14,225</b>
<b>CORE OPERATING EXPENSE</b>					
Core operating expense	\$ 41,097	\$ 40,131	\$ 38,749	\$ 41,193	\$ 39,325
Foreclosed property expense	285	102	116	191	194
Severance	-	83	156	-	405
Mark to market on deferred compensation plan liability	(18)	216	29	230	173
<b>Operating expense (GAAP)</b>	<b>\$ 41,364</b>	<b>\$ 40,532</b>	<b>\$ 39,050</b>	<b>\$ 41,614</b>	<b>\$ 40,097</b>
<b>TANGIBLE COMMON EQUITY AND TANGIBLE EQUITY TO TANGIBLE ASSETS</b>					
Tangible common equity to tangible assets	9.83 %	9.58 %	9.22 %	8.99 %	9.02 %
Effect of preferred equity	-	-	.28	2.60	2.74
Tangible equity to tangible assets	9.83	9.58	9.50	11.59	11.76
Effect of goodwill and other intangibles	.02	.03	.02	.03	.04
<b>Equity to assets (GAAP)</b>	<b>9.85 %</b>	<b>9.61 %</b>	<b>9.52 %</b>	<b>11.62 %</b>	<b>11.80 %</b>
<b>TANGIBLE COMMON EQUITY TO RISK-WEIGHTED ASSETS</b>					
Tangible common equity to risk-weighted assets	14.10 %	13.92 %	13.63 %	13.18 %	13.34 %
Effect of preferred equity	-	-	-	2.39	4.01
<b>Tangible equity to risk weighted assets</b>	<b>14.10</b>	<b>13.92</b>	<b>13.63</b>	<b>15.57</b>	<b>17.35</b>
Effect of deferred tax limitation	(3.39)	(3.74)	(3.92)	(4.26)	(4.72)
Effect of other comprehensive income	.34	.53	.36	.39	.49
Effect of trust preferred	1.02	1.04	1.03	1.04	1.09
<b>Tier I capital ratio (Regulatory)</b>	<b>12.07 %</b>	<b>11.75 %</b>	<b>11.10 %</b>	<b>12.74 %</b>	<b>14.21 %</b>