

UNITED COMMUNITY BANKS INC  
Form S-4/A  
September 22, 2004

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File No. 333-118893

As filed with the Securities and Exchange Commission on September 22, 2004

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## SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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### Amendment No. 1 to FORM S-4

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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## UNITED COMMUNITY BANKS, INC.

(Exact name of issuer as specified in its charter)

**Georgia**  
(State or other jurisdiction of  
incorporation or organization)

**6712**  
(Primary Standard Industrial  
Classification Code Number)

**58-1807304**  
(I.R.S. Employer  
Identification Number)

**United Community Banks, Inc.**  
**Post Office Box 398, 63 Highway 515**  
**Blairsville, Georgia 30512**  
**(706) 745-2151**

(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)

**Jimmy C. Tallent**  
**Post Office Box 398, 63 Highway 515**  
**Blairsville, Georgia 30512**  
**(706) 745-2151**

(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

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**Richard R. Cheatham**  
**Kilpatrick Stockton, LLP**  
**1100 Peachtree Street, Suite 2800**  
**Atlanta, Georgia 30309-4530**  
**(404) 815-6500**

Copies to:

**Edward J. Harrell**  
**Martin Snow, LLP**  
**240 Third Street**  
**Macon, Georgia 31201**  
**(478) 749-1700**

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**Approximate date of commencement of proposed sale to the public:** The exchange of Registrant's shares for shares of common stock of Eagle National Bank will take place upon consummation of the merger of Eagle National Bank into a subsidiary of the Registrant.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities of an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

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If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o \_\_\_\_\_

\_\_\_\_\_

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Proxy Statement/Prospectus**

These materials are a proxy statement of Eagle National Bank and a prospectus of United Community Banks, Inc. They are furnished to shareholders of Eagle, in connection with the notice of special meeting of shareholders on October 20, 2004 that it accompanies. At the special meeting of Eagle shareholders, you will be asked to vote on the merger of Eagle into United Community Banks, Inc.'s Georgia Bank subsidiary, United Community Bank. United Community Banks, Inc. will be referred to as "United" in this proxy statement/prospectus. United Community Bank will be referred to as "UCB Georgia".

As of September 20, 2004, the record date for the Eagle shareholders meeting, there were 600,000 shares of common stock outstanding and entitled to vote at that meeting. Approval of the merger requires the affirmative vote of holders of at least two-thirds of those shares. Details about the proposed merger are set forth in this proxy statement/prospectus.

In connection with the merger, if approved and consummated, shares of common stock of United will be issued to shareholders of Eagle as part of the consideration for their shares of common stock of Eagle. This document is a prospectus of United with respect to such offering and issuance of United common stock. Up to an aggregate of 414,528 shares of United common stock may be issued to Eagle shareholders if the merger is approved and consummated, based on the exchange ratio summarized in the notice and discussed herein.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy or accuracy of these materials. Any representation to the contrary is a criminal offense. Shares of common stock of United are equity securities and are not savings accounts or deposits. An investment in shares of United common stock is not insured by the Federal Deposit Insurance Corporation or any other government agency.**

The accompanying materials contain information regarding the proposed merger and the companies participating in the merger, and the Agreement and Plan of Reorganization pursuant to which the merger would be consummated if approved. **We encourage you to read the entire document carefully.**

*The date of this proxy statement/prospectus is September 23, 2004, and it is expected to be first mailed to shareholders on or about September 23, 2004.*

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The accompanying materials incorporate important business and financial information that is not included in or delivered with this document. This business and financial information is available without charge to all Eagle shareholders upon written or oral request made to: Allette B. Cheaves, Secretary, Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia 30281. To obtain delivery of such business and financial information before the special meeting, your request must be received no later than October 15, 2004.

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**850 Eagles Landing Parkway  
Stockbridge, Georgia 30281**

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**Notice Of Special Meeting Of Shareholders  
To Be Held On October 20, 2004**

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A special meeting of shareholders of Eagle National Bank will be held on October 20, 2004, at 4:00 p.m., at Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia, for the following purposes:

1. to consider and vote on an Agreement and Plan of Reorganization, under which Eagle National Bank, a bank chartered under the laws of the United States, will merge with and into United Community Bank, a wholly-owned Georgia bank subsidiary of United Community Banks, Inc., as more particularly described in the accompanying proxy statement/prospectus; and
2. to transact such other business as may properly come before the special meeting or any adjournments of the special meeting.

