
**UNITED STATES
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): January 28, 2011

United Community Banks, Inc.

(Exact name of registrant as specified in its charter)

<u>Georgia</u> (State or other jurisdiction of incorporation)	<u>No. 0-21656</u> (Commission File Number)	<u>No. 58-180-7304</u> (IRS Employer Identification No.)
<u>125 Highway 515 East, P.O. Box 398 Blairsville, Georgia</u> (Address of principal executive offices)		<u>30512</u> (Zip Code)

Registrant's telephone number, including area code: **(706) 781-2265**

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operation and Financial Condition

On January 28, 2011, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter ended December 31, 2010 (the “News Release”). The News Release, including financial schedules, is attached as Exhibit 99.1 to this report. In connection with issuing the News Release, on January 28, 2011 at 11:00 a.m. EST, the Registrant intends to hold a conference call/webcast to discuss the News Release. In addition to the News Release, during the conference call the Registrant intends to discuss certain financial information contained in the December 31, 2010 Investor Presentation (the “Investor Presentation”) which will be posted to the Registrant’s website. The Investor Presentation is attached as Exhibit 99.2 to this report.

The presentation of the Registrant’s financial results included operating performance measures and core earnings measures, which are measures of performance determined by methods other than in accordance with generally accepted accounting principles, or GAAP. Management included non-GAAP operating performance and core earnings measures because it believes they are useful for evaluating the Registrant’s operations and performance over periods of time, and uses operating performance and core earnings measures in managing and evaluating the Registrant’s business and intends to refer to them in discussions about the Registrant’s operations and performance. Operating performance measures for the fourth quarter of 2010 exclude the effects of an \$11.75 million pre-tax partial recovery of a 2007 fraud loss and third quarter 2010 operating performance measures exclude the effects of a \$210.6 million non-cash goodwill impairment charge. Operating performance measures for 2009 exclude the effects of \$25 million and \$70 million, in non-cash goodwill impairment charges in the third and first quarters, respectively, (bringing the total goodwill impairment charge for the year 2009 to \$95 million), \$2.9 million in non-recurring severance charges related to a reduction in workforce recorded in the first quarter and an \$11.4 million gain in the second quarter from the acquisition of Southern Community Bank that resulted from a bargain purchase. These items have been excluded from operating performance measures because management believes that the items are non-recurring in nature and do not reflect overall trends in the Registrant’s earnings. Additionally, core earnings measures exclude credit related costs such as the provision for loan losses, the loss from sale of nonperforming assets to Fletcher International in the second quarter of 2010 and foreclosed property expense, securities gains and losses, income taxes and other items of a non-recurring nature. Core earnings are useful in evaluating the underlying earnings performance trends of the Registrant. Management believes these non-GAAP performance measures may provide users of the Registrant’s financial information with a meaningful measure for assessing the Registrant’s financial results and comparing those financial results to prior periods.

Operating performance and core earnings measures should be viewed in addition to, and not as an alternative or substitute for, the Registrant’s performance measures determined in accordance with GAAP, and is not necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Item 9.01 Financial Statements and Exhibits

- (a) Financial statements: None
- (b) Pro forma financial information: None
- (c) Exhibits:

99.1	Press Release, dated January 28, 2011
99.2	Investor Presentation, Fourth Quarter 2010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

/s/ Rex S. Schuette

Rex S. Schuette
Executive Vice President and
Chief Financial Officer

January 28, 2011



For Immediate Release

For more information:

Rex S. Schuette

Chief Financial Officer

(706) 781-2266

Rex_Schuette@ucbi.com

**UNITED COMMUNITY BANKS, INC. REPORTS
NET OPERATING LOSS OF \$23.6 MILLION FOR FOURTH QUARTER 2010**

- Net operating loss lowest since second quarter 2009
- Credit measures continue to improve; nonperforming assets lowest since 2008
- Allowance-to-loans ratio increases to 3.79 percent
- Core transaction deposits up 12 percent annualized

BLAIRSVILLE, GA – January 28, 2011 – United Community Banks, Inc. (NASDAQ: UCBI) today reported a net operating loss from continuing operations of \$23.6 million, or 28 cents per diluted share, for the fourth quarter of 2010. The fourth quarter operating loss excludes a partial recovery of \$11.8 million, or eight cents per diluted share, from a previously incurred fraud loss related to two failed real estate developments in western North Carolina. Including the recovery, the fourth quarter net loss was \$16.4 million, or 20 cents per diluted share.

For 2010 and 2009, United's net operating losses from continuing operations were \$143.4 million and \$139.1 million, or \$1.62 and \$2.47 per diluted share, respectively. In the attached schedules, operating losses from continuing operations for all periods exclude consulting fee revenue and operating expenses of Brintech, Inc. during the periods it was owned by United. Also excluded is the gain from the sale of Brintech in the first quarter of 2010. The net income or loss from Brintech's discontinued operations is reported as a separate line in the consolidated statement of income.

In addition to excluding the fourth quarter partial recovery of the fraud loss from western North Carolina, the net operating loss from continuing operations for the full year 2010 excludes the \$210.6 million non-cash charge for goodwill impairment. Including the partial recovery and goodwill impairment charge, United's net loss for the full year 2010 was \$345.6 million, or \$3.76 per diluted share.

The net operating loss from continuing operations for the full year 2009 excludes \$95 million in non-cash charges for impairment of goodwill and \$1.8 million in severance costs, net of taxes, relating to a reduction in work force. Also excluded is the \$7.1 million gain, net of taxes, on the acquisition of Southern Community Bank in the second quarter 2009. These charges and gains were considered non-operating items and therefore were excluded from operating earnings. Including these non-operating items, United's net loss for 2009 was \$228.3 million, or \$3.95 per diluted share.

"We are encouraged by the improving trends in our credit quality indicators," said Jimmy Tallent, president and chief executive officer. "Credit quality improved from the third quarter in every measure, with nonperforming assets, net charge-offs and provision for loan losses falling to their lowest levels in many quarters. At the same time, the housing market and general economy within our footprint remain weak, so we look toward the future with guarded optimism."

Total loans were \$4.6 billion at quarter-end, down \$156 million from the end of the third quarter and down \$547 million from a year ago. Residential construction loans were \$695 million, or 15 percent of total loans, down \$69 million from the end of the third quarter and down \$355 million from a year ago. The decline in loans was net of new lending that totaled \$78 million during the fourth quarter and \$320 million for the full year, primarily commercial and small business loans in metropolitan Atlanta and north Georgia.

Taxable equivalent net interest revenue of \$60.1 million was \$3.8 million lower than the fourth quarter of 2009 due to the lower level of interest-earning assets. Average loans and securities declined \$589 million and \$175 million, respectively, from the fourth quarter of 2009. The net interest margin was 3.58 percent for the fourth quarter of 2010, up 18 basis points from a year ago and up one basis point from the third quarter.

“While remaining sharply focused on deposit and loan pricing, we’ve maintained liquidity significantly above historical levels in light of the uncertain times,” Tallent said. “This excess liquidity lowered our margin by 30 basis points in the fourth quarter and 19 basis points in the third quarter.”

“We grew core transaction deposits for the eighth consecutive quarter,” Tallent continued. “The fourth quarter increase was \$77 million, 12 percent on an annualized basis,” Tallent continued. “This brought our 2010 core deposit growth to \$291 million, a 12 percent increase.”

“We continue to see tremendous core deposit growth opportunities in our markets due to disruption in the banking environment,” Tallent said. “We have launched a new core deposit marketing initiative that stresses our strong customer service culture, and is already showing great promise.”

The fourth quarter 2010 operating provision for loan losses decreased from \$50.5 million in the third quarter and from \$90 million a year ago, to \$47.8 million in the fourth quarter. Operating net charge-offs continued their downward trend to \$47.7 million in the fourth quarter, \$2.3 million less than the third quarter and \$36.9 million less than the fourth quarter of 2009. The operating provision for loan losses and operating net charge-offs for the fourth quarter of 2010 exclude the partial recovery of \$11.8 million from the fraud loss incurred in 2007 in western North Carolina.

Non-performing assets decreased to \$321 million at quarter-end from \$348 million at September 30 and from \$385 million at December 31, 2009.

Operating fee revenue was \$12.4 million in the fourth quarter of 2010, compared to \$14.4 million a year ago. The fourth quarter of 2009 included \$2.0 million in securities gains which accounts for the decrease. Service charges and fees of \$7.0 million were down \$1.2 million, due primarily to lower overdraft fees resulting from recent regulatory changes that require customers to give consent before using United's overdraft services. Mortgage loan fees were up \$217,000 from a year ago, to \$1.9 million, due to higher refinancing activity resulting from low long-term interest rates. Other fee revenue increased \$676,000 to \$2.8 million, due primarily to the acceleration of deferred gains relating to the ineffectiveness of terminated cash flow hedges on certain prime-based loans.

Fourth quarter operating expenses were \$64.9 million, up \$4.8 million from a year ago due to higher foreclosed property costs. Foreclosed property costs were \$20.6 million, a \$6.2 million increase from the fourth quarter of 2009 reflecting additional losses from declining real estate values. Fourth quarter 2010 foreclosed property costs, including maintenance, property taxes and other related costs were even with last year at \$4.8 million. Losses relating to the sale of properties totaled \$7.8 million and write-downs of other foreclosed properties totaled \$8.0 million. The losses and write-downs increased \$451,000 and \$5.8 million, respectively, compared to fourth quarter 2009, which helped expedite sales of foreclosed properties. Salary and benefit costs totaled \$23.8 million, a decrease of \$284,000 from last year due primarily to lower stock-based compensation expense. Other operating expenses decreased \$530,000 from a year ago, to \$3.9 million, due primarily to lower ATM network costs and appraisal fees.

The effective tax rate for the fourth quarter of 2010 was 43 percent, up slightly from the 40 percent in the third quarter due to the statute expiration of certain state tax returns and resulting release of related reserves. Absent the tax reserve adjustment, the effective tax rate would have been 40 percent, which is the expected effective rate for 2011.

As of December 31, 2010, the capital ratios for United were as follows: Tier 1 Risk Based of 9.7 percent; Leverage of 6.8 percent; and, Total Risk Based of 12.1 percent. The quarterly average tangible equity-to-assets ratio was 8.8 percent and the tangible common equity-to-assets ratio was 6.4 percent.

“The last three years have been difficult, to state the obvious,” Tallent said. “We are seeing encouraging signs, however; our credit metrics are moving in the right direction with several approaching their lowest levels since the beginning of the credit cycle in 2008. Core customer deposit growth has been the strongest in our history and we’ve made great strides increasing the net interest margin with deference to the need to maintain higher-than-normal levels of liquidity. We’ve rebalanced our loan portfolio by shrinking residential construction loans to 15 percent of the portfolio from a high of 35 percent.”

“As to capital, we exceed regulatory well-capitalized levels but continue to evaluate alternatives to further strengthen our position,” Tallent said. “We believe this course is prudent in light of the operating and regulatory environment, and are very pleased that these efforts have advanced substantially. We expect to announce a capital plan by the end of the first quarter of 2011.”

Conference Call

United Community Banks will hold a conference call today, Friday, January 28, 2011, at 11 a.m. ET to discuss the contents of this news release and to share business highlights for the quarter. To access the call, dial (877) 380-5665 and use the password ‘35075160.’ The conference call also will be webcast and can be accessed by selecting ‘Calendar of Events’ within the Investor Relations section of the company’s website at www.ucbi.com.

About United Community Banks, Inc.

Headquartered in Blairsville, United Community Banks is the third-largest bank holding company in Georgia. United Community Banks has assets of \$7.4 billion and operates 27 community banks with 106 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina and east Tennessee. The Company specializes in providing personalized community banking services to individuals and small to mid-size businesses. United Community Banks also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United Community Banks common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at the Company’s web site at www.ucbi.com.

Safe Harbor

This news release 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 some factors that may cause such forward-looking statements to differ materially from actual results, please refer to the section entitled "Forward-Looking Statements" on page 3 of United Community Banks, Inc.'s annual report filed on Form 10-K with the Securities and Exchange Commission.

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UNITED COMMUNITY BANKS, INC.
Financial Highlights
Selected Financial Information

<i>(in thousands, except per share data; taxable equivalent)</i>	2010				2009	Fourth Quarter	For the Twelve Months Ended		YTD
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2010-2009 Change	2010	2009	2010-2009 Change
INCOME SUMMARY									
Interest revenue	\$ 81,215	\$ 84,360	\$ 87,699	\$ 89,849	\$ 97,481		\$ 343,123	\$ 404,961	
Interest expense	21,083	24,346	26,072	28,570	33,552		100,071	159,734	
Net interest revenue	60,132	60,014	61,627	61,279	63,929	(6)%	243,052	245,227	(1)%
Operating provision for loan losses (1)	47,750	50,500	61,500	75,000	90,000		234,750	310,000	
Operating fee revenue (2)	12,442	12,861	11,579	11,666	14,447	(14)	48,548	50,964	(5)
Total operating revenue (1)(2)	24,824	22,375	11,706	(2,055)	(11,624)		56,850	(13,809)	
Operating expenses (3)	64,918	64,906	58,308	54,820	60,126	8	242,952	217,050	12
Loss on sale of nonperforming assets	—	—	45,349	—	—		45,349	—	
Operating loss from continuing operations before taxes	(40,094)	(42,531)	(91,951)	(56,875)	(71,750)	44	(231,451)	(230,859)	
Operating income tax benefit	(16,520)	(16,706)	(32,419)	(22,417)	(31,687)		(88,062)	(91,754)	
Net operating loss from continuing operations (1)(2)(3)	(23,574)	(25,825)	(59,532)	(34,458)	(40,063)	41	(143,389)	(139,105)	(3)
Gain from acquisition, net of tax expense	—	—	—	—	—		—	7,062	
Noncash goodwill impairment charges	—	(210,590)	—	—	—		(210,590)	(95,000)	
Severance costs, net of tax benefit	—	—	—	—	—		—	(1,797)	
Partial reversal of fraud loss provision, net of tax expense	7,179	—	—	—	—		7,179	—	
(Loss) income from discontinued operations	—	—	—	(101)	228		(101)	513	
Gain from sale of subsidiary, net of income taxes and selling costs	—	—	—	1,266	—		1,266	—	
Net loss	(16,395)	(236,415)	(59,532)	(33,293)	(39,835)	59	(345,635)	(228,327)	(51)
Preferred dividends and discount accretion	2,586	2,581	2,577	2,572	2,567		10,316	10,242	
Net loss available to common shareholders	<u>\$ (18,981)</u>	<u>\$ (238,996)</u>	<u>\$ (62,109)</u>	<u>\$ (35,865)</u>	<u>\$ (42,402)</u>		<u>\$ (355,951)</u>	<u>\$ (238,569)</u>	

PERFORMANCE
MEASURES

Per common share:

