

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):
April 26, 2012

United Community Banks, Inc.

(Exact name of registrant as specified in its charter)

Georgia
(State or other jurisdiction of
incorporation)

No. 001-35095
(Commission File Number)

No. 58-180-7304
(IRS Employer
Identification No.)

125 Highway 515 East, P.O. Box 398
Blairsville, Georgia 30512
(Address of principal executive offices)

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

Not applicable
(Former name or former address, if changed since last report)

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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Results of Operations and Financial Condition.

On April 26, 2012, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter ended March 31, 2012 (the “News Release”). The News Release, including financial schedules, is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference. In connection with issuing the News Release, on April 26, 2012 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 March 31, 2012 Investor Presentation (the “Investor Presentation”), which will be posted to the Registrant’s website at www.ucbi.com. The Investor Presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and incorporated herein by reference.

The presentation of the Registrant’s financial results includes 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. Core earnings measures exclude credit related costs such as the provision for loan losses, certain expenses and charges related to the Registrant’s 2011 asset disposition plans in the first quarter of 2011 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 are 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 April 26, 2012
 - 99.2 Investor Presentation, First Quarter 2012
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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.

UNITED COMMUNITY BANKS, INC.

By: /s/ *Rex S. Schuette*

Rex S. Schuette
Executive Vice President and
Chief Financial Officer

Date: April 26, 2012



For Immediate Release

For more information:

Rex S. Schuette
Chief Financial Officer
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**UNITED COMMUNITY BANKS, INC. REPORTS
EARNINGS OF \$11.5 MILLION FOR FIRST QUARTER 2012**

- Net income of \$11.5 million, or 15 cents per share
- Pre-tax, pre-credit earnings, excluding one-time items, highest since fourth quarter 2009
- Loan growth continues, up \$18 million from fourth quarter, or 2 percent annualized
- Core transaction deposits up \$151 million from fourth quarter, or 21 percent annualized
- Capital ratios strengthen

BLAIRSVILLE, GA – April 26, 2012 – United Community Banks, Inc. (NASDAQ: UCBI) today reported net income of \$11.5 million, or 15 cents per share, for the first quarter of 2012. The positive results reflect strong core transaction deposit growth, modest loan growth, a fee revenue increase and lower operating expenses compared with the fourth quarter of 2011.

“Momentum continues to build in restoring and improving our financial performance,” said Jimmy Tallent, president and chief executive officer. “With credit problems now at a manageable level, we have increased our focus on improving core pre-tax, pre-credit earnings through revenue growth and higher efficiency. The results are encouraging: Core pre-tax, pre-credit earnings, excluding one-time items, were at their highest level since the fourth quarter of 2009.”

Total loans were \$4.13 billion at quarter-end, up \$18 million from the fourth quarter and down \$66 million from a year earlier. “In the fourth quarter we reversed the trend of declining loan balances, and in the first quarter we achieved modest loan growth,” stated Tallent. “We are prudently growing our portfolio by focusing on full-service relationships with small-to-medium sized businesses. During the first quarter we added \$169 million in new loan commitments of which \$131 million were funded by quarter-end. The majority were commercial loans.”

The first quarter provision for loan losses was \$15 million, down from \$190 million a year ago and up slightly from \$14 million in the fourth quarter of 2011. The first quarter 2011 provision was elevated due to execution of United’s problem asset disposition plan following the successful raising of \$380 million in capital.

First quarter net charge-offs were \$15.9 million, compared to \$232 million in the first quarter of 2011 and \$45.6 million in the fourth quarter. A bulk loan sale, part of the problem asset disposition plan, elevated net charge-offs in the 2011 first quarter. Fourth quarter 2011 net charge-offs included \$25 million related to United’s largest loan relationship.