If Eagle shareholders approve the merger, Eagle will be merged with and into UCB Georgia. In connection with the merger, Eagle shareholders may elect to receive shares of United common stock or cash or a combination of both in exchange for their Eagle common stock on the following basis:

0.8636 shares of United common stock; or

\$20.32 in cash, without interest;

*provided that* no more than 480,000 shares may be exchanged for stock and no more than 120,000 shares may be exchanged for cash.

Approval of the merger will require the approval of the holders of at least two-thirds of the Eagle common stock entitled to vote at the special meeting. Only shareholders of record of Eagle common stock at the close of business on September 20, 2004 will be entitled to vote at the special meeting or any adjournments thereof. Eagle's board of directors has unanimously adopted a resolution approving the merger and the merger agreement, and unanimously recommends that Eagle shareholders vote for the proposal to approve the merger.

If the merger is completed, Eagle shareholders who dissent with respect to the merger will be entitled to receive a cash payment for their shares of Eagle common stock if they comply with certain statutory provisions of Section 215a of Title 12 of the United States Code regarding the rights of dissenting shareholders, all as more fully explained under the heading "Details of the Proposed Merger Rights of Dissenting Shareholders" (page 23) and in Appendix B to the accompanying proxy statement/prospectus.

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A form of proxy for use by Eagle shareholders is enclosed. To ensure representation at the special meeting, each Eagle shareholder is requested to sign, date, and return the proxy card promptly in the enclosed, stamped envelope. A previously submitted proxy may be revoked by notifying Allette B. Cheaves, Secretary, Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia 30281 in writing at the address below, or by submitting an executed, later-dated proxy prior to the special meeting to Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia 30281. A previously submitted proxy also may be revoked by attending the special meeting and requesting the right to vote in person. A properly signed and returned proxy card, if not revoked, will be voted at the special meeting in the manner specified by the duly submitted proxy.

By Order of the Board of Directors,

/s/ SAMUEL K. PARRISH

President and Chief Executive Officer

September 23, 2004  
Stockbridge, Georgia

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QUESTIONS AND ANSWERS ABOUT THE MERGER

**Q: What am I being asked to approve?**

A: You are being asked to approve the Agreement and Plan of Reorganization by and between Eagle and United, pursuant to which Eagle will be merged with and into United's wholly-owned Georgia bank subsidiary UCB Georgia. Approval of the merger requires the affirmative vote of at least two-thirds of the outstanding shares of Eagle common stock. **The Eagle board of directors has unanimously approved and adopted the Agreement and Plan of Reorganization and recommends voting FOR approval of this merger agreement.**

**Q: What will I receive in the merger?**

A: You will receive (a) 0.8636 shares of United common stock for each share of Eagle common stock; or (b) \$20.32 in cash, without interest, for each share of Eagle common stock you own on the effective date of the merger; or (c) any combination of 0.8636 shares of United common stock and \$20.32 in cash, without interest, for each share of Eagle common stock (provided that no more than 480,000 shares may be exchanged for stock and no more than 120,000 shares may be exchanged for cash). United will not issue fractional shares in the merger. Instead, you will receive a cash payment, without interest, for the value of any fraction of a share of United common stock that you would otherwise be entitled to receive based on \$23.53 a share of United common stock. *For example:* If you own 100 shares of Eagle common stock and elect to receive all stock in the merger, you will be entitled to receive 0.8636 shares of United for each Eagle share, rounded down to the nearest whole share, or 86 shares of United common stock. In addition, you will be entitled to receive \$23.53 in cash for your .36 fractional share of United (.36 × \$23.53) for a total cash payment of \$8.47.

**Q: What should I do now?**

A: Indicate on the enclosed proxy card how you want to vote with respect to the proposed merger, and sign and mail the proxy card in the enclosed envelope as soon as possible so that your shares will be represented at the meeting. If you sign and send in a proxy card but do not indicate how you want to vote, your proxy will be voted in favor of the proposal to approve and adopt the merger. A special shareholders meeting will take place at 4:00 p.m. on October 20, 2004 at Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia, to vote on the merger proposal.