Diluted operating loss from continuing operations (1)(2)(3)	\$ (.28)	\$ (.30)	\$ (.66)	\$ (.39)	\$ (.45)	38	\$ (1.62)	\$ (2.47)	34
Diluted loss from continuing operations	(.20)	(2.52)	(.66)	(.39)	(.45)	56	(3.77)	(3.96)	5
Diluted loss	(.20)	(2.52)	(.66)	(.38)	(.45)	56	(3.76)	(3.95)	5
Stock dividends declared (7)	—	—	—	—	—		—	3 for 130	
Book value	4.84	5.14	7.71	7.95	8.36	(42)	4.84	8.36	(42)
Tangible book value (5)	4.76	5.05	5.39	5.62	6.02	(21)	4.76	6.02	(21)
Key performance ratios:									
Return on equity (4)(6)	(17.16)%	(148.04)%	(35.89)%	(20.10)%	(22.08)%		(57.08)%	(34.40)%	
Return on assets (6)	(.89)	(12.47)	(3.10)	(1.70)	(1.91)		(4.53)	(2.76)	
Net interest margin (6)	3.58	3.57	3.60	3.49	3.40		3.56	3.29	
Operating efficiency ratio from continuing operations (2)(3)	89.45	89.38	141.60	75.22	78.74		98.98	73.97	
Equity to assets	8.85	11.37	11.84	11.90	11.94		11.01	11.12	
Tangible equity to assets (5)	8.75	9.19	9.26	9.39	9.53		9.15	8.33	
Tangible common equity to assets (5)	6.35	6.78	6.91	7.13	7.37		6.80	6.15	

Tangible common equity to risk-weighted assets (5)	9.05	9.60	9.97	10.03	10.39		9.05	10.39
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ASSET QUALITY *

Non-performing loans	\$ 179,094	\$ 217,766	\$ 224,335	\$ 280,802	\$ 264,092		\$ 179,094	\$ 264,092
Foreclosed properties	142,208	129,964	123,910	136,275	120,770		142,208	120,770
Total non-performing assets (NPAs)	321,302	347,730	348,245	417,077	384,862		321,302	384,862
Allowance for loan losses	174,695	174,613	174,111	173,934	155,602		174,695	155,602
Operating net charge-offs (1)	47,668	49,998	61,323	56,668	84,585		215,657	276,669
Allowance for loan losses to loans	3.79%	3.67%	3.57%	3.48%	3.02%		3.79%	3.02%
Operating net charge-offs to average loans (1)(6)	4.03	4.12	4.98	4.51	6.37		4.42	5.03
NPAs to loans and foreclosed properties	6.77	7.11	6.97	8.13	7.30		6.77	7.30
NPAs to total assets	4.32	4.96	4.55	5.32	4.81		4.32	4.81

AVERAGE BALANCES (\$

in millions)

Loans	\$ 4,768	\$ 4,896	\$ 5,011	\$ 5,173	\$ 5,357	(11)	\$ 4,961	\$ 5,548	(11)
Investment securities	1,354	1,411	1,532	1,518	1,529	(11)	1,453	1,656	(12)
Earning assets	6,680	6,676	6,854	7,085	7,487	(11)	6,822	7,465	(9)
Total assets	7,338	7,522	7,704	7,946	8,287	(11)	7,626	8,269	(8)
Deposits	6,294	6,257	6,375	6,570	6,835	(8)	6,373	6,713	(5)
Shareholders' equity	649	855	912	945	989	(34)	840	920	(9)
Common shares — basic (thousands)	94,918	94,679	94,524	94,390	94,219		94,624	60,374	
Common shares — diluted (thousands)	94,918	94,679	94,524	94,390	94,219		94,624	60,374	

AT PERIOD END (\$ in

millions)

Loans *	\$ 4,604	\$ 4,760	\$ 4,873	\$ 4,992	\$ 5,151	(11)	\$ 4,604	\$ 5,151	(11)
Investment securities	1,490	1,310	1,488	1,527	1,530	(3)	1,490	1,530	(3)
Total assets	7,443	7,013	7,652	7,837	8,000	(7)	7,443	8,000	(7)
Deposits	6,469	5,999	6,330	6,488	6,628	(2)	6,469	6,628	(2)
Shareholders' equity	636	662	904	926	962	(34)	636	962	(34)
Common shares outstanding (thousands)	94,685	94,433	94,281	94,176	94,046		94,685	94,046	

(1) Excludes the partial reversal of a previously established provision for fraud-related loan losses of \$11.8 million, net of tax expense of \$4.6 million in 2010. Operating charge-offs also exclude the \$11.8 million related partial recovery of the previously charged off amount.

(2) Excludes the gain from acquisition of \$11.4 million, (income tax expense of \$4.3 million) in the second quarter of 2009 and revenue generated by discontinued operations in all periods presented.

(3) Excludes goodwill impairment charges of \$211 million in the third quarter of 2010 and \$25 million and \$70 million in the third and first quarters of 2009, respectively, severance costs of \$2.9 million, (income tax benefit of \$1.1 million) in the first quarter of 2009 and expenses relating to discontinued operations for all periods presented.

(4) Net loss available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).

(5) Excludes effect of acquisition related intangibles and associated amortization.

(6) Annualized.

(7) Number of new shares issued for shares currently held.

* Excludes loans and foreclosed properties covered by loss sharing agreements with the FDIC.

UNITED COMMUNITY BANKS, INC.
**Selected Financial Information
For the Years Ended December 31,**
*(in thousands, except per share data;
taxable equivalent)*

	2010	2009	2008	2007	2006
INCOME SUMMARY					
Net interest revenue	\$ 243,052	\$ 245,227	\$ 238,704	\$ 274,483	\$ 237,880
Operating provision for loan losses (1)	234,750	310,000	184,000	37,600	14,600
Operating fee revenue (2)	48,548	50,964	46,081	53,701	41,671
Total operating revenue (1)(2)	56,850	(13,809)	100,785	290,584	264,951
Operating expenses (3)	242,952	217,050	200,335	181,730	155,306
Loss on sale of nonperforming assets	45,349	—	—	—	—
Operating (loss) income from continuing operations before taxes	(231,451)	(230,859)	(99,550)	108,854	109,645
Operating income taxes	(88,062)	(91,754)	(35,651)	40,266	41,249
Net operating (loss) income from continuing operations	(143,389)	(139,105)	(63,899)	68,588	68,396
Gain from acquisition, net of tax	—	7,062	—	—	—
Noncash goodwill impairment charges	(210,590)	(95,000)	—	—	—
Severance cost, net of tax benefit	—	(1,797)	—	—	—
Fraud loss provision and subsequent recovery, net of tax benefit	7,179	—	—	(10,998)	—
Net (loss) income from discontinued operations	(101)	513	449	403	419
Gain from sale of subsidiary, net of income taxes and selling costs	1,266	—	—	—	—
Net (loss) income	(345,635)	(228,327)	(63,450)	57,993	68,815
Preferred dividends and discount accretion	10,316	10,242	724	18	19
Net (loss) income available to common shareholders	\$ (355,951)	\$ (238,569)	\$ (64,174)	\$ 57,975	\$ 68,796

PERFORMANCE MEASURES

Per common share:					
Diluted operating (loss) earnings from continuing operations (1)(2)(3)	\$ (1.62)	\$ (2.47)	\$ (1.36)	\$ 1.47	\$ 1.65
Diluted (loss) earnings from continuing operations	(3.77)	(3.96)	(1.36)	1.24	1.65
Diluted (loss) earnings	(3.76)	(3.95)	(1.35)	1.24	1.66
Cash dividends declared (rounded)	—	—	.18	.36	.32
Stock dividends declared (6)	—	3 for 130	2 for 130	—	—
Book value	4.84	8.36	16.95	17.73	14.37
Tangible book value (5)	4.76	6.02	10.39	10.94	10.57
Key performance ratios:					
Return on equity (4)	(57.08)%	(34.40)%	(7.82)%	7.79%	13.28%
Return on assets	(4.53)	(2.76)	(.76)	.75	1.09
Net interest margin	3.56	3.29	3.18	3.88	4.05
Operating efficiency ratio from continuing operations (2)(3)	98.98	73.97	70.00	55.53	55.30
Equity to assets	11.01	11.12	10.22	9.61	8.06
Tangible equity to assets (5)	9.15	8.33	6.67	6.63	6.32
Tangible common equity to assets (5)	6.80	6.15	6.57	6.63	6.32
Tangible common equity to risk-weighted assets (5)	9.05	10.39	8.34	8.21	8.09

ASSET QUALITY *

Non-performing loans	\$ 179,094	\$ 264,092	\$ 190,723	\$ 28,219	\$ 12,458
Foreclosed properties	142,208	120,770	59,768	18,039	1,196
Total non-performing assets (NPAs)	321,302	384,862	250,491	46,258	13,654
Allowance for loan losses	174,695	155,602	122,271	89,423	66,566
Operating net charge-offs (1)	215,657	276,669	151,152	21,834	5,524
Allowance for loan losses to loans	3.79%	3.02%	2.14%	1.51%	1.24%
Operating net charge-offs to average loans (1)	4.42	5.03	2.57	.38	.12
NPAs to loans and foreclosed properties	6.77	7.30	4.35	.78	.25
NPAs to total assets	4.32	4.81	2.92	.56	.19

AVERAGE BALANCES (\$ in millions)

Loans	\$ 4,961	\$ 5,548	\$ 5,891	\$ 5,735	\$ 4,801
Investment securities	1,453	1,656	1,489	1,278	1,042
Earning assets	6,822	7,465	7,504	7,071	5,877
Total assets	7,626	8,269	8,319	7,731	6,287
Deposits	6,373	6,713	6,524	6,029	5,017
Shareholders' equity	840	920	850	743	507
Common shares — Basic (thousands)	94,624	60,374	47,369	45,948	40,413
Common shares — Diluted (thousands)	94,624	60,374	47,369	46,593	41,575

AT YEAR END (\$ in millions)

Loans *	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377
Investment securities	1,490	1,530	1,617	1,357	1,107
Total assets	7,443	8,000	8,592	8,207	7,101
Deposits	6,469	6,628	7,004	6,076	5,773
Shareholders' equity	636	962	989	832	617
Common shares outstanding (thousands)	94,685	94,046	48,009	46,903	42,891

- (1) Excludes pre-tax provision for fraud-related loan losses and related charge-offs of \$18 million, net of income tax benefit of \$7 million in 2007 and subsequent recovery of \$11.8 million, net of tax expense of \$4.6 million in 2010.
 - (2) Excludes the gain from acquisition of \$11.4 million, net of income tax expense of \$4.3 million in 2009.
 - (3) Excludes the goodwill impairment charges of \$211 million and \$95 million in 2010 and 2009, respectively, and severance costs of \$2.9 million, net of income tax benefit of \$1.1 million in 2009.
 - (4) Net (loss) income available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).
 - (5) Excludes effect of acquisition related intangibles and associated amortization.
 - (6) Number of new shares issued for shares currently held.
- * Excludes loans and foreclosed properties covered by loss sharing agreements with the FDIC.

UNITED COMMUNITY BANKS, INC.
Operating Earnings to GAAP Earnings Reconciliation
Selected Financial Information

<i>(in thousands, except per share data; taxable equivalent)</i>	2010				2009	For the Twelve Months Ended				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2010	2009	2008	2007	2006
Interest revenue reconciliation										
Interest revenue — taxable equivalent	\$ 81,215	\$ 84,360	\$ 87,699	\$ 89,849	\$ 97,481	\$ 343,123	\$ 404,961	\$ 466,969	\$ 550,917	\$ 446,695
Taxable equivalent adjustment	(497)	(511)	(500)	(493)	(601)	(2,001)	(2,132)	(2,261)	(1,881)	(1,868)
Interest revenue (GAAP)	<u>\$ 80,718</u>	<u>\$ 83,849</u>	<u>\$ 87,199</u>	<u>\$ 89,356</u>	<u>\$ 96,880</u>	<u>\$ 341,122</u>	<u>\$ 402,829</u>	<u>\$ 464,708</u>	<u>\$ 549,036</u>	<u>\$ 444,827</u>
Net interest revenue reconciliation										
Net interest revenue — taxable equivalent	\$ 60,132	\$ 60,014	\$ 61,627	\$ 61,279	\$ 63,929	\$ 243,052	\$ 245,227	\$ 238,704	\$ 274,483	\$ 237,880
Taxable equivalent adjustment	(497)	(511)	(500)	(493)	(601)	(2,001)	(2,132)	(2,261)	(1,881)	(1,868)
Net interest revenue (GAAP)	<u>\$ 59,635</u>	<u>\$ 59,503</u>	<u>\$ 61,127</u>	<u>\$ 60,786</u>	<u>\$ 63,328</u>	<u>\$ 241,051</u>	<u>\$ 243,095</u>	<u>\$ 236,443</u>	<u>\$ 272,602</u>	<u>\$ 236,012</u>
Provision for loan losses reconciliation										
Operating provision for loan losses	\$ 47,750	\$ 50,500	\$ 61,500	\$ 75,000	\$ 90,000	\$ 234,750	\$ 310,000	\$ 184,000	\$ 37,600	\$ 14,600
Provision for special fraud-related loan loss and partial recovery	(11,750)	—	—	—	—	(11,750)	—	—	18,000	—
Provision for loan losses (GAAP)	<u>\$ 36,000</u>	<u>\$ 50,500</u>	<u>\$ 61,500</u>	<u>\$ 75,000</u>	<u>\$ 90,000</u>	<u>\$ 223,000</u>	<u>\$ 310,000</u>	<u>\$ 184,000</u>	<u>\$ 55,600</u>	<u>\$ 14,600</u>
Fee revenue reconciliation										
Operating fee revenue	\$ 12,442	\$ 12,861	\$ 11,579	\$ 11,666	\$ 14,447	\$ 48,548	\$ 50,964	\$ 46,081	\$ 53,701	\$ 41,671
Gain from acquisition	—	—	—	—	—	—	11,390	—	—	—
Fee revenue (GAAP)	<u>\$ 12,442</u>	<u>\$ 12,861</u>	<u>\$ 11,579</u>	<u>\$ 11,666</u>	<u>\$ 14,447</u>	<u>\$ 48,548</u>	<u>\$ 62,354</u>	<u>\$ 46,081</u>	<u>\$ 53,701</u>	<u>\$ 41,671</u>
Total revenue reconciliation										
Total operating revenue	\$ 24,824	\$ 22,375	\$ 11,706	\$ (2,055)	\$ (11,624)	\$ 56,850	\$ (13,809)	\$ 100,785	\$ 290,584	\$ 264,951
Taxable equivalent adjustment	(497)	(511)	(500)	(493)	(601)	(2,001)	(2,132)	(2,261)	(1,881)	(1,868)
Gain from acquisition	—	—	—	—	—	—	11,390	—	—	—
Provision for special fraud-related loan loss and partial recovery	11,750	—	—	—	—	11,750	—	—	(18,000)	—
Total revenue (GAAP)	<u>\$ 36,077</u>	<u>\$ 21,864</u>	<u>\$ 11,206</u>	<u>\$ (2,548)</u>	<u>\$ (12,225)</u>	<u>\$ 66,599</u>	<u>\$ (4,551)</u>	<u>\$ 98,524</u>	<u>\$ 270,703</u>	<u>\$ 263,083</u>
Expense reconciliation										
Operating expense	\$ 64,918	\$ 64,906	\$ 103,657	\$ 54,820	\$ 60,126	\$ 288,301	\$ 217,050	\$ 200,335	\$ 181,730	\$ 155,306
Noncash goodwill impairment charge	—	210,590	—	—	—	210,590	95,000	—	—	—
Severance costs	—	—	—	—	—	—	2,898	—	—	—
Operating expense (GAAP)	<u>\$ 64,918</u>	<u>\$ 275,496</u>	<u>\$ 103,657</u>	<u>\$ 54,820</u>	<u>\$ 60,126</u>	<u>\$ 498,891</u>	<u>\$ 314,948</u>	<u>\$ 200,335</u>	<u>\$ 181,730</u>	<u>\$ 155,306</u>
(Loss) income from continuing operations before taxes reconciliation										
Operating (loss) income from continuing operations before taxes	\$ (40,094)	\$ (42,531)	\$ (91,951)	\$ (56,875)	\$ (71,750)	\$ (231,451)	\$ (230,859)	\$ (99,550)	\$ 108,854	\$ 109,645
Taxable equivalent adjustment	(497)	(511)	(500)	(493)	(601)	(2,001)	(2,132)	(2,261)	(1,881)	(1,868)
Gain from acquisition	—	—	—	—	—	—	11,390	—	—	—
Noncash goodwill impairment charge	—	(210,590)	—	—	—	(210,590)	(95,000)	—	—	—
Severance costs	—	—	—	—	—	—	(2,898)	—	—	—
Provision for special fraud-related loan loss and partial recovery	11,750	—	—	—	—	11,750	—	—	(18,000)	—
(Loss) income from continuing operations before taxes (GAAP)	<u>\$ (28,841)</u>	<u>\$ (253,632)</u>	<u>\$ (92,451)</u>	<u>\$ (57,368)</u>	<u>\$ (72,351)</u>	<u>\$ (432,292)</u>	<u>\$ (319,499)</u>	<u>\$ (101,811)</u>	<u>\$ 88,973</u>	<u>\$ 107,777</u>
Income tax (benefit) expense reconciliation										
Operating income tax (benefit) expense	\$ (16,520)	\$ (16,706)	\$ (32,419)	\$ (22,417)	\$ (31,687)	\$ (88,062)	\$ (91,754)	\$ (35,651)	\$ 40,266	\$ 41,249
Taxable equivalent adjustment	(497)	(511)	(500)	(493)	(601)	(2,001)	(2,132)	(2,261)	(1,881)	(1,868)
Gain from acquisition, tax expense	—	—	—	—	—	—	4,328	—	—	—
Severance costs, tax benefit	—	—	—	—	—	—	(1,101)	—	—	—
Provision for special fraud-related loan loss and partial recovery, tax	4,571	—	—	—	—	4,571	—	—	(7,002)	—
Income tax (benefit) expense (GAAP)	<u>\$ (12,446)</u>	<u>\$ (17,217)</u>	<u>\$ (32,919)</u>	<u>\$ (22,910)</u>	<u>\$ (32,288)</u>	<u>\$ (85,492)</u>	<u>\$ (90,659)</u>	<u>\$ (37,912)</u>	<u>\$ 31,383</u>	<u>\$ 39,381</u>
Diluted (loss) income from continuing operations per common share reconciliation										
Diluted operating (loss) income from continuing operations per common share	\$ (.28)	\$ (.30)	\$ (.66)	\$ (.39)	\$ (.45)	\$ (1.62)	\$ (2.47)	\$ (1.36)	\$ 1.47	\$ 1.65
Gain from acquisition	—	—	—	—	—	—	.12	—	—	—
Noncash goodwill impairment charge	—	(2.22)	—	—	—	(2.23)	(1.58)	—	—	—
Severance costs	—	—	—	—	—	—	(.03)	—	—	—
Provision for special fraud-related loan loss and partial recovery	.08	—	—	—	—	.08	—	—	(.23)	—
Diluted (loss) income from continuing operations per common share (GAAP)	<u>\$ (.20)</u>	<u>\$ (2.52)</u>	<u>\$ (.66)</u>	<u>\$ (.39)</u>	<u>\$ (.45)</u>	<u>\$ (3.77)</u>	<u>\$ (3.96)</u>	<u>\$ (1.36)</u>	<u>\$ 1.24</u>	<u>\$ 1.65</u>
Book value per common share reconciliation										
Tangible book value per common share	\$ 4.76	\$ 5.05	\$ 5.39	\$ 5.62	\$ 6.02	\$ 4.76	\$ 6.02	\$ 10.39	\$ 10.94	\$ 10.57

