



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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United Community Bank, Blairsville, Georgia Assumes All of the Deposits of Southern Community Bank, Fayetteville, Georgia

Southern Community Bank, Fayetteville, Georgia was closed today by the Georgia Department of Banking and Finance, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with United Community Bank, Blairsville, Georgia, to assume all of the deposits of Southern Community Bank.

The five offices of Southern Community Bank will reopen for normal business hours, starting Saturday, as branches of United Community Bank. Depositors of Southern Community Bank will automatically become depositors of United Community Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers of both banks should continue to use their existing branches until United Community Bank can fully integrate the deposit records of Southern Community Bank. Depositors of Southern Community Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of May 29, 2009, Southern Community Bank had total assets of \$377 million and total deposits of approximately \$307 million. United Community Bank paid a premium of 1 percent to acquire all of the deposits of the failed bank. In addition to assuming all of the deposits of the failed bank, United Community Bank agreed to purchase approximately \$364 million of assets. The FDIC will retain the remaining assets for later disposition.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-94-2009

The FDIC and United Community Bank entered into a loss-share transaction on approximately \$253 million of Southern Community Bank's assets. United Community Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-sharing arrangement is projected to maximize returns on the assets covered by keeping them in the private sector. The agreement also is expected to minimize disruptions for loan customers.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-866-308-4470. The phone number will be operational this evening until 9:00 p.m., Eastern Daylight Time (EDT); on Saturday from 9:00 a.m. to 6:00 p.m., EDT; on Sunday from noon to 6:00 p.m., EDT; and thereafter from 8:00 a.m. to 8:00 p.m., EDT. Interested parties can also visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/scb.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$114 million. United Community Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to alternatives. Southern Community Bank is the 38th FDIC-insured institution to fail in the nation this year, and the seventh in Georgia. The last FDIC-insured institution to be closed in the state was Silverton Bank, National Association, Atlanta, on May 1, 2009.

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