You may attend the special meeting and elect to vote your shares in person, rather than voting by proxy. In addition, you may withdraw your proxy up to and including the day of the special meeting by notifying Allette B. Cheaves, Secretary, prior to the meeting, in writing, or by submitting an executed, later-dated proxy to: Allette B. Cheaves, Secretary, Eagle National Bank, 850 Eagle Landing Parkway, Stockbridge, Georgia 30281.

**Q: How can I elect stock, cash or both?**

A: You may indicate a preference to receive United common stock, cash or a combination of both in the merger by completing the form of election/letter of transmittal that will be sent to you promptly after the close of the merger. If holders elect to receive stock for more than 480,000 shares or cash for more than 120,000 shares of Eagle common stock, each holder so electing will receive stock or cash for a reduced number of shares so that the total number of shares exchanged for stock or cash does not exceed 480,000 or 120,000, respectively, based on the ratio of shares elected to be exchanged for stock or cash by all Eagle shareholders. If you do not make an election by the deadline provided on the form, you will be treated as though you elected to receive cash unless cash has been fully subscribed by the electing Eagle shareholders, in which event you will be treated as if you elected stock. If one form of consideration has been oversubscribed and you do not make an election by that date, you will be treated as having elected to receive the form of consideration that was not oversubscribed. **Although**

**Eagle's directors intend on electing to receive all stock in the merger, Eagle's board of directors makes no recommendation as to whether you should chose United common stock or cash or a combination of both for your shares of Eagle National Bank common stock. You should consult with your own financial advisor on this decision.**

**Q: What information should I consider?**

A: We encourage you to read this entire document carefully. You should also review the factors considered by each company's board of directors discussed in "Details of the Proposed Merger Background of and Reasons for the Merger" beginning on page 13.

**Q: When is the merger expected to be completed?**

A: We plan to complete the merger during the fourth quarter of 2004.

**Q: What are the tax consequences of the merger to me?**

A: We expect that the exchange of shares of Eagle common stock for United common stock by Eagle shareholders generally will be tax-free to Eagle shareholders for federal income tax purposes. However, Eagle shareholders will have to pay taxes at either capital gains or ordinary income rates, depending upon individual circumstances, on cash received in exchange for their shares of Eagle common stock, or cash received in lieu of fractional shares. To review the tax consequences to Eagle shareholders in greater detail, see "Details of the Proposed Merger Material Federal Income Tax Consequences of the Merger and Opinion of Tax Counsel" beginning on page 24.

**Your tax consequences will depend on your personal situation. You should consult your tax adviser for a full understanding of the tax consequences of the merger to you.**

**Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?**

A: Your broker will vote your shares of common stock only if you provide instructions on how to do so. Following the directions your broker provides, you should instruct your broker how to vote your shares. If you do not provide instructions to your broker, your shares will not be voted, which will have the effect of a vote against the merger.

**Q: Should I send in my stock certificates now?**

A: No. After the merger is completed, you will receive written instructions from United for exchanging your Eagle common stock certificates for United common stock certificates and cash.

**Q: Who should I call with questions?**

A: You should call Allette B. Cheaves, Secretary, of Eagle, at (770) 507-5855.

**SUMMARY**

*This summary highlights selected information from this proxy statement/prospectus regarding the proposed merger. For a more complete description of the terms of the proposed merger, you should carefully read the entire proxy statement/prospectus, and the related documents to which it refers. The Agreement and Plan of Reorganization, which is the legal document that governs the proposed merger, is included as Appendix A.*

*In addition, the sections entitled "Where You Can Find More Information," on page 53, and "Incorporation of Certain Documents By Reference," on page 54, contain references to additional sources of information about United and Eagle.*

**The Companies (see pages 28 and 33)**

**United Community Banks, Inc.**  
**63 Highway 515**  
**Blairsville, Georgia 30512**  
**(706) 745-2151**

United is the third-largest bank holding company headquartered in Georgia. Substantially all of United's activities are conducted through its three wholly-owned subsidiaries, United Community Bank, a Georgia bank, United Community Bank, a North Carolina bank and United Community Bank Tennessee, a Tennessee bank. United's subsidiaries operate 21 community banks with 78 locations throughout north Georgia, metro Atlanta, coastal Georgia, western North Carolina and eastern Tennessee. United's banks provide customary types of banking services, such as checking accounts, savings accounts, and time deposits. They also engage in commercial and consumer lending, make secured and unsecured loans, and provide other financial services.