Effect of goodwill and other intangibles	.08	.09	2.32	2.33	2.34	.08	2.34	6.56	6.79	3.80
Book value per common share (GAAP)	<u>\$ 4.84</u>	<u>\$ 5.14</u>	<u>\$ 7.71</u>	<u>\$ 7.95</u>	<u>\$ 8.36</u>	<u>\$ 4.84</u>	<u>\$ 8.36</u>	<u>\$ 16.95</u>	<u>\$ 17.73</u>	<u>\$ 14.37</u>
Efficiency ratio from continuing operations reconciliation										
Operating efficiency ratio from continuing operations	89.45%	89.38%	141.60%	75.22%	78.74%	98.98%	73.97%	70.00%	55.53%	55.30%
Gain from acquisition	—	—	—	—	—	—	(2.77)	—	—	—
Noncash goodwill impairment charge	—	290.00	—	—	—	72.29	31.17	—	—	—
Severance costs	—	—	—	—	—	—	.95	—	—	—
Efficiency ratio from continuing operations (GAAP)	<u>89.45%</u>	<u>379.38%</u>	<u>141.60%</u>	<u>75.22%</u>	<u>78.74%</u>	<u>171.27%</u>	<u>103.32%</u>	<u>70.00%</u>	<u>55.53%</u>	<u>55.30%</u>
Average equity to assets reconciliation										
Tangible common equity to assets	6.35%	6.78%	6.91%	7.13%	7.37%	6.80%	6.15%	6.57%	6.63%	6.32%
Effect of preferred equity	2.40	2.41	2.35	2.26	2.16	2.35	2.18	.10	—	—
Tangible equity to assets	8.75	9.19	9.26	9.39	9.53	9.15	8.33	6.67	6.63	6.32
Effect of goodwill and other intangibles	.10	2.18	2.58	2.51	2.41	1.86	2.79	3.55	2.98	1.74
Equity to assets (GAAP)	<u>8.85%</u>	<u>11.37%</u>	<u>11.84%</u>	<u>11.90%</u>	<u>11.94%</u>	<u>11.01%</u>	<u>11.12%</u>	<u>10.22%</u>	<u>9.61%</u>	<u>8.06%</u>
Actual tangible common equity to risk-weighted assets reconciliation										
Tangible common equity to risk-weighted assets	9.05%	9.60%	9.97%	10.03%	10.39%	9.05%	10.39%	8.34%	8.21%	8.09%
Effect of other comprehensive income	(.62)	(.81)	(.87)	(.85)	(.87)	(.62)	(.87)	(.91)	(.23)	.07
Effect of deferred tax limitation	(3.34)	(2.94)	(2.47)	(1.75)	(1.27)	(3.34)	(1.27)	—	—	—
Effect of trust preferred	1.06	1.06	1.03	1.00	.97	1.06	.97	.88	.65	.81
Effect of preferred equity	3.52	3.51	3.41	3.29	3.19	3.52	3.19	2.90	—	.01
Tier I capital ratio (Regulatory)	<u>9.67%</u>	<u>10.42%</u>	<u>11.07%</u>	<u>11.72%</u>	<u>12.41%</u>	<u>9.67%</u>	<u>12.41%</u>	<u>11.21%</u>	<u>8.63%</u>	<u>8.98%</u>
Net charge-offs reconciliation										
Operating net charge-offs	\$ 47,668	\$ 49,998	\$ 61,323	\$ 56,668	\$ 84,585	\$ 215,657	\$ 276,669	\$ 151,152	\$ 21,834	\$ 5,524
Fraud related charge-offs and subsequent partial recovery	(11,750)	—	—	—	—	(11,750)	—	—	18,000	—
Net charge-offs (GAAP)	<u>\$ 35,918</u>	<u>\$ 49,998</u>	<u>\$ 61,323</u>	<u>\$ 56,668</u>	<u>\$ 84,585</u>	<u>\$ 203,907</u>	<u>\$ 276,669</u>	<u>\$ 151,152</u>	<u>\$ 39,834</u>	<u>\$ 5,524</u>
Net charge-offs to average loans reconciliation										
Operating net charge-offs to average loans	4.03%	4.12%	4.98%	4.51%	6.37%	4.42%	5.03%	2.57%	.38%	.12%
Effect of fraud related charge offs and subsequent partial recovery	(1.00)	—	—	—	—	(.25)	—	—	.31	—
Net charge-offs to average loans (GAAP)	<u>3.03%</u>	<u>4.12%</u>	<u>4.98%</u>	<u>4.51%</u>	<u>6.37%</u>	<u>4.17%</u>	<u>5.03%</u>	<u>2.57%</u>	<u>.69%</u>	<u>.12%</u>

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End ⁽¹⁾

(in millions)	2010				2009	Linked Quarter Change	Year over Year Change
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter		
LOANS BY CATEGORY							
Commercial (sec. by RE)	\$ 1,761	\$ 1,781	\$ 1,780	\$ 1,765	\$ 1,779	\$ (20)	\$ (18)
Commercial construction	297	310	342	357	363	(13)	(66)
Commercial & industrial	441	456	441	381	390	(15)	51
Total commercial	2,499	2,547	2,563	2,503	2,532	(48)	(33)
Residential construction	695	764	820	960	1,050	(69)	(355)
Residential mortgage	1,279	1,316	1,356	1,390	1,427	(37)	(148)
Consumer / installment	131	133	134	139	142	(2)	(11)
Total loans	\$ 4,604	\$ 4,760	\$ 4,873	\$ 4,992	\$ 5,151	(156)	(547)

LOANS BY MARKET

Atlanta MSA	\$ 1,310	\$ 1,365	\$ 1,373	\$ 1,404	\$ 1,435	(55)	(125)
Gainesville MSA	312	316	343	372	390	(4)	(78)
North Georgia	1,689	1,755	1,808	1,814	1,884	(66)	(195)
Western North Carolina	702	719	738	756	772	(17)	(70)
Coastal Georgia	335	345	356	388	405	(10)	(70)
East Tennessee	256	260	255	258	265	(4)	(9)
Total loans	\$ 4,604	\$ 4,760	\$ 4,873	\$ 4,992	\$ 5,151	(156)	(547)

**RESIDENTIAL
CONSTRUCTION**

Dirt loans							
Acquisition & development	\$ 174	\$ 190	\$ 214	\$ 290	\$ 332	(16)	(158)
Land loans	99	104	110	124	127	(5)	(28)
Lot loans	275	303	311	321	336	(28)	(61)
Total	548	597	635	735	795	(49)	(247)
House loans							
Spec	97	109	125	153	178	(12)	(81)
Sold	50	58	60	72	77	(8)	(27)
Total	147	167	185	225	255	(20)	(108)
Total residential construction	\$ 695	\$ 764	\$ 820	\$ 960	\$ 1,050	(69)	(355)

**RESIDENTIAL
CONSTRUCTION —
ATLANTA MSA**

Dirt loans							
Acquisition & development	\$ 30	\$ 34	\$ 40	\$ 66	\$ 76	(4)	(46)
Land loans	23	27	32	43	43	(4)	(20)
Lot loans	32	45	39	47	52	(13)	(20)
Total	85	106	111	156	171	(21)	(86)
House loans							
Spec	38	42	48	58	68	(4)	(30)
Sold	10	11	10	14	16	(1)	(6)
Total	48	53	58	72	84	(5)	(36)
Total residential construction	\$ 133	\$ 159	\$ 169	\$ 228	\$ 255	(26)	(122)

(1) Excludes total loans of \$68.2 million, \$75.2 million, \$80.8 million, \$79.5 million and \$85.1 million as of December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Year-End ⁽¹⁾

<i>(in millions)</i>	2010	2009	2008	2007	2006
LOANS BY CATEGORY					
Commercial (sec. by RE)	\$ 1,761	\$ 1,779	\$ 1,627	\$ 1,476	\$ 1,230
Commercial construction	297	363	500	527	469
Commercial & industrial	441	390	410	418	296
Total commercial	2,499	2,532	2,537	2,421	1,995
Residential construction	695	1,050	1,479	1,829	1,864
Residential mortgage	1,279	1,427	1,526	1,502	1,338
Consumer / installment	131	142	163	177	180
Total loans	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377

LOANS BY MARKET

Atlanta MSA	\$ 1,310	\$ 1,435	\$ 1,706	\$ 2,002	\$ 1,651
Gainesville MSA	312	390	420	399	354
North Georgia	1,689	1,884	2,040	2,060	2,034
Western North Carolina	702	772	810	806	773
Coastal Georgia	335	405	464	416	358
East Tennessee	256	265	265	246	207
Total loans	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377

(1) Excludes total loans of \$68.2 million and \$85.1 million as of December 31, 2010 and 2009, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Credit Quality (1)

(in thousands)	Fourth Quarter 2010			Third Quarter 2010			Second Quarter 2010		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY									
Commercial (sec. by RE)	\$ 44,927	\$ 23,659	\$ 68,586	\$ 53,646	\$ 14,838	\$ 68,484	\$ 56,013	\$ 13,297	\$ 69,310
Commercial construction	21,374	17,808	39,182	17,279	15,125	32,404	17,872	11,339	29,211
Commercial & industrial	5,611	—	5,611	7,670	—	7,670	7,245	—	7,245
Total commercial	71,912	41,467	113,379	78,595	29,963	108,558	81,130	24,636	105,766
Residential construction	54,505	78,231	132,736	79,321	73,206	152,527	88,375	74,444	162,819
Residential mortgage	51,083	22,510	73,593	58,107	26,795	84,902	53,175	24,830	78,005
Consumer / installment	1,594	—	1,594	1,743	—	1,743	1,655	—	1,655
Total NPAs	\$ 179,094	\$ 142,208	\$ 321,302	\$ 217,766	\$ 129,964	\$ 347,730	\$ 224,335	\$ 123,910	\$ 348,245
Balance as a % of Unpaid Principal	67.2%	64.4%	65.9%	70.0%	65.9%	68.4%	69.4%	71.9%	70.3%
NPAs BY MARKET									
Atlanta MSA	\$ 48,289	\$ 41,154	\$ 89,443	\$ 65,304	\$ 32,785	\$ 98,089	\$ 74,031	\$ 30,605	\$ 104,636
Gainesville MSA	5,171	9,273	14,444	11,905	5,685	17,590	10,730	2,750	13,480
North Georgia	83,551	66,211	149,762	92,295	67,439	159,734	102,198	60,597	162,795
Western North Carolina	25,832	11,553	37,385	31,545	11,559	43,104	22,776	11,473	34,249
Coastal Georgia	11,145	11,901	23,046	10,611	10,951	21,562	8,341	16,548	24,889
East Tennessee	5,106	2,116	7,222	6,106	1,545	7,651	6,259	1,937	8,196
Total NPAs	\$ 179,094	\$ 142,208	\$ 321,302	\$ 217,766	\$ 129,964	\$ 347,730	\$ 224,335	\$ 123,910	\$ 348,245
NPA ACTIVITY									
Beginning Balance	\$ 217,766	\$ 129,964	\$ 347,730	\$ 224,335	\$ 123,910	\$ 348,245	\$ 280,802	\$ 136,275	\$ 417,077
Loans placed on non-accrual	81,023	—	81,023	119,783	—	119,783	155,007	—	155,007
Payments received	(7,250)	—	(7,250)	(11,469)	—	(11,469)	(12,189)	—	(12,189)
Loan charge-offs	(47,913)	—	(47,913)	(52,647)	—	(52,647)	(62,693)	—	(62,693)
Foreclosures	(61,432)	61,432	—	(59,844)	59,844	—	(66,994)	66,994	—
Capitalized costs	—	170	170	—	601	601	—	305	305
Note / property sales	(3,100)	(33,509)	(36,609)	(2,392)	(40,203)	(42,595)	(69,598)	(68,472)	(138,070)
Write downs	—	(8,031)	(8,031)	—	(7,051)	(7,051)	—	(6,094)	(6,094)
Net losses on sales	—	(7,818)	(7,818)	—	(7,137)	(7,137)	—	(5,098)	(5,098)
Ending Balance	\$ 179,094	\$ 142,208	\$ 321,302	\$ 217,766	\$ 129,964	\$ 347,730	\$ 224,335	\$ 123,910	\$ 348,245

(in thousands)	Fourth Quarter 2010 (3)		Third Quarter 2010		Second Quarter 2010	
	Net Charge-Offs	Net Charge-Offs to Average Loans (2)	Net Charge-Offs	Net Charge-Offs to Average Loans (2)	Net Charge-Offs	Net Charge-Offs to Average Loans (2)
NET CHARGE-OFFS BY CATEGORY						
Commercial (sec. by RE)	\$ 6,493	1.45%	\$ 14,212	3.16%	\$ 9,757	2.21%
Commercial construction	3,924	5.12	1,972	2.40	1,460	1.67
Commercial & industrial	2,891	2.54	1,207	1.07	867	.85
Total commercial	13,308	2.09	17,391	2.70	12,084	1.91
Residential construction	24,497	13.28	23,934	11.99	41,515	18.71
Residential mortgage	9,176	2.80	7,695	2.29	6,517	1.90
Consumer / installment	687	2.06	978	2.90	1,207	3.53
Total	\$ 47,668	4.03	\$ 49,998	4.12	\$ 61,323	4.98
NET CHARGE-OFFS BY MARKET						
Atlanta MSA	\$ 15,222	4.48%	\$ 13,753	3.97%	\$ 16,926	4.85%
Gainesville MSA	3,434	4.37	1,143	1.40	2,547	3.01
North Georgia	18,537	4.26	26,554	5.92	28,100	6.19
Western North Carolina	5,154	2.87	5,509	2.99	7,194	3.86
Coastal Georgia	3,670	4.27	2,702	3.05	5,581	6.07
East Tennessee	1,651	2.53	337	.52	975	1.53
Total	\$ 47,668	4.03	\$ 49,998	4.12	\$ 61,323	4.98

(1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

(2) Annualized.