Nonperforming assets of \$161.6 million reflected a \$1.3 million increase from the fourth quarter of 2011, and a \$23.4 million increase from the first quarter of 2011. Said Tallent, “Nonperforming asset levels are impacted significantly by the inflow of new nonperforming loans and our ability to liquidate foreclosed properties. While the inflow of new nonperforming loans fell from \$46 million in the fourth quarter to \$32 million in the first quarter, nonperforming assets did not decline due to slow foreclosed property sales, which is typical in the winter months. We expect our overall credit trends to improve during 2012, although not necessarily on a straight line.”

Taxable equivalent net interest revenue of \$58.9 million reflected a slight decline from the fourth quarter of 2011, and an increase of \$2.5 million from the first quarter of 2011 due to the \$2 million reversal of accrued interest last year on performing loans included in the bulk loan sale. The net interest margin was 3.53 percent for the first quarter of 2012, up 23 basis points from a year ago and two basis points from the fourth quarter of 2011.

“Growing quality loan and deposit relationships is a key focus in 2012,” Tallent commented. “The weak economy has created a highly competitive environment for good, quality loans; yet, our momentum continues to build as the seasoned relationship managers we have added in key markets attract new business. Our success attracting core transaction deposits also has continued, with balances increasing \$151 million during the first quarter. That is 21 percent growth on an annualized basis.”

Fee revenue was \$15.4 million in the first quarter of 2012, compared to \$12.7 million in the fourth quarter and \$11.8 million a year ago. Service charges and fees were \$7.8 million, up \$535,000 from the fourth quarter and \$1.1 million from a year ago. The increase in service charges and fees from both periods reflects new charges on deposit accounts that became effective in the first quarter of 2012, and higher debit card revenue. Combined, these revenue increases more than offset lower overdraft fees.

Mortgage fee revenue increased \$274,000 from the fourth quarter, and \$605,000 from a year ago, to \$2.1 million. The comparisons to prior periods are influenced significantly by the interest rate environment and refinancing activities. Mortgage loans closed totaled \$81.7 million in the first quarter of 2012 compared with \$78.8 million and \$74.5 million, respectively, in the fourth and first quarters of 2011. Other fee revenue of \$4.6 million reflected a \$1.8 million increase from the fourth quarter, and a \$1.7 million increase from the first quarter of 2011. The increase from both prior periods was primarily due to the recognition of \$1.1 million in interest received for 2008’s federal tax refund.

Excluding foreclosed property costs, first quarter 2012 operating expenses were \$43.1 million compared to \$41.8 million for the fourth quarter of 2011. Operating expenses increased \$1.3 million on a linked-quarter basis due to a reclassification of expenses reflected in the fourth quarter of 2011 that transferred \$2.2 million of salary and employee benefit costs to other comprehensive income for unamortized prior service costs and actuarial losses related to United’s modified retirement plan. Excluding this one-time adjustment, the first quarter’s total operating expenses were down \$900,000 from the fourth quarter, primarily due to lower staff costs. First quarter operating expenses decreased by \$7.2 million in the first quarter compared to the same period a year ago, primarily due to \$2.9 million in higher FDIC premium assessments in the first quarter of 2011, and costs incurred during that period related to the problem asset disposition plan: \$1.0 million in professional fees and \$2.6 million in property taxes paid on assets sold.

Foreclosed property costs for the first quarter of 2012 were \$3.8 million, compared to \$9.3 million in the fourth quarter of 2011 and \$64.9 million in the first quarter a year ago. First quarter 2012 costs included \$1.6 million for maintenance and \$2.2 million in net losses and write-downs. For the fourth quarter of 2011, foreclosed property costs included \$2.4 million in maintenance and \$6.9 million in net losses and write-downs. First quarter 2011 costs included \$4.3 million in maintenance and \$60.6 million in net write-downs and losses, mostly related to the problem asset disposition plan.