United also operates United Community Mortgage Services, a full-service retail mortgage lending operation approved as a seller/servicer for Fannie Mae and the Federal Home Mortgage Corporation, as a division of its Georgia bank subsidiary, and Brintech, Inc., a New Smyrna Beach, Florida based consulting firm for the financial services industry. Brintech provides consulting, advisory and implementation services in the areas of strategic planning, profitability improvement, technology, efficiency, network, networking, Internet banking, website development, marketing, core processing, and telecommunications. Additionally, United provides retail brokerage services through a third party broker/dealer.

At June 30, 2004, United had total consolidated assets of approximately \$4.5 billion, total consolidated loans of approximately \$3.3 billion, total consolidated deposits of approximately \$3.3 billion, and total consolidated stockholders' equity of approximately \$330.5 million.

**Eagle National Bank**  
**850 Eagles Landing Parkway**  
**Stockbridge, Georgia 30281**  
**(770) 507-5855**

Eagle is a bank chartered under the laws of the United States. Eagle operates in two locations in Stockbridge and McDonough, both in Henry County, Georgia. Eagle provides customary types of banking services such as checking accounts, savings accounts, and time deposits. It also engages in commercial and consumer lending, makes secured and unsecured loans, and provides other financial services.

At June 30, 2004, Eagle had total assets of approximately \$64.1 million, total loans of approximately \$48.6 million, total deposits of approximately \$58.1 million, and total shareholders' equity of approximately \$5.8 million.

**The Terms of the Merger (see page 15)**

If the merger is approved, Eagle will be merged with and into UCB Georgia, with UCB Georgia being the surviving company. As a result of the merger, you may elect to receive shares of United common stock or cash or a combination of both in exchange for your shares of Eagle common stock on the following basis:

0.8636 shares of United common stock; or

\$20.32 in cash, without interest;

*provided that* no more than 480,000 shares may be exchanged for stock and no more than 120,000 shares may be exchanged for cash.

You will receive a cash payment for any United fractional shares to which you would otherwise be entitled in an amount equal to the fraction multiplied by \$23.53.

**The Reasons Management of Both Companies Support the Merger (see page 13)**

The boards of directors of Eagle and United support the merger and believe that it is in the best interests of both companies, and their respective shareholders. The board of directors of Eagle believes that the merger presents Eagle with the chance to better service its market. The board of directors of Eagle also feels that the merger will enhance Eagle's size in the market, thereby eliminating one of the factors that has restricted Eagle's market competitiveness and providing an opportunity for Eagle to realize its market ambitions. The Eagle board of directors believes that the merger will permit Eagle shareholders to have an equity interest in a resulting financial institution that has greater financial resources and a larger shareholder base, which will increase liquidity and marketability of the equity investment of Eagle shareholders. The board of directors of United believes that Eagle provides United with an expansion opportunity into an attractive market area. Both boards of directors also believe that the terms of the merger are fair and equitable. In addition, both boards of directors believe that following the merger, the size of the combined organization is sufficiently large to take advantage over time of significant economies of scale, but is still small enough to maintain many of the competitive advantages of community-oriented banks.

**Shareholders' Meeting**

The special meeting of shareholders of Eagle will be held on October 20, 2004 at 4:00 p.m., at Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia for the purpose of voting on approval of the merger.

**Record Date**

You are entitled to vote at the shareholders' meeting if you owned shares of Eagle common stock on September 20, 2004.

**Vote Required (see page 17)**

Approval by holders of at least two-thirds of the Eagle common stock outstanding on September 20, 2004, is required to approve the merger. As of September 20, 2004, 600,000 shares of Eagle common stock were issued and outstanding, each of which is entitled to one vote per share. All of the directors and executive officers of Eagle have agreed to vote their shares in favor of the merger. There are 203,150 shares, or 33.9%, of Eagle common stock beneficially owned (excluding options) by its directors and executive officers, all of which are entitled to vote on this merger.

**Conditions, Termination, and Effective Date (see page 14)**

The merger will not occur unless certain conditions are met, and United or Eagle can terminate the merger agreement if specified events occur or fail to occur. The merger must be approved by the Eagle shareholders, the FDIC, and the Department of Banking and Finance of the State of Georgia. Notice of the merger will be provided to the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency.