(3) North Carolina residential construction net charge offs for the fourth quarter of 2010 exclude a \$11.8 million partial recovery of a 2007 fraud-related charge-off.

UNITED COMMUNITY BANKS, INC.
Consolidated Statement of Income (Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
<i>(in thousands, except per share data)</i>	2010	2009	2010	2009
Interest revenue:				
Loans, including fees	\$ 66,659	\$ 78,064	\$ 277,904	\$ 322,509
Investment securities, including tax exempt of \$251, \$336, \$1,137 and \$1,322	13,215	17,313	59,958	77,370
Federal funds sold, commercial paper and deposits in banks	844	1,503	3,260	2,950
Total interest revenue	80,718	96,880	341,122	402,829
Interest expense:				
Deposits:				
NOW	1,662	2,315	6,966	11,023
Money market	2,036	2,328	7,552	9,545
Savings	81	105	331	483
Time	12,868	24,026	66,883	120,326
Total deposit interest expense	16,647	28,774	81,732	141,377
Federal funds purchased, repurchase agreements and other short-term borrowings	1,073	1,081	4,235	2,842
Federal Home Loan Bank advances	608	1,045	3,355	4,622
Long-term debt	2,755	2,652	10,749	10,893
Total interest expense	21,083	33,552	100,071	159,734
Net interest revenue	59,635	63,328	241,051	243,095
Provision for loan losses	36,000	90,000	223,000	310,000
Net interest revenue after provision for loan losses	23,635	(26,672)	18,051	(66,905)
Fee revenue:				
Service charges and fees	7,039	8,257	30,127	30,986
Mortgage loan and other related fees	1,868	1,651	7,019	8,959
Brokerage fees	778	443	2,662	2,085
Securities gains, net	—	2,015	2,552	2,756
Gain from acquisition	—	—	—	11,390
Losses from prepayment of borrowings	—	—	(2,233)	—
Other	2,757	2,081	8,421	6,178
Total fee revenue	12,442	14,447	48,548	62,354
Total revenue	36,077	(12,225)	66,599	(4,551)
Operating expenses:				
Salaries and employee benefits	23,777	24,061	96,618	101,568
Communications and equipment	3,377	3,819	13,781	14,676
Occupancy	4,024	4,003	15,394	15,653
Advertising and public relations	1,102	958	4,625	3,950
Postage, printing and supplies	1,063	1,307	4,072	5,040
Professional fees	3,016	2,646	9,254	11,480
Foreclosed property	20,602	14,391	65,707	32,365
FDIC assessments and other regulatory charges	3,299	3,711	13,747	16,004
Amortization of intangibles	771	813	3,160	3,104
Other	3,887	4,417	16,594	13,210
Loss on sale of nonperforming assets	—	—	45,349	—
Goodwill impairment	—	—	210,590	95,000
Severance costs	—	—	—	2,898
Total operating expenses	64,918	60,126	498,891	314,948
Loss from continuing operations before income taxes	(28,841)	(72,351)	(432,292)	(319,499)
Income tax benefit	(12,446)	(32,288)	(85,492)	(90,659)
Net loss from continuing operations	(16,395)	(40,063)	(346,800)	(228,840)
(Loss) income from discontinued operations, net of income taxes	—	228	(101)	513
Gain from sale of subsidiary, net of income taxes and selling costs	—	—	1,266	—
Net loss	(16,395)	(39,835)	(345,635)	(228,327)
Preferred stock dividends and discount accretion	2,586	2,567	10,316	10,242
Net loss available to common shareholders	\$ (18,981)	\$ (42,402)	\$ (355,951)	\$ (238,569)
Loss from continuing operations per common share — Basic /				
Diluted	\$ (.20)	\$ (.45)	\$ (3.77)	\$ (3.96)
Loss per common share — Basic / Diluted	(.20)	(.45)	(3.76)	(3.95)

Weighted average common shares outstanding — Basic / Diluted	94,918	94,219	94,624	60,374
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UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet

<i>(in thousands, except share and per share data)</i>	December 31, 2010	December 31, 2009
	<i>(unaudited)</i>	<i>(unaudited)</i>
ASSETS		
Cash and due from banks	\$ 95,994	\$ 126,265
Interest-bearing deposits in banks	111,901	120,382
Federal funds sold, commercial paper and short-term investments	441,562	129,720
Cash and cash equivalents	649,457	376,367
Securities available for sale	1,224,417	1,530,047
Securities held to maturity (fair value \$267,988)	265,807	—
Mortgage loans held for sale	35,908	30,226
Loans, net of unearned income	4,604,126	5,151,476
Less allowance for loan losses	174,695	155,602
Loans, net	4,429,431	4,995,874
Assets covered by loss sharing agreements with the FDIC	131,887	185,938
Premises and equipment, net	178,239	182,038
Accrued interest receivable	24,299	33,867
Goodwill and other intangible assets	11,446	225,196
Foreclosed property	142,208	120,770
Other assets	350,097	319,591
Total assets	\$ 7,443,196	\$ 7,999,914
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Demand	\$ 793,414	\$ 707,826
NOW	1,424,781	1,335,790
Money market	891,252	713,901
Savings	183,894	177,427
Time:		
Less than \$100,000	1,496,700	1,746,511
Greater than \$100,000	1,002,359	1,187,499
Brokered	676,772	758,880
Total deposits	6,469,172	6,627,834
Federal funds purchased, repurchase agreements, and other short-term borrowings	101,067	101,389
Federal Home Loan Bank advances	55,125	114,501
Long-term debt	150,146	150,066
Accrued expenses and other liabilities	32,171	43,803
Total liabilities	6,807,681	7,037,593
Shareholders' equity:		
Preferred stock, \$1 par value; 10,000,000 shares authorized;		
Series A; \$10 stated value; 21,700 shares issued and outstanding	217	217
Series B; \$1,000 stated value; 180,000 shares issued and outstanding	175,711	174,408
Common stock, \$1 par value; 200,000,000 shares authorized;		
94,685,003 and 94,045,603 shares issued and outstanding	94,685	94,046
Common stock issuable; 336,437 and 221,906 shares	3,894	3,597
Capital surplus	665,496	622,034
(Accumulated deficit) retained earnings	(335,567)	20,384
Accumulated other comprehensive income	31,079	47,635
Total shareholders' equity	635,515	962,321
Total liabilities and shareholders' equity	\$ 7,443,196	\$ 7,999,914

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended December 31,

<i>(dollars in thousands, taxable equivalent)</i>	2010			2009		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
Assets:						
Interest-earning assets:						
Loans, net of unearned income (1)(2)	\$ 4,768,120	\$ 66,750	5.55%	\$ 5,357,150	\$ 78,088	5.78%
Taxable securities (3)	1,327,999	12,964	3.90	1,496,251	16,947	4.53
Tax-exempt securities (1)(3)	25,917	410	6.33	32,554	599	7.36
Federal funds sold and other interest-earning assets	558,143	1,091	.78	600,835	1,847	1.23
Total interest-earning assets	6,680,179	81,215	4.83	7,486,790	97,481	5.17
Non-interest-earning assets:						
Allowance for loan losses	(185,300)			(162,203)		
Cash and due from banks	112,923			107,153		
Premises and equipment	178,729			182,790		
Other assets (3)	551,340			672,014		
Total assets	\$ 7,337,871			\$ 8,286,544		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,436,976	\$ 1,662	.46	\$ 1,334,578	\$ 2,315	.69
Money market	870,884	2,036	.93	726,680	2,328	1.27
Savings	184,651	81	.17	178,191	105	.23
Time less than \$100,000	1,489,933	6,292	1.68	1,812,823	10,952	2.40
Time greater than \$100,000	1,010,104	4,736	1.86	1,215,579	8,074	2.64
Brokered	491,477	1,840	1.49	844,462	5,000	2.35
Total interest-bearing deposits	5,484,025	16,647	1.20	6,112,313	28,774	1.87
Federal funds purchased and other borrowings						
	102,830	1,073	4.14	105,130	1,081	4.08
Federal Home Loan Bank advances	58,712	608	4.11	156,979	1,045	2.64
Long-term debt	150,137	2,755	7.28	150,060	2,652	7.01
Total borrowed funds	311,679	4,436	5.65	412,169	4,778	4.60
Total interest-bearing liabilities	5,795,704	21,083	1.44	6,524,482	33,552	2.04
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	809,604			722,739		
Other liabilities	83,452			50,044		
Total liabilities	6,688,760			7,297,265		
Shareholders' equity	649,111			989,279		
Total liabilities and shareholders' equity	\$ 7,337,871			\$ 8,286,544		
Net interest revenue		\$ 60,132			\$ 63,929	
Net interest-rate spread			3.39%			3.13%
Net interest margin (4)			3.58%			3.40%

(1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.

(2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$40.8 million in 2010 and \$22.1 million in 2009 are included in other assets for purposes of this presentation.

(4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

UNITED COMMUNITY BANKS, INC.
Average Consolidated Balance Sheets and Net Interest Analysis

For the Twelve Months Ended December 31,

<i>(dollars in thousands, taxable equivalent)</i>	2010			2009		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
Assets:						
Interest-earning assets:						
Loans, net of unearned income (1)(2)	\$ 4,960,805	\$ 278,149	5.61%	\$ 5,547,915	\$ 322,284	5.81%
Taxable securities (3)	1,425,322	58,821	4.13	1,626,032	76,048	4.68
Tax-exempt securities (1)(3)	27,827	1,860	6.68	30,460	2,164	7.10
Federal funds sold and other interest-earning assets	408,359	4,293	1.05	260,232	4,465	1.72
Total interest-earning assets	6,822,313	343,123	5.03	7,464,639	404,961	5.43
Non-interest-earning assets:						
Allowance for loan losses	(190,227)			(146,535)		
Cash and due from banks	106,582			105,127		
Premises and equipment	180,379			180,381		
Other assets (3)	706,586			665,775		
Total assets	\$ 7,625,633			\$ 8,269,387		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,360,729	\$ 6,966	.51	\$ 1,297,139	\$ 11,023	.85
Money market	780,982	7,552	.97	589,389	9,545	1.62
Savings	184,479	331	.18	177,410	483	.27
Time less than \$100,000	1,581,750	30,260	1.91	1,891,774	56,811	3.00
Time greater than \$100,000	1,084,967	23,114	2.13	1,306,302	42,518	3.25
Brokered	610,483	13,509	2.21	756,122	20,997	2.78
Total interest-bearing deposits	5,603,390	81,732	1.46	6,018,136	141,377	2.35
Federal funds purchased and other borrowings						
	103,479	4,235	4.09	177,589	2,842	1.60
Federal Home Loan Bank advances	90,137	3,355	3.72	220,468	4,622	2.10
Long-term debt	150,107	10,749	7.16	150,604	10,893	7.23
Total borrowed funds	343,723	18,339	5.34	548,661	18,357	3.35
Total interest-bearing liabilities	5,947,113	100,071	1.68	6,566,797	159,734	2.43
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	769,395			694,469		
Other liabilities	69,367			88,490		
Total liabilities	6,785,875			7,349,756		
Shareholders' equity	839,758			919,631		
Total liabilities and shareholders' equity	\$ 7,625,633			\$ 8,269,387		
Net interest revenue		\$ 243,052		\$ 245,227		
Net interest-rate spread			3.35%			3.00%
Net interest margin (4)			3.56%			3.29%

(1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.

(2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued.


(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$43.2 million in 2010 and \$15.3 million in 2009 are included in other assets for purposes of this presentation.

(4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

United Community Banks, Inc.

Investor Presentation

Fourth Quarter 2010



Jimmy C. Tallent
President & CEO

Rex S. Schuette
EVP & CFO
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David P. Shearrow
EVP & CRO

#1 in Customer Satisfaction

As reported by Customer Service Profiles

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. 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.'s Annual Report filed on Form 10-K with the Securities and Exchange Commission.

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

Management uses these non-GAAP financial measures because we believe it is useful for evaluating our operations and performance over periods of time, as well as in managing and evaluating our business and in discussions about our operations and performance. Management believes these non-GAAP financial measures provide users of our financial information with a meaningful measure for assessing our financial results and credit trends, as well as comparison to financial results for prior periods. These non-GAAP financial measures should not be considered as a substitute for financial measures determined in accordance with GAAP and may not be comparable to other similarly titled financial measures used by other companies. For a reconciliation of the differences between our non-GAAP financial measures and the most comparable GAAP measures, please refer to the 'Non-GAAP Reconciliation Tables' at the end of the Appendix of this presentation. We have not reconciled tangible common equity to tangible assets and core earnings to the extent such numbers are presented on a forward-looking basis based on management's internal stress test or SCAP methodology. Estimates that would be required for such reconciliations cannot reliably be produced without unreasonable effort.