As of March 31, 2012, capital ratios were as follows: Tier 1 Risk-Based of 13.7 percent; Tier 1 Leverage of 8.9 percent; and Total Risk-Based of 15.4 percent. The Tier 1 Common Risk-Based ratio was 8.3 and the Tangible Equity-to-Assets ratio was 8.1 percent.

“We are on the path to recovery as indicated by three profitable quarters out of the past four,” stated Tallent. “The economy is still weak and work remains to resolve credit problems, though we believe far more of that work is behind us. Looking forward, we expect continued profitability and improved financial performance from revenue enhancements and expense reductions.”

Conference Call

United will hold a conference call today, Thursday, April 26, 2012, 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 conference number 69716155. The conference call also will be webcast and can be accessed by selecting ‘Calendar of Events’ within the Investor Relations section of the United’s website at www.ucbi.com.

About United Community Banks, Inc.

Headquartered in Blairsville, United Community Banks, Inc. is the third-largest bank holding company in Georgia. United has assets of \$7.2 billion and operates 27 community banks with 106 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina and east Tennessee. United specializes in providing personalized community banking services to individuals and small to mid-size businesses and also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United's common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at United'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 United's financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United's filings with the Securities and Exchange Commission including its 2011 Annual Report on Form 10-K under the section entitled "Forward-Looking Statements" and "Risk Factors." Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

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UNITED COMMUNITY BANKS, INC.
Financial Highlights
Selected Financial Information

	2012		2011				First Quarter 2012-2011 Change
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter		
<i>(in thousands, except per share data; taxable equivalent)</i>							
INCOME SUMMARY							
Interest revenue	\$ 70,221	\$ 71,905	\$ 74,543	\$ 76,931	\$ 75,965		
Interest expense	11,357	12,855	15,262	17,985	19,573		
Net interest revenue	58,864	59,050	59,281	58,946	56,392		4%
Provision for loan losses	15,000	14,000	36,000	11,000	190,000		
Fee revenue	15,379	12,667	11,498	13,905	11,838		30
Total revenue	59,243	57,717	34,779	61,851	(121,770)		
Operating expenses	46,955	51,080	46,520	48,728	115,271		(59)
Income (loss) before income taxes	12,288	6,637	(11,741)	13,123	(237,041)		
Income tax expense (benefit)	760	(3,264)	(402)	1,095	295		
Net income (loss)	11,528	9,901	(11,339)	12,028	(237,336)		
Preferred dividends and discount accretion	3,030	3,025	3,019	3,016	2,778		
Net income (loss) available to common shareholders	\$ 8,498	\$ 6,876	\$ (14,358)	\$ 9,012	\$ (240,114)		
PERFORMANCE MEASURES							
Per common share:							
Diluted income (loss)	\$.15	\$.12	\$ (.25)	\$.16	\$ (13.00)		
Book value	6.68	6.62	6.77	7.11	2.20		204
Tangible book value ⁽²⁾	6.54	6.47	6.61	6.94	1.69		287
Key performance ratios:							
Return on equity ⁽¹⁾⁽³⁾	8.78%	7.40%	(15.06) %	42.60%	(526.54) %		
Return on assets ⁽³⁾	.66	.56	(.64)	.66	(13.04)		
Net interest margin ⁽³⁾	3.53	3.51	3.55	3.41	3.30		
Efficiency ratio	63.31	71.23	65.73	66.88	169.08		
Equity to assets	8.19	8.28	8.55	8.06	6.15		
Tangible equity to assets ⁽²⁾	8.08	8.16	8.42	7.93	6.01		
Tangible common equity to assets ⁽²⁾	5.33	5.38	5.65	1.37	2.70		
Tangible common equity to risk-weighted assets ⁽²⁾	8.21	8.25	8.52	8.69	.75		
ASSET QUALITY *							
Non-performing loans	\$ 129,704	\$ 127,479	\$ 144,484	\$ 71,065	\$ 83,769		
Foreclosed properties	31,887	32,859	44,263	47,584	54,378		
Total non-performing assets (NPAs)	161,591	160,338	188,747	118,649	138,147		
Allowance for loan losses	113,601	114,468	146,092	127,638	133,121		
Net charge-offs	15,867	45,624	17,546	16,483	231,574		
Allowance for loan losses to loans	2.75%	2.79%	3.55%	3.07%	3.17 %		
Net charge-offs to average loans ⁽³⁾	1.55	4.39	1.68	1.58	20.71		
NPAs to loans and foreclosed properties	3.88	3.87	4.54	2.82	3.25		
NPAs to total assets	2.25	2.30	2.74	1.66	1.79		
AVERAGE BALANCES (\$ in millions)							
Loans	\$ 4,168	\$ 4,175	\$ 4,194	\$ 4,266	\$ 4,599		(9)
Investment securities	2,153	2,141	2,150	2,074	1,625		32
Earning assets	6,700	6,688	6,630	6,924	6,902		(3)
Total assets	7,045	7,019	7,000	7,363	7,379		(5)
Deposits	6,028	6,115	6,061	6,372	6,560		(8)
Shareholders' equity	577	581	598	594	454		27
Common shares - basic (thousands)	57,764	57,646	57,599	25,427	18,466		
Common shares - diluted (thousands)	57,764	57,646	57,599	57,543	18,466		
AT PERIOD END (\$ in millions)							
Loans *	\$ 4,128	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194		(2)
Investment securities	2,202	2,120	2,123	2,188	1,884		17
Total assets	7,174	6,983	6,894	7,152	7,709		(7)
Deposits	6,001	6,098	6,005	6,183	6,598		(9)
Shareholders' equity	580	575	583	603	586		(1)
Common shares outstanding (thousands)	57,603	57,561	57,510	57,469	20,903		