The closing of the merger will occur after the merger is approved by Eagle shareholders and the foregoing regulators and after the articles of merger are filed as required under Georgia law.

**Rights of Dissenting Shareholders (see page 23)**

You are entitled to dissent from the merger and to receive a cash payment for your Eagle common stock if you follow certain statutory provisions regarding the rights of dissenting shareholders under Section 215a of Title 12 of the United States Code.

**Federal Income Tax Consequences (see page 24)**

Eagle has received an opinion from Kilpatrick Stockton LLP stating that, assuming the merger is completed as currently anticipated, Eagle will not recognize any gain or loss for federal income tax purposes, and shareholders of Eagle to the extent they receive United stock will not recognize any gain or loss for federal income tax purposes. All cash you receive as a result of the merger, including any cash you receive in lieu of fractional shares or as payment for exercising your right to dissent, will be treated as amounts distributed in redemption of your Eagle common stock, and that amount will be taxable under the Internal Revenue Code as either ordinary income or capital gain or loss, depending upon your particular circumstances. Neither United nor Eagle has requested a ruling to this effect from the Internal Revenue Service.

**Accounting Treatment (see page 22)**

The merger will be accounted for as a purchase for financial reporting and accounting purposes.

**Opinion of Financial Advisor (see page 25)**

Stevens & Company has rendered an opinion to Eagle that based on and subject to the procedures, matters, and limitations described in its opinion and other matters it considered relevant, as of the date of its opinion, the merger consideration is fair from a financial point of view to the shareholders of Eagle. A summary of Stevens & Company's opinion begins on page 25 and the full opinion is attached as Appendix C to this proxy statement/prospectus.

**Markets for Common Stock**

United's common stock trades on the Nasdaq Stock Market under the symbol "UCBI". The following table sets forth the high and low quarterly sales prices per share of United common

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stock as quoted on Nasdaq since the third quarter of 2002. Amounts have been restated to reflect the proforma effect of United's three-for-two split effective April 28, 2004:

Fiscal Year	Quarterly Period	High	Low
2004	Second Quarter	\$ 25.36	\$ 21.89
	First Quarter	\$ 24.62	\$ 21.37
2003	Fourth Quarter	\$ 23.93	\$ 18.51
	Third Quarter	\$ 20.02	\$ 16.34
	Second Quarter	\$ 18.00	\$ 15.37
2002	First Quarter	\$ 18.00	\$ 14.67
	Fourth Quarter	\$ 18.00	\$ 14.49
	Third Quarter	\$ 19.70	\$ 15.43
	Second Quarter	\$ 20.00	\$ 15.97

On August 2, 2004, immediately prior to the public announcement of the merger, the high and low sales prices per share of United common stock were \$23.57 and \$22.61, respectively.

There has been no public trading market for Eagle common stock. Eagle believes the last sales of Eagle common stock among shareholders in private transactions in the last two years have been for an aggregate of approximately 78,000 shares at prices ranging from \$12.25 to \$14.50 per share, based on unofficial information that Eagle management believes is reliable. Eagle's management believes 70,000 of such shares were traded in one transaction at a price per share of \$12.25.

There were 244 shareholders of record of Eagle common stock as of September 20, 2004.

### **Dividends (see page 21)**

United has declared cash dividends of \$.18 per share in 2004 (through the third quarter) and declared aggregate cash dividends of \$.20 per share in 2003 and \$.167 per share in 2002. United intends to continue paying cash dividends, but the amount and frequency of cash dividends, if any, will be determined by United's board of directors after consideration of earnings, capital requirements, and the financial condition of United, and will depend on cash dividends paid to it by its subsidiary banks. The ability of United subsidiaries to pay dividends to it is restricted by certain regulatory requirements.

Eagle has never declared any dividends on its common stock. Eagle is prohibited under the merger agreement from paying cash dividends prior to the closing of the transaction without the prior written consent of United.