 **Credit**

 **Loan and Deposit Growth**

 **Core Earnings**

 **Capital**



Structure

- *Centralized underwriting and approval process*
- *Segregated work-out teams*
- *Highly skilled ORE disposition group*
- *Seasoned regional credit professionals*

Process

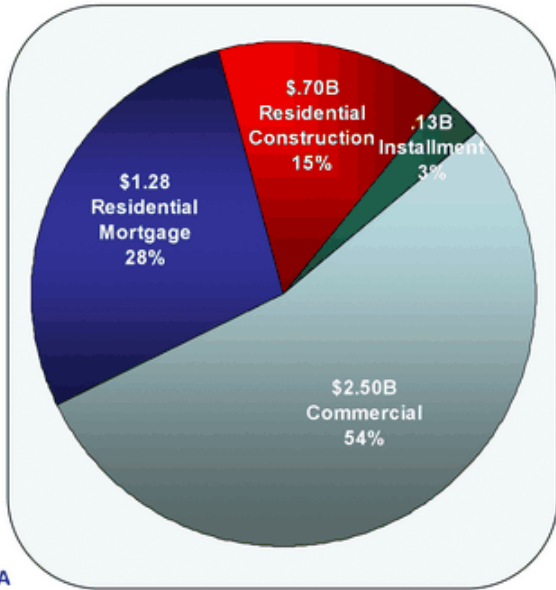
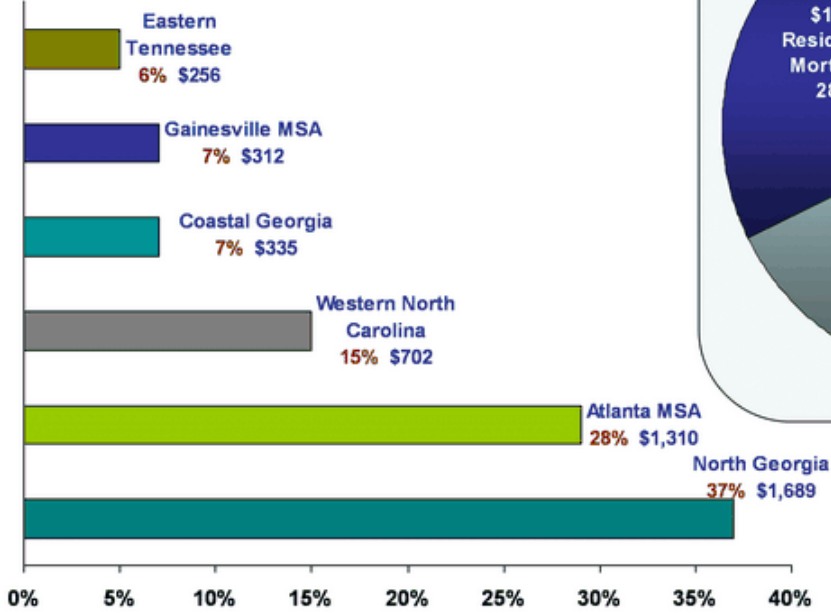
- *Continuous external loan review*
- *Intensive executive management involvement:*
 - *Weekly past due meetings*
 - *Weekly NPA/ORE meetings*
 - *Quarterly criticized watch loan review meetings*
 - *Quarterly pass commercial and CRE portfolio review meetings*
- *Internal loan review of new credit relationships*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

Policy

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

Geographic Diversity

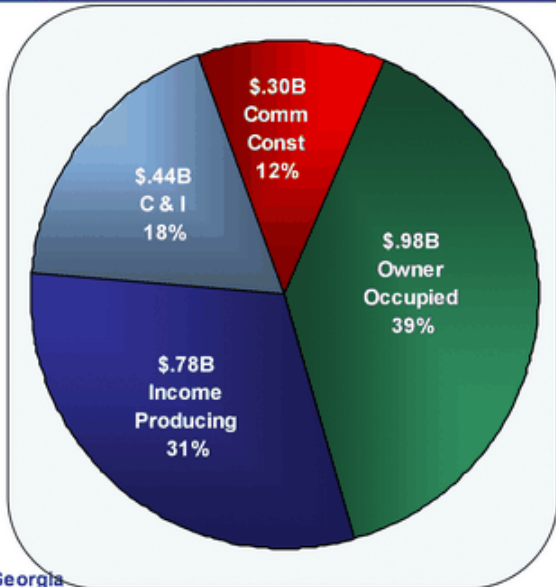
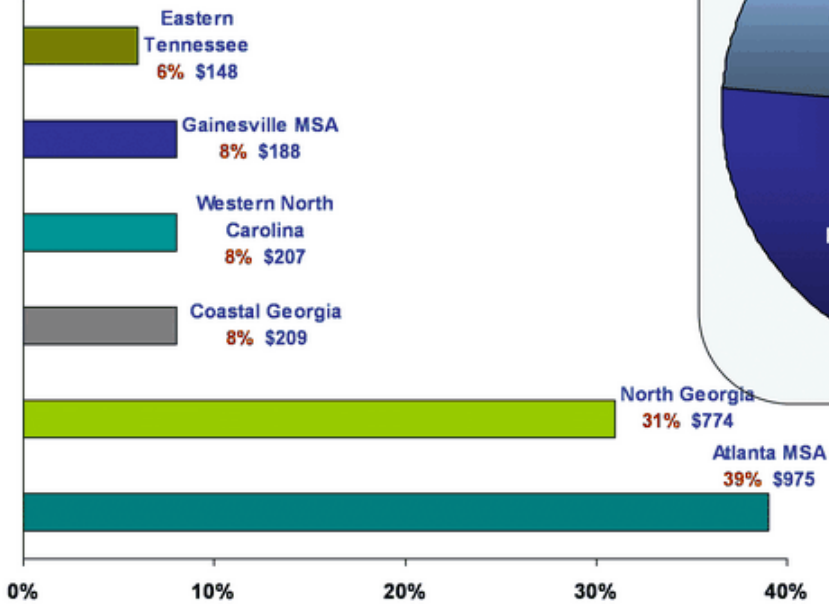
s in millions



Commercial Loans (total \$2.50 billion)

Geographic Diversity

in millions



Average Loan Size





CRE:	\$447k
C&I:	\$85k
Comm. Constr.	\$650k

Commercial Real Estate *(by loan type)*

(in millions)

Loan Type	December 31, 2010	
	Amount	Percent
Office Buildings	\$ 406	23 %
Other Small Business	323	18
Retail	251	14
Small Warehouses/Storage	177	10
Churches	144	8
Hotels/Motels	92	5
Convenience Stores	76	4
Franchise / Restaurants	75	4
Multi-Residential Properties	65	4
Farmland	50	3
Golf Course/Recreation	33	2
Auto Dealership/Service	32	2
Daycare Facility	15	1
Carwash	11	1
Funeral Home	11	1
Total	\$ 1,761	100 %

Portfolio Characteristics

-  56% owner-occupied
-  Typical owner-occupied: small business, doctors, dentists, attorneys, CPAs
-  \$12 million project limit
-  \$447K average loan size

(in millions)

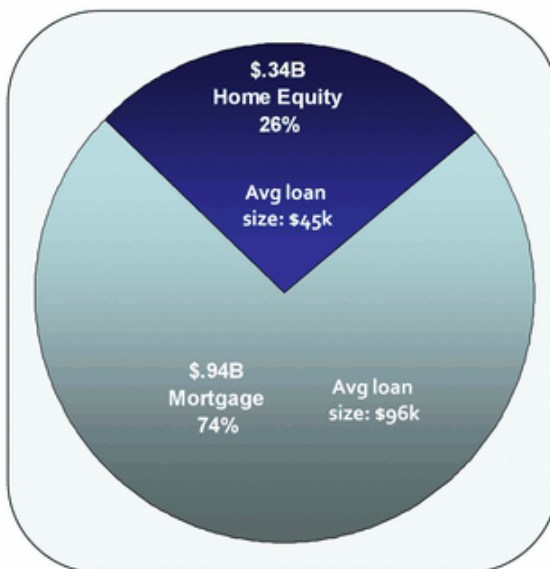
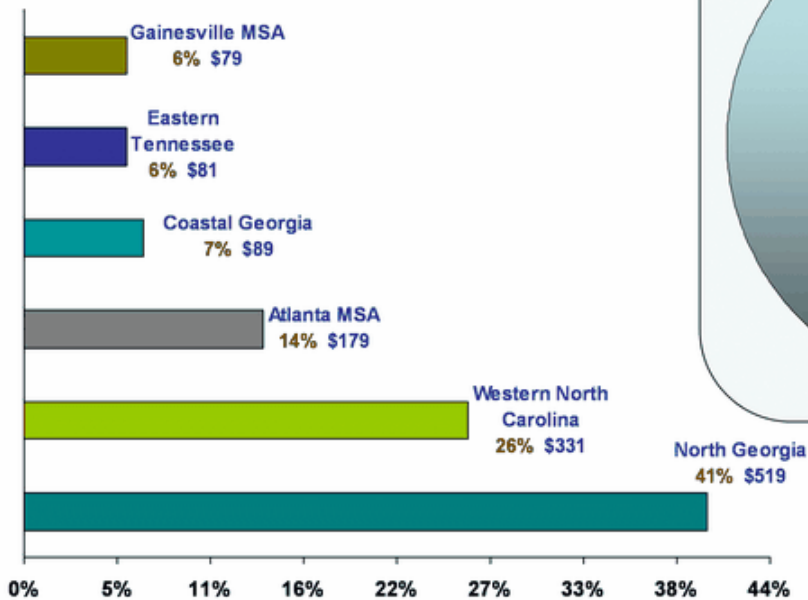
<i>Loan Type</i>	December 31, 2010	
	Amount	Percent
Land Develop - Vacant (Improved)	\$ 108	37 %
Raw Land - Vacant (Unimproved)	73	24
Commercial Land Development	59	20
Miscellaneous Construction	27	9
Office Buildings	17	6
Retail Buildings	7	2
Churches	3	1
Carwash	2	1
Poultry Houses	1	0
Total Commercial Construction	\$ 297	100 %

Portfolio Characteristics

■ \$650k Average loan size

Geographic Diversity

s in millions

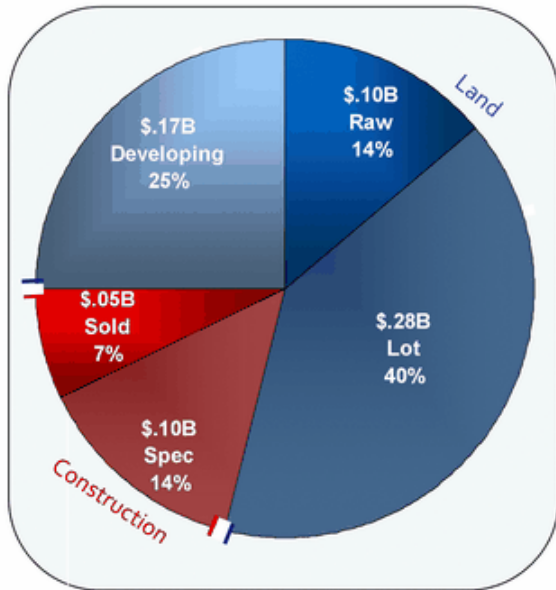
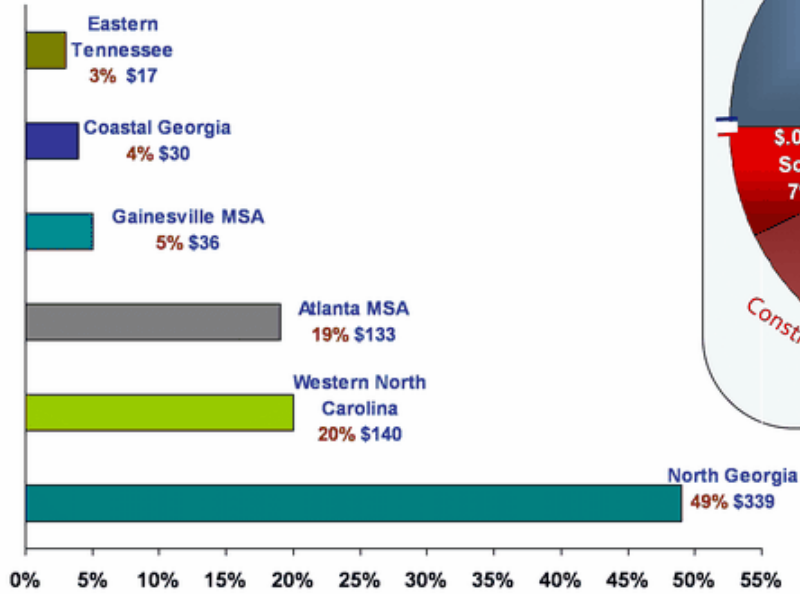


Origination Characteristics

- No broker loans
- No sub-prime / Alt-A
- Policy Max LTV: 80-85%
- 51% of HE Primary Lien

Geographic Diversity

in millions



Average Loan Size

Spec	\$241k	Develop	\$650k
Sold	\$147k	Raw Land	\$257k
		Lot	\$111k

(in millions)

	4Q10	3Q10	4Q09	Variance	
				3Q10	4Q09
Acquisition & Development					
Developing Land	\$ 88	\$ 98	\$ 172	\$ (10)	\$ (84)
Raw Land	40	42	45	(2)	(5)
Lot Loans	159	168	197	(9)	(38)
Total	287	308	414	(21)	(127)
Construction Loans					
Spec	31	38	61	(7)	(30)
Sold	21	22	27	(1)	(6)
Total	52	60	88	(8)	(36)
Total Res Construction	\$ 339	\$ 368	\$ 502	\$ (29)	\$ (163)

(in millions)

	4Q10	3Q10	4Q09	Variance	
				3Q10	4Q09
Acquisition & Development					
Developing Land	\$ 30	\$ 34	\$ 76	\$ (4)	\$ (46)
Raw Land	23	27	43	(4)	(20)
Lot Loans	32	45	52	(13)	(20)
Total	85	106	171	(21)	(86)
Construction Loans					
Spec	38	42	68	(4)	(30)
Sold	10	11	16	(1)	(6)
Total	48	53	84	(5)	(36)
Total Res Construction	\$ 133	\$ 159	\$ 255	\$ (26)	\$ (122)

Credit Quality

(in millions)

	<u>4Q10</u>	<u>3Q10</u>	<u>2Q10</u>	<u>1Q10</u>	<u>4Q09</u>
Operating Net Charge-offs⁽¹⁾	\$ 47.7	\$ 50.0	\$ 61.3	\$ 56.7	\$ 84.6
as % of Average Loans ⁽¹⁾	4.03%	4.12%	4.98%	4.51%	6.37%
Allowance for Loan Losses	\$ 174.7	\$ 174.6	\$ 174.1	\$ 173.9	\$ 155.6
as % of Total Loans	3.79%	3.67%	3.57%	3.48%	3.02%
as % of NPLs	98	80	78	62	59
as % of NPLs – Adjusted ⁽²⁾	274	257	234	142	190
Past Due Loans (30 – 89 Days)	1.26%	1.24%	1.69%	2.17%	1.44%
Non-Performing Loans	\$ 179.1	\$ 217.8	\$ 224.3	\$ 280.8	\$ 264.1
OREO	<u>142.2</u>	<u>129.9</u>	<u>123.9</u>	<u>136.3</u>	<u>120.8</u>
Total NPAs	\$ 321.3	\$ 347.7	\$ 348.2	\$ 417.1	\$ 384.9
As % of Original Principal Balance					
Non-Performing Loans	67.2%	70.0%	69.4%	71.6%	70.4%
OREO	64.4	65.9	71.9	67.4	66.6
Total NPAs					
as % of Total Assets	4.32%	4.96%	4.55%	5.32%	4.81%
as % of Loans & OREO	6.77	7.11	6.97	8.13	7.30

(1) Excludes \$11.75 million partial recovery of 2007 fraud loss.

(2) Excluding loans with no allocated reserve

Net Charge-offs by Loan Category

(in thousands)

	4Q10 ⁽¹⁾		% of Average Loans (Annualized)			
	NCOs	% of Avg Loans	3Q10	2Q10	1Q10	LTM ⁽²⁾
Commercial (sec. by RE)	\$ 6,493	1.45 %	3.16 %	2.21 %	.45 %	1.82 %
Commercial Construction	3,924	5.12	2.40	1.67	2.48	2.92
Commercial & Industrial	2,891	2.54	1.07	.85	4.31	2.19
Total Commercial	\$ 13,308	2.09	2.70	1.91	1.33	2.01
Residential Construction	24,497	13.28	11.99	18.71	17.32	15.33
Residential Mortgage	9,176	2.80	2.29	1.90	1.31	2.08
Consumer/ Installment	687	2.06	2.90	3.53	2.12	2.65
Total Net Charge-offs	\$ 47,668	4.03	4.12	4.98	4.51	4.41

(1) Excludes \$11.75 million partial recovery of 2007 fraud loss.