⁽¹⁾ 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). ⁽²⁾ Excludes effect of acquisition related intangibles and associated amortization. ⁽³⁾ Annualized.

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

UNITED COMMUNITY BANKS, INC.
Non-GAAP Performance Measures Reconciliation
Selected Financial Information

	2012		2011		
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<i>(in thousands, except per share data; taxable equivalent)</i>					
Interest revenue reconciliation					
Interest revenue - taxable equivalent	\$ 70,221	\$ 71,905	\$ 74,543	\$ 76,931	\$ 75,965
Taxable equivalent adjustment	(446)	(423)	(420)	(429)	(435)
Interest revenue (GAAP)	<u>\$ 69,775</u>	<u>\$ 71,482</u>	<u>\$ 74,123</u>	<u>\$ 76,502</u>	<u>\$ 75,530</u>
Net interest revenue reconciliation					
Net interest revenue - taxable equivalent	\$ 58,864	\$ 59,050	\$ 59,281	\$ 58,946	\$ 56,392
Taxable equivalent adjustment	(446)	(423)	(420)	(429)	(435)
Net interest revenue (GAAP)	<u>\$ 58,418</u>	<u>\$ 58,627</u>	<u>\$ 58,861</u>	<u>\$ 58,517</u>	<u>\$ 55,957</u>
Total revenue reconciliation					
Total operating revenue	\$ 59,243	\$ 57,717	\$ 34,779	\$ 61,851	\$ (121,770)
Taxable equivalent adjustment	(446)	(423)	(420)	(429)	(435)
Total revenue (GAAP)	<u>\$ 58,797</u>	<u>\$ 57,294</u>	<u>\$ 34,359</u>	<u>\$ 61,422</u>	<u>\$ (122,205)</u>
Income (loss) before taxes reconciliation					
Income (loss) before taxes	\$ 12,288	\$ 6,637	\$ (11,741)	\$ 13,123	\$ (237,041)
Taxable equivalent adjustment	(446)	(423)	(420)	(429)	(435)
Income (loss) before taxes (GAAP)	<u>\$ 11,842</u>	<u>\$ 6,214</u>	<u>\$ (12,161)</u>	<u>\$ 12,694</u>	<u>\$ (237,476)</u>
Income tax (benefit) expense reconciliation					
Income tax (benefit) expense	\$ 760	\$ (3,264)	\$ (402)	\$ 1,095	\$ 295
Taxable equivalent adjustment	(446)	(423)	(420)	(429)	(435)
Income tax (benefit) expense (GAAP)	<u>\$ 314</u>	<u>\$ (3,687)</u>	<u>\$ (822)</u>	<u>\$ 666</u>	<u>\$ (140)</u>
Book value per common share reconciliation					
Tangible book value per common share	\$ 6.54	\$ 6.47	\$ 6.61	\$ 6.94	\$ 1.69
Effect of goodwill and other intangibles	.14	.15	.16	.17	.51
Book value per common share (GAAP)	<u>\$ 6.68</u>	<u>\$ 6.62</u>	<u>\$ 6.77</u>	<u>\$ 7.11</u>	<u>\$ 2.20</u>