### **There are Some Differences in Shareholders' Rights Between Eagle and United (see page 19)**

Following the merger you will no longer be a Eagle shareholder and, if you receive shares of United following the merger, your rights as a shareholder will no longer be governed by Eagle's articles of incorporation and bylaws. You will be a United shareholder and your rights as a United shareholder will be governed by United's articles of incorporation and bylaws. Your former rights

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as an Eagle shareholder and your new rights as a United shareholder are different in certain ways, including the following:

Eagle's bylaws provide for a board of directors consisting of between five and 25 members, while United's bylaws provide for a board of directors consisting of between eight and 14 members.

The bylaws of Eagle set forth different requirements for removal of directors than do the articles of incorporation and bylaws of United.

The articles of incorporation of United permit its board of directors to consider the interests of constituencies other than just its shareholders when considering any actions affecting United and its shareholders. Eagle's articles of incorporation and bylaws do not.

The articles of incorporation of United require a supermajority vote to amend its articles of incorporation and bylaws. Eagle's articles of incorporation and bylaws do not.

The articles of incorporation of United require a two-tiered supermajority vote to approve certain business combinations. Eagle's articles of incorporation and bylaws do not.

United's articles of incorporation provide that United is organized under the Georgia Business Corporation Code. Eagle is organized pursuant to the National Bank Act.

The National Bank Act requires Eagle to keep at all times a full and correct shareholder list that is subject to inspection by shareholders during business hours. The Georgia Business Corporation Code does not impose the same requirements on United.

The National Bank Act allows the Eagle shareholders to exercise cumulative voting rights in the election of directors. The Georgia Business Corporation Code does not.

United is subject to filing requirements imposed by the Securities and Exchange Commission. Eagle is not subject to such requirements.

### **Interests of Directors and Officers of Eagle in the Merger (see page 19)**

Some of the directors and officers of Eagle have interests in the merger in addition to their interests as shareholders generally, including the following:

As a condition to closing the merger and as required by his employment agreement, Samuel K. Parrish, President and Chief Executive Officer of Eagle, will terminate his employment agreement with Eagle for payment of approximately three times his current base salary.

In connection with the closing of the merger, Major William Loftin, Jr. will continue as Senior Credit Officer of the community bank made up of the former Eagle branches, receive 5,000 options to purchase common stock of United and agree to a one-year noncompetition agreement for a payment of \$50,000.

United will pay directors fees of \$500 per meeting to the directors of Eagle who will be asked to serve as advisory board members for UCB Georgia. This amount is an increase over the amount paid by Eagle to the Eagle board members.

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In connection with the merger, United has agreed to provide to officers and employees of Eagle who continue employment with United or its subsidiaries employee benefits under employee benefit plans, on terms and conditions substantially similar to those currently provided to similarly situated United officers and employees.

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Also in connection with the merger, United has agreed to purchase all of the outstanding options to purchase Eagle stock held by its officers and directors for cash of \$6.75 per option outstanding pursuant to the stock option agreements.

### **Recent Developments**

On August 24, 2004, United entered into an agreement to acquire Liberty Bancshares, Inc., Conyers, Georgia for \$36.1 million in shares of United and cash. The transaction is expected to close in the fourth quarter of 2004.

**COMPARATIVE SHARE DATA FOR  
UNITED AND EAGLE**

We have summarized below the per share results information for United and Eagle on a historical, pro forma combined and equivalent basis. You should read this information in conjunction with the historical financial statements (and related notes) of United in the annual and quarterly reports and other documents it has filed with the Securities and Exchange Commission, certain of which are incorporated by reference, and the historical financial statements (and related notes) of Eagle contained in this proxy statement/prospectus.

The pro forma combined information gives effect to the merger accounted for as a purchase, assuming all transactions contemplated in this proxy statement/prospectus had been effective for the periods indicated. Pro forma equivalent of one Eagle common share amounts are calculated by multiplying the pro forma combined basic and diluted earnings per share, United historical per share dividend and the pro forma combined book value by the exchange ratio of 0.8636 shares of United common stock so that the per share amounts equate to the respective values for one share of Eagle's common stock. The pro forma information shown below gives no effect to the cash payment of \$20.32 per share that Eagle shareholders may elect to receive as part of the transaction. Please note that the maximum number of shares of Eagle that may be exchanged for United common stock is 480,000.

You should not rely on the pro forma information as being indicative of the historical results that we would have had if we had been combined or of the future results that we will experience after the merger.