(2) Based on simple average of the four quarters

Net Charge-offs by Market

(in thousands)

	4Q10		% of Average Loans (Annualized)			
	NCOs	% of Avg Loans	3Q10	2Q10	1Q10	LTM ⁽¹⁾
MARKETS						
Atlanta MSA	\$ 15,222	4.48 %	3.97 %	4.85 %	4.32 %	4.41 %
Gainesville MSA	3,434	4.37	1.40	3.01	1.92	2.68
North Georgia	18,537	4.26	5.92	6.19	6.51	5.73
Western North Carolina ⁽²⁾	5,154	2.87	2.99	3.86	1.96	2.92
Coastal Georgia	3,670	4.27	3.05	6.07	5.74	4.78
East Tennessee	1,651	2.53	.52	1.53	.55	1.28
Total	\$ 47,668	4.03	4.12	4.98	4.51	4.41

(1) Based on simple average of the four quarters
 (2) Excludes fraud loss recovery of \$11.750M

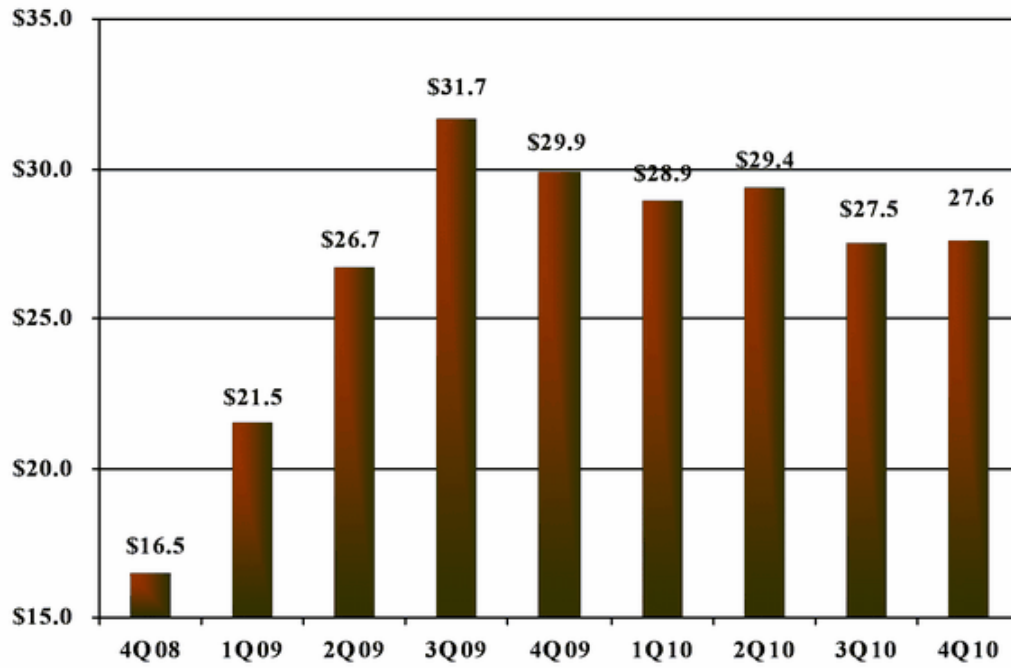
NPAs by Loan Category and Market

(in thousands)

	4Q10				4Q10		
	NPLs	OREO	Total NPAs		NPLs	OREO	Total NPAs
LOAN CATEGORY				MARKETS			
Commercial (sec. by RE)	\$ 44,927	\$ 23,659	\$ 68,586	Atlanta MSA	\$ 48,289	\$ 41,154	\$ 89,443
Commercial Construction	21,374	17,808	39,182	Gainesville MSA	5,171	9,273	14,444
Commercial & Industrial	5,611	-	5,611	North Georgia	83,551	66,211	149,762
Total Commercial	71,912	41,467	113,379	Western N. Carolina	25,832	11,553	37,385
Residential Construction	54,505	78,231	132,736	Coastal Georgia	11,145	11,901	23,046
Residential Mortgage	51,083	22,510	73,593	East Tennessee	5,106	2,116	7,222
Consumer/ Installment	1,594	-	1,594	Total	\$ 179,094	\$ 142,208	\$ 321,302
Total	\$ 179,094	\$ 142,208	\$ 321,302				



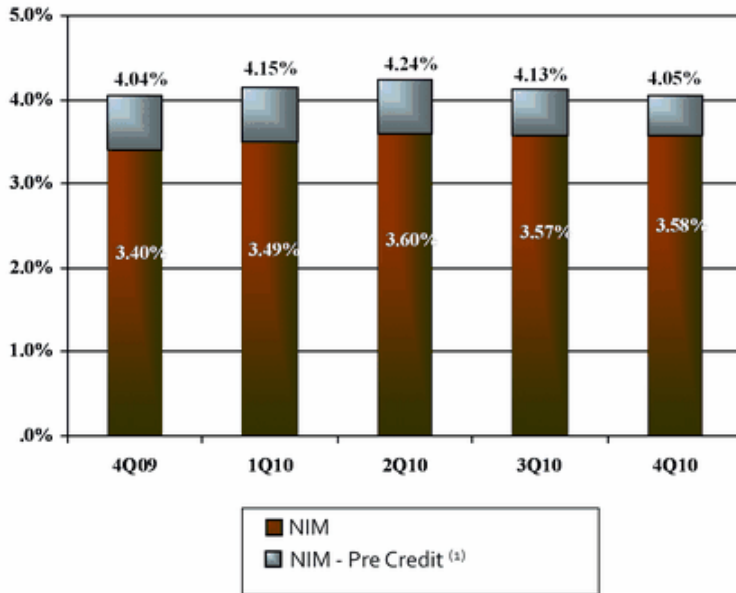
In millions



(In Thousands)

	Variance		
	4Q10	3Q10	4Q09
Net Interest Revenue	\$ 60,132	\$ 118	\$ (3,797)
Fee Revenue	11,760	(843)	12
Gross Revenue	71,892	(725)	(3,785)
Operating Expense (Excl OREO)	44,316	(838)	(1,419)
Pre-Tax, Pre-Credit (Core)	\$ 27,576	\$ 113	\$ (2,366)

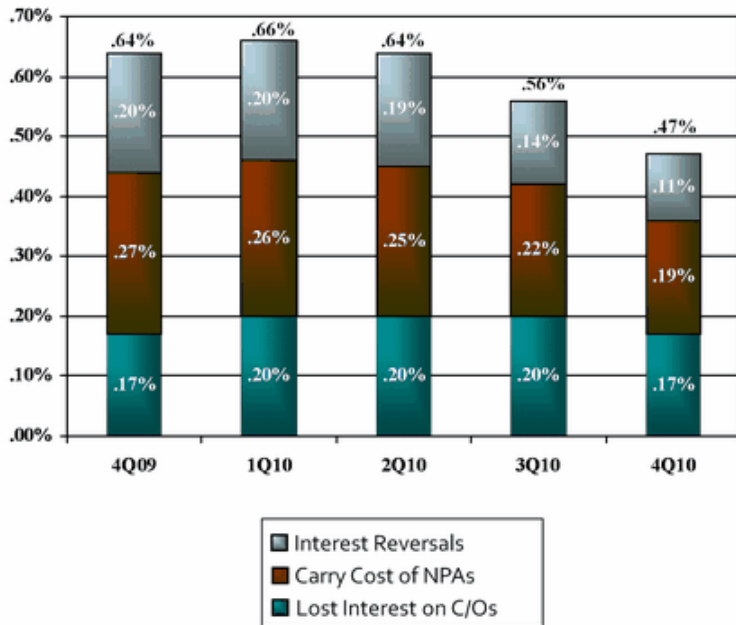
Net Interest Margin	3.58 %	.01 %	.18 %
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(1) Excluding impact of nonaccrual loans, OREO and interest reversals

NIM Characteristics

- Margin changes
 - +1 bps vs. 3Q10
 - +18 bps vs. 4Q09
- Maintained loan & CD pricing
- 4Q Excess liquidity – lowered Margin by 30 bps



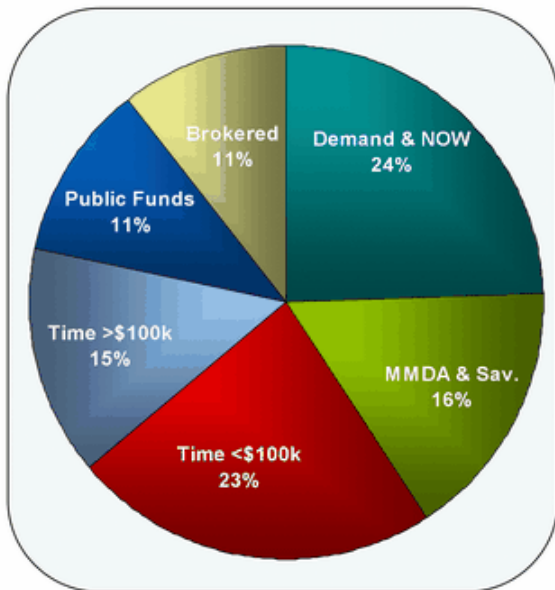
Credit Costs Impacting Margin

- Historically 8 to 12 bps
- Credit cycle – significant drag on margin but improving
- Cost 4Q10 vs. Historical – 35 bps (annual earnings impact of \$23 million)
- 1 bps = \$670K NIR
- Declining trend due to improvements in credit quality

Deposit Mix (total \$6.5 billion)

(\$ in millions)

	4Q10	3Q10	4Q09
Demand / NOW	\$ 1,573	\$ 1,582	\$ 1,465
MMDA / Savings	1,063	977	880
Core Transaction	2,636	2,559	2,345
	+77		+291
	12% Annualized Growth		
Time < \$100,000	1,491	1,492	1,740
Public Deposits	663	561	597
Total Core	4,790	4,612	4,682
Time > \$100,000	940	971	1,138
Public Deposits	62	62	49
Total Customer	5,792	5,645	5,869
Brokered Deposits	677	354	759
Total Deposits	\$ 6,469	\$ 5,999	\$ 6,628



Net Operating Loss – From Continuing Operations

(In Thousands)

	4Q10	3Q10	4Q09
Pre-Tax, Pre-Credit (Core)	\$ 27,576	\$ 27,463	\$ 29,942
Provision for Loan Loss	(47,750)	(50,500)	(90,000)
<i>Foreclosed Property Costs:</i>			
Write-downs	(15,849)	(14,188)	(9,576)
Maintenance, Taxes, Etc.	(4,753)	(5,564)	(4,815)
Securities Gains, Net	-	2,491	2,015
Gain from Sale of Tax Credits	682	-	684
Prepayment of FHLB Advances	-	(2,233)	-
Income Taxes - Benefit	16,520	16,706	31,687
Net Operating Loss	\$ (23,574)	\$ (25,825)	\$ (40,063)
Net Operating Loss per Share	\$ (.28)	\$ (.30)	\$ (.45)

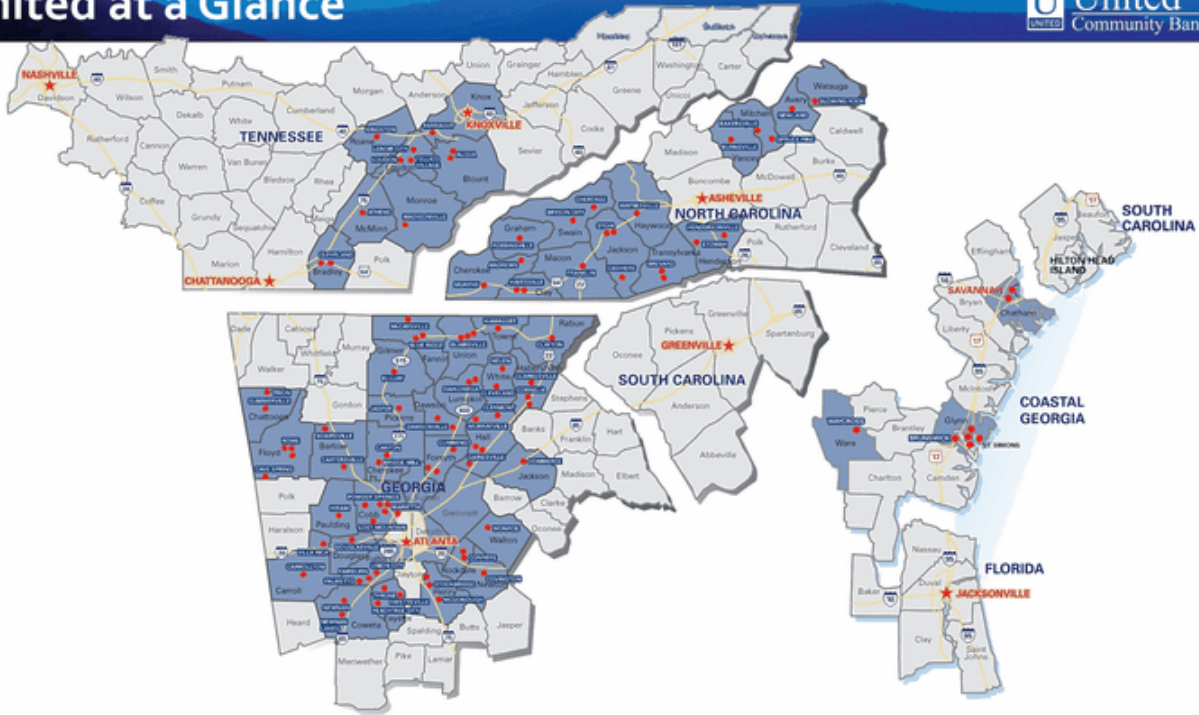
(In Thousands)

	4Q10	3Q10	4Q09
Net Operating Loss	\$ (23,574)	\$ (25,825)	\$ (40,063)
Earnings from Discontinued Operations	-	-	228
Partial Recovery of Fraud Loss (11,750 pre-tax)	7,179	-	-
Goodwill Impairment Charge	-	(210,590)	-
Net Loss	\$ (16,395)	\$ (236,415)	\$ (39,835)
Preferred Stock Div (TARP)	(2,586)	(2,581)	(2,567)
Net Loss per Share	\$ (.20)	\$ (2.52)	\$ (.45)
Book Value	4.84	5.14	8.36
Tangible Book Value	4.76	5.05	6.02

	Well- Capitalized	Guideline	DEC '10	SEP '10	DEC '09
Bank					
Tier 1 RBC	6 %	> 9 %	10.7 %	11.4 %	13.2 %
Total RBC	10	> 11	12.5	13.2	15.0
Leverage	5	> 8	7.5	7.9	8.8
Holding Company					
Tangible Common Equity to:					
Assets			6.4	6.8	7.1
Risk Weighted Assets			9.1	9.6	10.4
Tangible Equity to Assets			8.8	9.2	9.4



United at a Glance



Assets \$7.4 Billion
Deposits \$6.5 Billion

Banks 27
Offices 106

		Joined <u>UCBI</u>	Years in <u>Banking</u>
Jimmy Tallent	President & CEO	1984	36
Guy Freeman	Chief Operating Officer	1992	52
Rex Schuette	Chief Financial Officer	2001	33
David Shearrow	Chief Risk Officer	2007	29
Glenn White	President, Atlanta Region	2007	36
Craig Metz	Marketing	2002	18
Bill Gilbert	Retail Banking	2000	34

"Community bank service, large bank resources"

- **Twenty-seven "community banks"**
 - *Local CEOs with deep roots in their communities*
 - *Resources of \$7.4 billion bank*

- **Service is point of differentiation**
 - *Golden rule of banking*
 - ✓ "The Bank That **SERVICE** Built"
 - *Ongoing customer surveys*
 - ✓ 95+% satisfaction rate

- **Strategic footprint with substantial banking opportunities**
 - *Operates in a number of the more demographically attractive markets in the U.S.*

- **Disciplined growth strategy**
 - *Organic supported by de novos and selective acquisitions*

Markets ¹	Population <i>(in thousands)</i>	Population Growth (%)	
		Actual 2000 - 2010	Projected 2010 - 2015
North Georgia	394	23 %	7 %
Atlanta MSA	5,611	32	10
Gainesville MSA	191	37	13
Coastal Georgia	373	11	5
Western North Carolina	429	12	4
East Tennessee	860	14	6
Total Markets			
Georgia	10,014	22	7
North Carolina	9,552	19	8
Tennessee	6,366	12	5
United States	311,213	11	4

¹ Population data is for 2010 and includes those markets where United takes deposits.

Source: SNL

Market Share Opportunities

(excellent growth prospects)



Markets	Market Deposits (in billions) ⁽¹⁾	United Deposits ⁽²⁾	Banks	Offices	Deposit Share ⁽¹⁾	Rank ⁽¹⁾
North Georgia	\$ 7.7	\$ 2.5	11	23	31 %	1
Atlanta MSA	50.0	2.0	10	38	4	7
Gainesville MSA	2.5	.3	1	6	13	3
Coastal Georgia	7.3	.4	2	9	5	8
Western North Carolina	7.5	1.0	1	20	13	3
East Tennessee	14.9	.3	2	10	2	10
Total Markets	\$ 89.9	\$ 6.5	27	106		

¹ FDIC deposit market share and rank as of 6/10 for markets where United takes deposits. Source: SNL and FDIC.

² Based on current quarter.

Rank	Ticker	Company ⁽¹⁾	State	Total Assets (\$ B)	2010 - 2015 Population Growth ⁽²⁾
1	CFR	Cullen/Frost Bankers, Inc.	TX	\$17.7	9.05 %
2	WAL	Western Alliance Bancorporation	AZ	6.2	7.85
3	PRSP	Prosperity Bancshares, Inc.	TX	9.5	7.35
4	GBCI	Glacier Bancorp, Inc.	MT	6.3	7.25
5	FCNCA	First Citizens Bancshares, Inc.	NC	20.8	7.20
6	IBOC	International Bancshares Corporation	TX	12.1	7.00
7	UCBI	United Community Banks, Inc.	GA	7.4	7.00
8	TCBI	Texas Capital Bancshares, Inc.	TX	6.3	6.75
9	HBHC	Hancock Holding Company	MS	8.1	6.25
10	FCBN	First Citizens Bancorporation, Inc.	SC	8.6	6.00
11	FIBK	First Interstate BancSystem, Inc.	MT	7.3	5.95
12	BOKF	BOK Financial Corporation	OK	24.4	5.90
13	SNV	Synovus Financial Corp.	GA	31.0	5.05
14	FHN	First Horizon National Corporation	TN	24.7	4.40
15	CBCYB	Central Banccompany, Inc.	MO	9.4	4.30

Note: Financial information as of September 30, 2010
 (1) Includes publicly traded companies with assets between \$5.0 – 50.0 billion as of September 30, 2010
 (2) Population growth weighted by county (cumulative)
Data Source: SNL Financial

Number of Businesses with 1 – 49 Employees

<i>Markets</i> ¹	2000	2006	Small Business Growth (%)	Population Growth 2000 - 2010 (%)
North Georgia	6,453	7,693	19	23
Atlanta MSA	70,893	126,200	78	32
Gainesville MSA	3,158	3,824	21	37
Coastal Georgia	9,441	10,210	8	11
Western North Carolina	10,274	11,544	12	12
East Tennessee	16,273	17,839	10	14

The Atlanta MSA is seeing small business growth at nearly double its already significantly increasing population growth.

¹ Population data is for 2009, SNL;

Business demographics, U.S. Census Statistics of U.S. Businesses, 2008 & 2006; County Business Patterns 2000-2006

(in millions)

	<u>4Q10</u>	<u>3Q10</u>	<u>2Q10</u>	<u>1Q10</u>	<u>4Q09</u>
LOANS BY CATEGORY					
Commercial (Sec. by RE)	\$ 157	\$ 157	\$ 141	\$ 152	\$ 124
Commercial Construction	90	103	78	75	51
Commercial & Industrial	17	22	22	35	34
TOTAL COMMERCIAL	264	282	241	262	209
Consumer / Installment	3	4	4	4	4
Residential Construction	159	178	149	154	197
Residential Mortgage	86	86	80	81	80
LOANS	\$ 512	\$ 550	\$ 474	\$ 501	\$ 490

<i>(in millions)</i>	<u>4Q10</u>	<u>3Q10</u>	<u>2Q10</u>	<u>1Q10</u>	<u>4Q09</u>	<u>4Q10 vs. 4Q09</u>
LOANS BY CATEGORY						
Commercial (sec. by R/E)	\$ 1,761	\$ 1,781	\$ 1,780	\$ 1,765	\$ 1,779	\$ (18)
Commercial Construction	297	310	342	357	363	(66)
Commercial & Industrial	441	456	441	381	390	51
Total Commercial	2,499	2,547	2,563	2,503	2,532	(33)
Residential Construction	695	764	820	960	1,050	(355)
Residential Mortgage	1,279	1,316	1,356	1,390	1,427	(148)
Consumer / Installment	131	133	134	139	142	(11)
TOTAL LOANS	\$ 4,604	\$ 4,760	\$ 4,873	\$ 4,992	\$ 5,151	\$ (547)

<i>(in millions)</i>	<u>4Q10</u>	<u>3Q10</u>	<u>2Q10</u>	<u>1Q10</u>	<u>4Q09</u>	4Q10 vs. 4Q09
LOANS BY MARKET						
Atlanta MSA	\$ 1,310	\$ 1,365	\$ 1,373	\$ 1,404	\$ 1,435	\$ (125)
Gainesville MSA	312	316	343	372	390	(78)
North Georgia	1,689	1,755	1,808	1,814	1,884	(195)
Western North Carolina	702	719	738	756	772	(70)
Coastal Georgia	335	345	356	388	405	(70)
East Tennessee	256	260	255	258	265	(9)
Total	<u>\$ 4,604</u>	<u>\$ 4,760</u>	<u>\$ 4,873</u>	<u>\$ 4,992</u>	<u>\$ 5,151</u>	<u>\$ (547)</u>

Residential Construction – Total Company



<i>(in millions)</i>	4Q10	3Q10	2Q10	1Q10	4Q09	4Q10 vs. 4Q09
Land Loans						
Developing Land	\$ 174	\$ 190	\$ 214	\$ 290	\$ 332	\$ (158)
Raw Land	99	104	110	124	127	(28)
Lot Loans	275	303	311	321	336	(61)
Total	548	597	635	735	795	(247)
Construction Loans						
Spec	97	109	125	153	178	(81)
Sold	50	58	60	72	77	(27)
Total	147	167	185	225	255	(108)
Total Res Construction	\$ 695	\$ 764	\$ 820	\$ 960	\$ 1,050	\$ (355)

By Region						
Atlanta	\$ 133	\$ 159	\$ 183	\$ 228	\$ 255	\$ (122)
Gainesville MSA	36	35	25	42	51	(15)
North Georgia	339	368	408	460	503	(164)
North Carolina	140	149	148	151	156	(16)
Coastal Georgia	30	35	37	55	60	(30)
Tennessee	17	18	19	24	25	(8)
Total Res Construction	\$ 695	\$ 764	\$ 820	\$ 960	\$ 1,050	\$ (355)

<i>(in millions)</i>	4Q10	3Q10	2Q10	1Q10	4Q09	4Q10 vs. 4Q09
Land Loans						
Developing Land	\$ 30	\$ 34	\$ 40	\$ 66	\$ 76	\$ (46)
Raw Land	23	27	32	43	43	(20)
Lot Loans	32	45	39	47	52	(20)
Total	85	106	111	156	171	(86)
Construction Loans						
Spec	38	42	48	58	68	(30)
Sold	10	11	10	14	16	(6)
Total	48	53	58	72	84	(36)
Total Res Construction	\$ 133	\$ 159	\$ 169	\$ 228	\$ 255	\$ (122)




<i>(in millions)</i>	<u>4Q10</u>	<u>3Q10</u>	<u>2Q10</u>	<u>1Q10</u>	<u>4Q09</u>	<u>4Q10 vs. 4Q09</u>
Land Loans						
Developing Land	\$ 88	\$ 98	\$ 113	\$ 148	\$ 173	\$ (85)
Raw Land	40	42	45	43	45	(5)
Lot Loans	159	168	182	189	197	(38)
Total	287	308	340	380	415	(128)
Construction Loans						
Spec	31	38	44	54	61	(30)
Sold	21	22	24	26	27	(6)
Total	52	60	68	80	88	(36)
Total Res Construction	\$ 339	\$ 368	\$ 408	\$ 460	\$ 503	\$ (164)

(in millions)

	2010	2009	2008	2007	2006
LOANS BY CATEGORY					
Commercial (sec. by R/E)	\$ 1,761	\$ 1,779	\$ 1,627	\$ 1,476	\$ 1,230
Commercial Construction	297	363	500	527	469
Commercial & Industrial	441	390	410	418	296
Total Commercial	2,499	2,532	2,537	2,421	1,995
Residential Construction	695	1,050	1,479	1,829	1,864
Residential Mortgage	1,279	1,427	1,526	1,502	1,338
Consumer / Installment	131	142	163	177	180
TOTAL LOANS	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377

<i>(in millions)</i>	2010	2009	2008	2007	2006
LOANS BY MARKET					
Atlanta MSA	\$ 1,310	\$ 1,435	\$ 1,706	\$ 2,002	\$ 1,651
Gainesville MSA	312	390	420	399	354
North Georgia	1,689	1,884	2,040	2,060	2,034
Western North Carolina	702	772	810	806	773
Coastal Georgia	335	405	464	416	358
East Tennessee	256	265	265	246	207
Total	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377

(in millions)

 Legal lending limit	\$182
 House lending limit	20
■ Project lending limit	12
 Top 25 relationships	441
■ 9.6% of total loans	

Regional credit review – Standard underwriting

NPAs by Loan Category, Market, and Activity



Credit Quality ⁽¹⁾

(in thousands)	Fourth Quarter 2010			Third Quarter 2010			Second Quarter 2010		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY									
Commercial (sec. by RE)	\$ 44,927	\$ 23,659	\$ 68,586	\$ 53,646	\$ 14,838	\$ 68,484	\$ 56,013	\$ 13,297	\$ 69,310
Commercial construction	21,374	17,808	39,182	17,279	15,125	32,404	17,872	11,339	29,211
Commercial & industrial	5,611	-	5,611	7,670	-	7,670	7,245	-	7,245
Total commercial	71,912	41,467	113,379	78,595	29,963	108,558	81,130	24,636	105,766
Residential construction	54,505	78,231	132,736	79,321	73,206	152,527	88,375	74,444	162,819
Residential mortgage	51,083	22,510	73,593	58,107	26,795	84,902	53,175	24,830	78,005
Consumer / installment	1,594	-	1,594	1,743	-	1,743	1,655	-	1,655
Total NPAs	\$ 179,094	\$ 142,208	\$ 321,302	\$ 217,766	\$ 129,964	\$ 347,730	\$ 224,335	\$ 123,910	\$ 348,245
Balance as a % of Unpaid Principal	67.2%	64.4%	65.9%	70.0%	65.9%	68.4%	69.4%	71.9%	70.3%
NPAs BY MARKET									
Atlanta MSA	\$ 48,289	\$ 41,154	\$ 89,443	\$ 65,304	\$ 32,785	\$ 98,089	\$ 74,031	\$ 30,605	\$ 104,636
Gainesville MSA	5,171	9,273	14,444	11,905	5,685	17,590	10,730	2,750	13,480
North Georgia	83,551	66,211	149,762	92,295	67,439	159,734	102,198	60,597	162,795
Western North Carolina	25,832	11,553	37,385	31,545	11,559	43,104	22,776	11,473	34,249
Coastal Georgia	11,145	11,901	23,046	10,611	10,951	21,562	8,341	16,548	24,889
East Tennessee	5,106	2,116	7,222	6,106	1,545	7,651	6,259	1,937	8,196
Total NPAs	\$ 179,094	\$ 142,208	\$ 321,302	\$ 217,766	\$ 129,964	\$ 347,730	\$ 224,335	\$ 123,910	\$ 348,245
NPA ACTIVITY									
Beginning Balance	\$ 217,766	\$ 129,964	\$ 347,730	\$ 224,335	\$ 123,910	\$ 348,245	\$ 280,802	\$ 136,275	\$ 417,077
Loans placed on non-accrual	81,023	-	81,023	119,783	-	119,783	155,007	-	155,007
Payments received	(7,250)	-	(7,250)	(11,469)	-	(11,469)	(12,189)	-	(12,189)
Loan charge-offs	(47,913)	-	(47,913)	(52,647)	-	(52,647)	(62,693)	-	(62,693)
Foreclosures	(61,432)	61,432	-	(59,844)	59,844	-	(66,994)	66,994	-
Capitalized costs	-	170	170	-	601	601	-	305	305
Note / property sales	(3,100)	(33,509)	(36,609)	(2,392)	(40,203)	(42,595)	(69,598)	(68,472)	(138,070)
Write downs	-	(8,031)	(8,031)	-	(7,051)	(7,051)	-	(6,094)	(6,094)
Net losses on sales	-	(7,818)	(7,818)	-	(7,137)	(7,137)	-	(5,098)	(5,098)
Ending Balance	\$ 179,094	\$ 142,208	\$ 321,302	\$ 217,766	\$ 129,964	\$ 347,730	\$ 224,335	\$ 123,910	\$ 348,245

⁽¹⁾ Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

NPAs by Loan Category, Market, and Activity (Cont'd)

Credit Quality ⁽¹⁾

(in thousands)	First Quarter 2010			Fourth Quarter 2009		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY						
Commercial (sec. by RE)	\$ 45,918	\$ 21,597	\$ 67,515	\$ 37,040	\$ 15,842	\$ 52,882
Commercial construction	23,556	14,285	37,841	19,976	9,761	29,737
Commercial & industrial	3,610	-	3,610	3,946	-	3,946
Total commercial	73,084	35,882	108,966	60,962	25,603	86,565
Residential construction	147,326	74,220	221,546	142,332	76,519	218,851
Residential mortgage	57,920	26,173	84,093	58,767	18,648	77,415
Consumer / installment	2,472	-	2,472	2,031	-	2,031
Total NPAs	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862
Balance as a % of Unpaid Principal	71.6%	67.5%	70.2%	70.4%	66.6%	69.2%
NPAs BY MARKET						
Atlanta MSA	\$ 81,914	\$ 36,951	\$ 118,865	\$ 106,536	\$ 41,125	\$ 147,661
Gainesville MSA	17,058	3,192	20,250	5,074	2,614	7,688
North Georgia	109,280	63,128	172,408	87,598	53,072	140,670
Western North Carolina	31,353	8,588	39,941	29,610	5,096	34,706
Coastal Georgia	33,438	21,871	55,309	26,871	17,150	44,021
East Tennessee	7,759	2,545	10,304	8,403	1,713	10,116
Total NPAs	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862
NPA ACTIVITY						
Beginning Balance	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991
Loans placed on non-accrual	139,030	-	139,030	174,898	-	174,898
Payments received	(5,733)	-	(5,733)	(26,935)	-	(26,935)
Loan charge-offs	(58,897)	-	(58,897)	(88,427)	-	(88,427)
Foreclosures	(49,233)	49,233	-	(79,983)	79,983	-
Capitalized costs	-	320	320	-	981	981
Note / property sales	(8,457)	(25,951)	(34,408)	(19,842)	(61,228)	(81,070)
Write downs	-	(4,579)	(4,579)	-	(2,209)	(2,209)
Net gains (losses) on sales	-	(3,518)	(3,518)	-	(7,367)	(7,367)
Ending Balance	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862