	<b>Six Months Ended June 30, 2004(1)</b>	<b>Year Ended December 31, 2003(1)</b>
<b>Net earnings per common share (basic)</b>		
United historical	\$ .62	\$ 1.11
Eagle historical		(.05)
United and Eagle pro forma combined(2)(3)	.61	1.10
Eagle pro forma equivalent(3)	.53	.95
<b>Net earnings per common share (diluted)</b>		
United historical	\$ .60	\$ 1.08
Eagle historical		(.05)
United and Eagle pro forma combined(2)(3)	.59	1.07
Eagle pro forma equivalent(3)	.51	.92
<b>Cash dividends per common share</b>		
United historical(4)	\$ .12	\$ .20
Eagle historical		
United and Eagle pro forma combined(2)(5)(6)	.12	.20
Eagle pro forma equivalent(5)	.10	.17
<b>Book value per common share (period end)</b>		
United historical	\$ 9.10	\$ 8.47
Eagle historical	9.68	9.75
United and Eagle pro forma combined(2)(5)	9.31	8.69
Eagle pro forma equivalent(5)	8.04	7.50

(1) Per share amounts presented above have been restated to reflect the three-for-two stock split effective April 28, 2004.

(2) Computed giving effect to the merger.

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- (3) Computed based on 414,528 shares of United common stock to be issued to Eagle shareholders for their 480,000 shares at the exchange ratio of 0.8636. Please note that the maximum number of shares of Eagle that may be exchanged for United common stock is 480,000. The proforma amounts presented above do not include assumed cost savings expected from elimination of duplicate back office functions.
- (4) Represents historical dividends paid by United, and assumes United will not change its dividend policy as a result of the merger.
- (5) Computed based on 414,528 shares of United common stock issued to Eagle shareholders for their 480,000 shares at the exchange ratio of 0.8636.
- (6) Represents historical dividends paid per share by United multiplied by the exchange ratio of 0.8636 shares of United common stock for each share of Eagle common stock designated for purposes of this computation.

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SUMMARY CONSOLIDATED FINANCIAL INFORMATION

We are providing the following information to help you analyze the financial aspects of the merger. We derived this information from United's and Eagle's audited financial statements for 1999 through 2003 and unaudited financial statements as of and for the six months ended June 30, 2003 and 2004. This information is only a summary, and you should read it in conjunction with the historical financial statements (and related notes) of United in the annual and quarterly reports and other documents that it has filed with the Securities and Exchange Commission, certain of which are incorporated by reference, and the historical financial statements (and related notes) of Eagle contained in this proxy statement/prospectus.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF UNITED  
(In thousands, except per share amounts)

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
<b>GAAP Results(1)</b>							
Net interest revenue (taxable equivalent)	\$ 77,063	\$ 65,608	\$ 138,738	\$ 119,575	\$ 109,162	\$ 96,524	\$ 80,969
Net income	21,987	17,533	38,118	32,780	27,231	14,517	16,098
Basic earnings per share	..62	..53	1.11	1.02	..86	..47	..53
Diluted earnings per share	.60	.51	1.08	.99	.84	.46	.52
Cash dividends declared per share	.1200	.1000	.2000	.1667	.1333	.1000	.0667
Book value per share	9.10	8.15	8.47	6.89	5.98	4.93	3.94
Total assets	4,525,446	3,905,929	4,068,834	3,211,344	2,749,257	2,528,879	2,384,678
Basic average shares outstanding	35,477	33,060	34,132	32,062	31,691	30,900	30,237
Diluted average shares outstanding	36,655	34,166	35,252	33,241	32,624	31,791	31,263
<b>Operating Results(2)</b>							
Net income	\$ 22,291	\$ 18,507	\$ 39,475	\$ 32,780	\$ 28,315	\$ 21,747	\$ 17,253
Basic earnings per share	..63	..56	1.15	1.02	..89	..70	..57
Diluted earnings per share	.61	.54	1.12	.99	.87	.69	.56

(1) Per share amounts and weighted average shares outstanding for periods presented above have been restated to reflect the three-for-two stock split effective April 28, 2004.