(1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

Net Charge-offs by Category and Market

Credit Quality ⁽¹⁾

<i>(in thousands)</i>	Fourth Quarter 2010 ⁽³⁾		Third Quarter 2010		Second Quarter 2010	
	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾
NET CHARGE-OFFS BY CATEGORY						
Commercial (sec. by RE)	\$ 6,493	1.45 %	\$ 14,212	3.16 %	\$ 9,757	2.21 %
Commercial construction	3,924	5.12	1,972	2.40	1,460	1.67
Commercial & industrial	2,891	2.54	1,207	1.07	867	.85
Total commercial	13,308	2.09	17,391	2.70	12,084	1.91
Residential construction	24,497	13.28	23,934	11.99	41,515	18.71
Residential mortgage	9,176	2.80	7,695	2.29	6,517	1.90
Consumer / installment	687	2.06	978	2.90	1,207	3.53
Total	\$ 47,668	4.03	\$ 49,998	4.12	\$ 61,323	4.98
NET CHARGE-OFFS BY MARKET						
Atlanta MSA	\$ 15,222	4.48 %	\$ 13,753	3.97 %	\$ 16,926	4.85 %
Gainesville MSA	3,434	4.37	1,143	1.40	2,547	3.01
North Georgia	18,537	4.26	26,554	5.92	28,100	6.19
Western North Carolina	5,154	2.87	5,509	2.99	7,194	3.86
Coastal Georgia	3,670	4.27	2,702	3.05	5,581	6.07
East Tennessee	1,651	2.53	337	.52	975	1.53
Total	\$ 47,668	4.03	\$ 49,998	4.12	\$ 61,323	4.98

⁽¹⁾ Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

⁽²⁾ Annualized.

⁽³⁾ North Carolina residential construction net charge offs for the fourth quarter of 2010 exclude a \$11.8 million partial recovery of a 2007 fraud-related charge-off.

Net Charge-offs by Category and Market (Cont'd.)



Credit Quality ⁽¹⁾

<i>(in thousands)</i>	First Quarter 2010		Fourth Quarter 2009	
	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾
NET CHARGE-OFFS BY CATEGORY				
Commercial (sec. by RE)	\$ 1,964	.45 %	\$ 3,896	.86 %
Commercial construction	2,206	2.48	4,717	5.03
Commercial & industrial	4,110	4.31	153	.15
Total commercial	8,280	1.33	8,766	1.36
Residential construction	43,100	17.32	67,393	23.87
Residential mortgage	4,551	1.31	7,026	1.93
Consumer / installment	737	2.12	1,400	3.83
Total	\$ 56,668	4.51	\$ 84,585	6.37
NET CHARGE-OFFS BY MARKET				
Atlanta MSA	\$ 15,545	4.32 %	\$ 43,595	12.07 %
Gainesville MSA	1,675	1.92	2,273	2.49
North Georgia	29,747	6.51	18,057	3.57
Western North Carolina	3,695	1.96	10,091	5.11
Coastal Georgia	5,649	5.74	8,109	7.72
East Tennessee	357	.55	2,460	3.67
Total	\$ 56,668	4.51	\$ 84,585	6.37

(1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank. (2) Annualized.

Loans / Deposits – Liquidity

(in millions)

	4Q 10	3Q 10	4Q 09	Variance	
				vs 3Q 10	vs 4Q 09
Loans	\$ 4,604	\$ 4,760	\$ 5,151	\$ (156)	\$ (547)
Core (DDA, MMDA, Savings)	\$ 2,636	\$ 2,559	\$ 2,345	\$ 77	\$ 291
Public Funds	725	623	646	102	79
CD's	2,431	2,463	2,878	(32)	(447)
Total Deposits (excl Brokered)	\$ 5,792	\$ 5,645	\$ 5,869	\$ 147	\$ (77)
Loan to Deposit Ratio	79%	84%	88%		
Investment Securities	\$ 1,490	\$ 1,310	\$ 1,530	\$ 180	\$ (40)
Percent of Assets	20%	19%	19%		
Commercial & Short-Term Paper	\$ 442	\$ 109	\$ 130	\$ 333	\$ 312
Floating Rate Securities	183	-	-	183	183
Excess Fed and Other Cash	117	43	100	74	17
Total Excess Liquidity	\$ 742	\$ 152	\$ 230	\$ 590	\$ 512

Wholesale Borrowings - Liquidity

(in millions)

	Unused Capacity	4Q10	3Q10	4Q09	Variance	
					vs 4Q 10	vs 4Q 09
Wholesale Borrowings						
Brokered Deposits	\$ 1,184	\$ 677	\$ 354	\$ 759	\$ 323	\$ (82)
FHLB	804	55	55	115	-	(60)
Fed Funds	50	-	-	-	-	-
Other Wholesale	233	101	104	101	(3)	-
Total	\$ 2,271	\$ 833	\$ 513	\$ 975	\$ 320	\$ (142)
Long-Term Debt						
Sub-Debt		\$ 96	\$ 96	\$ 96	\$ -	\$ -
Trust Preferred Securities		54	54	54	-	-
Total Long-Term Debt		\$ 150	\$ 150	\$ 150	\$ -	\$ -

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

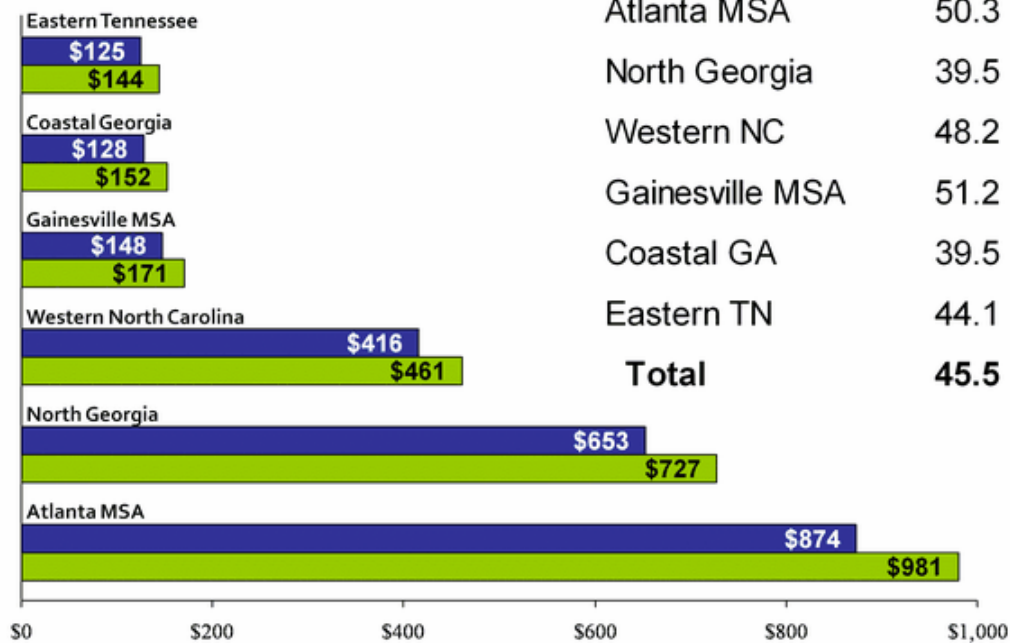
(in millions)

DEPOSITS BY CATEGORY	4Q10	3Q10	2Q10	1Q10	4Q09	4Q10 vs. 4Q09
Demand & Now	\$ 1,573	\$ 1,582	\$ 1,561	\$ 1,489	\$ 1,465	\$ 108
MMDA & Savings	1,063	977	930	908	880	183
Core Transaction Deposits	2,636	2,559	2,491	2,397	2,345	291
Time < \$100,000	1,491	1,492	1,569	1,636	1,740	(249)
Public Deposits	663	561	564	611	597	66
Total Core Deposits	4,790	4,612	4,624	4,644	4,682	108
Time > \$100,000	940	971	1,028	1,059	1,138	(198)
Public Deposits	62	62	66	73	49	13
Total Customer Deposits	5,792	5,645	5,718	5,776	5,869	(78)
Brokered Deposits	677	354	612	711	759	(82)
Total Deposits	\$ 6,469	\$ 5,999	\$ 6,330	\$ 6,487	\$ 6,628	\$ (160)

Core Transaction Deposits

Geographic Diversity

■ 4Q 09 ■ 4Q 10
\$ in millions



	Core Transactions / Total Deposits (%)	
	4Q10	4Q09
Atlanta MSA	50.3 %	42.5 %
North Georgia	39.5	36.8
Western NC	48.2	40.7
Gainesville MSA	51.2	45.0
Coastal GA	39.5	36.5
Eastern TN	44.1	37.0
Total	45.5 %	39.9 %

Sold \$103 Million NPA's – With a \$65 Million Capital Option and Warrant

- Completed sale on April 30, 2010
- Accelerates disposition of the more illiquid assets

CATEGORY <i>(in millions)</i>		MARKETS <i>(in millions)</i>	
Commercial	\$ 29.4	Atlanta	\$ 10.7
Commercial Construction	11.3	Gainesville	13.5
Residential Construction	62.4	N. Georgia	50.0
Total	<u>\$ 103.1</u>	Coastal Georgia	7.6
		North Carolina	21.3
			<u>\$ 103.1</u>

Fair Value Accounting – Warrant / Option to Purchase Equity

- Increase to Capital Surplus - \$39.8 million
- Pre-tax expense charge - \$45.3 million; after-tax cost - \$30.0 million
- GAAP Capital +\$9.8million – Slight Negative to “Regulatory Capital” (DTA)

(in millions)

	Income Statement	Capital Surplus
Fair Value of Warrants / Option	\$ (39.8)	\$ 39.8
Loan Discount (3.5% to 5.8%)	(4.5)	
Closing Costs	(1.0)	
Total Charge to Expense	(45.3)	
Tax Benefit	15.3	
Impact on Net Loss	<u>\$ (30.0)</u>	<u>\$ 39.8</u>
Impact on GAAP Equity	↻ <u>\$ +9.8</u> ↻	

(\$ in millions)

- Purchased – June 19, 2009
- Nine years old – Enhances presence in southside metro Atlanta markets
- Four banking offices in southside metro Atlanta MSA – Fayetteville, Coweta and Henry counties
- 54 employees (Reduced by 17 after conversion in September 2009)
- \$208 in customer deposits, including \$53 core deposits
- FDIC assisted transaction: 80% guarantee on \$109 loss threshold, 95% above
 - Fully discounted bid with no credit exposure
 - Accounted for credit related items (at FMV) as “covered assets” on balance sheet

	<u>4Q10</u>	<u>3Q10</u>	<u>2Q10</u>	<u>1Q10</u>	<u>4Q09</u>	<u>2Q09</u>
Loans	\$ 68	\$ 75	\$ 81	\$ 79	\$ 85	\$ 110
OREO	32	30	33	32	34	25
FDIC Receivable	32	40	43	58	67	95
Total Covered Assets	<u>\$ 132</u>	<u>\$ 145</u>	<u>\$ 157</u>	<u>\$ 169</u>	<u>\$ 186</u>	<u>\$ 230</u>

- Pre-tax gain on acquisition of \$11.4
- Accretive to earnings per share

Non-GAAP Reconciliation Tables

(in thousands except EPS)

	Operating Earnings to GAAP Earnings Reconciliation		
	4Q 10	3Q 10	4Q09
Core fee revenue reconciliation⁽¹⁾			
Core fee revenue	\$ 11,760	\$ 12,603	\$ 11,748
Securities gains (losses), net	-	2,491	2,015
Loss on prepayment of FHLB advances	-	(2,233)	-
Gain from sale of tax credits	682	-	684
Fee Revenue (GAAP)	\$ 12,442	\$ 12,861	\$ 14,447
Core operating expense reconciliation⁽¹⁾			
Core operating expense	\$ 44,316	\$ 45,154	\$ 45,735
Foreclosed property expense	20,602	19,752	14,391
Noncash goodwill impairment charge	-	210,590	-
Operating expense (GAAP)	\$ 64,918	\$ 275,496	\$ 60,126
Diluted loss per common share reconciliation⁽¹⁾			
Diluted operating loss per common share	\$ (.28)	\$ (.30)	\$ (.45)
Noncash goodwill impairment charge	-	(2.22)	-
Provision for special fraud-related loan loss and partial recovery	.08	-	-
Diluted loss per common share (GAAP)	\$ (.20)	\$ (2.52)	\$ (.45)

(1) From continuing operations

Operating Earnings to GAAP Earnings Reconciliation

	4Q 10		3Q 10		4Q 09
Net interest margin - pre credit reconciliation					
Net interest margin - pre credit	4.05	%	4.13	%	4.04
Effect of interest reversals, lost interest, and carry costs of NPAs	(.47)		(.56)		(.64)
Net interest margin	3.58	%	3.57	%	3.40
Tangible common equity and tangible equity to tangible assets reconciliation					
Tangible common equity to tangible assets	6.35	%	6.78	%	7.37
Effect of preferred equity	2.40		2.41		2.16
Tangible equity to tangible assets	8.75		9.19		9.53
Effect of goodwill and other intangibles	.10		2.18		2.41
Equity to assets (GAAP)	8.85	%	11.37	%	11.94
Tangible common equity to risk-weighted assets reconciliation					
Tangible common equity to risk-weighted assets	9.05	%	9.60	%	10.39
Effect of preferred equity	3.52		3.51		3.19
Tangible equity to risk weighted assets	12.57		13.11		13.58
Effect of other comprehensive income	(.62)		(.81)		(.87)
Effect of trust preferred	1.06		1.06		.97
Effect of deferred tax asset limitation	(3.34)		(2.94)		(1.27)
Tier I capital ratio (Regulatory)	9.67	%	10.42	%	12.41

 **FBR Capital**

(Market Perform - Oct 28, 2010)

 **FIG Partners**

(Outperform - Jan 3, 2011)

 **Guggenheim Securities, LLC**

(Neutral - Jan 4, 2011)

 **Keefe, Bruyette & Woods**

(Market Perform - Oct 29, 2010)

 **Macquarie Capital (USA)**

(Neutral - Jan 3, 2011)

 **Raymond James & Assoc.**

(Market Perform - Nov 1, 2010)

 **Sandler O'Neill & Partners**

(Hold - Jan 3, 2011)

 **Stephens, Inc.**

(Equal Weight - Nov 1, 2010)

 **Sterne Agee & Leach, Inc.**

(Neutral - Oct 28, 2010)

 **SunTrust Robinson Humphrey**

(Neutral (2) - Oct 28, 2010)

United Community Banks, Inc.

Investor Presentation

Fourth Quarter 2010



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