(2) Excludes pre-tax merger related and restructuring charges totaling \$2.1 million, \$1.6 million, \$10.6 million and \$1.8 million for the years ended December 31, 2003, 2001, 2000 and 1999. These charges decreased net income by \$1.4 million, \$1.1 million, \$7.2 million and \$1.2 million, and diluted earnings per share by \$.04, \$.03, \$.23 and \$.04, respectively. For the six months ended June 30, 2004 and 2003, pre-tax merger-related and restructuring charges totaling \$464,000 and \$1.5 million are excluded. These charges decrease net income by \$304,000 and \$974,000, and diluted earnings per share by \$.01 and \$.03, respectively. The following is a reconciliation of the operating results to GAAP results:

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
<b>Net operating income</b>	\$ 22,291	\$ 18,507	\$ 39,475	\$ 32,780	\$ 28,315	\$ 21,747	\$ 17,253
Merger-related charges, net of tax	304	974	1,357		1,084	7,230	1,155
<b>Net income</b>	\$ 21,987	\$ 17,533	\$ 38,118	\$ 32,780	\$ 27,231	\$ 14,517	\$ 16,098

As of and for the  
Six Months  
Ended June 30, As of and for the Years Ended December 31,

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**SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF EAGLE**  
(In thousands, except per share amounts)

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
Net interest revenue	\$ 1,152	\$ 1,049	\$ 2,218	\$ 2,403	\$ 2,110	\$ 1,654	\$ 1,213
Net income (loss)	1		(32)	290	210	521	(181)
Basic earnings (loss) per share			(.05)	..48	..35	..87	(.30)
Diluted earnings (loss) per share			(.05)	.48	.35	.87	(.30)
Cash dividends declared per share							
Book value per share	9.68	9.98	9.75	9.98	9.43	8.84	7.74
Total assets	64,133	59,197	61,037	62,486	55,719	49,372	36,869
Basic average shares outstanding	600	600	600	600	600	600	600
Diluted average shares outstanding	600	600	600	600	600	600	600

**DETAILS OF THE PROPOSED MERGER**

**Background of and Reasons for the Merger**

In early 2004 the board of directors of Eagle determined that it would be in the best interest of the bank to raise additional capital. In May 2004, the bank began the process of preparing to sell 300,000 additional shares of the bank and engaged Stevens & Company of LaGrange, Georgia to evaluate the stock of the bank for the purpose of pricing the offering. The proposed offering was communicated to shareholders in the cover letter transmitting the notice of the annual meeting of shareholders on May 18, 2004.

On June 1, 2004, Eagle's management received a conditional unsolicited expression of interest in a merger for cash consideration ranging from \$19.50 to \$23.50 per share, or \$11.7 million to \$13.1 million, subject to a final determination of price after completion of the offeror's due diligence. The board of directors discussed the offer and determined that the offeror would not be able to pay the cash purchase price without raising additional capital and that an all cash offer was undesirable because it would be taxable and not permit Eagle's shareholders to participate in future growth opportunities in its market. The board also determined that a stock exchange, if offered by such offeror, would be undesirable because of the lack of liquidity in the offeror's stock and the offeror's limited prospects. Based on these determinations, the board of directors decided that the proposal did not warrant further evaluation, and the board of directors rejected the offer and elected remain its planned offering of additional stock and to remain independent.

On June 23, 2004, a second letter was received from the offeror proposing to purchase the bank for \$20 per share in cash, or \$12 million, and stating that up to 35% of the consideration might be received in stock of the offeror. Based on this expression of interest and the slow growth of Eagle, including its difficulty in participating, because of its relative size, in future growth in its market area, the board of directors of Eagle decided that it would be in the best interest of the bank and the shareholders to determine what type of merger arrangement might be available for the bank as an alternative to raising additional capital, and Stevens & Company was engaged as a consultant to assist with the evaluation of the bank's strategic alternatives, including selling the bank or remaining independent.

During June and July 2004, Stevens & Company contacted 9 potential partners to determine if any were interested in making a proposal to acquire the bank. Information about Eagle was sent to 4 potential partners that expressed an interest in making a proposal. On June 29, 2004, shareholders of Eagle were notified that the offering of 300,000 shares was temporarily put on hold. During the early part of July discussions were held with numerous potentially interested merger partners.

On July 20, 2004, a written offer was received from United to acquire Eagle at a purchase price of \$12.5 million payable 80% in stock and 20% in cash. The offer included provisions for payment of \$6.75 for each outstanding option to purchase shares of Eagle and for contractual paym