Average equity to assets reconciliation					
Tangible common equity to assets	5.33%	5.38%	5.65%	1.37%	2.70%
Effect of preferred equity	2.75	2.78	2.77	6.56	3.31
Tangible equity to assets	8.08	8.16	8.42	7.93	6.01
Effect of goodwill and other intangibles	.11	.12	.13	.13	.14
Equity to assets (GAAP)	<u>8.19%</u>	<u>8.28%</u>	<u>8.55%</u>	<u>8.06%</u>	<u>6.15%</u>
Tangible common equity to risk-weighted assets reconciliation					
Tangible common equity to risk-weighted assets	8.21%	8.25%	8.52%	8.69%	.75%
Effect of other comprehensive income	.10	(.03)	(.29)	(.42)	(.32)
Effect of trust preferred	1.15	1.18	1.19	1.15	1.13
Effect of preferred equity	4.23	4.29	4.33	4.20	5.87
Tier I capital ratio (Regulatory)	<u>13.69%</u>	<u>13.69%</u>	<u>13.75%</u>	<u>13.62%</u>	<u>7.43%</u>

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Loan Portfolio Composition at Period-End ⁽¹⁾

<i>(in millions)</i>	2012		2011			Linked Quarter Change	Year over Year Change
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter		
LOANS BY CATEGORY							
Commercial (sec.by RE)	\$ 1,843	\$ 1,822	\$ 1,771	\$ 1,742	\$ 1,692	\$ 21	\$ 151
Commercial & industrial	440	428	429	428	431	12	9
Commercial construction	167	164	169	195	213	3	(46)
Total commercial	2,450	2,414	2,369	2,365	2,336	36	114
Residential mortgage	1,131	1,135	1,150	1,177	1,187	(4)	(56)
Residential construction	436	448	474	502	550	(12)	(114)
Consumer installment	111	113	117	119	121	(2)	(10)
Total loans	\$ 4,128	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	18	(66)
LOANS BY MARKET							
North Georgia	\$ 1,408	\$ 1,426	\$ 1,478	\$ 1,500	\$ 1,531	(18)	(123)
Atlanta MSA	1,239	1,220	1,192	1,188	1,179	19	60
North Carolina	588	597	607	626	640	(9)	(52)
Coastal Georgia	366	346	316	325	312	20	54
Gainesville MSA	262	265	272	275	282	(3)	(20)
East Tennessee	265	256	245	249	250	9	15
Total loans	\$ 4,128	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	18	(66)
RESIDENTIAL CONSTRUCTION							
Dirt loans							
Acquisition & development	\$ 86	\$ 88	\$ 97	\$ 105	\$ 116	(2)	(30)
Land loans	57	61	60	62	69	(4)	(12)
Lot loans	203	207	216	218	228	(4)	(25)
Total	346	356	373	385	413	(10)	(67)
House loans							
Spec	57	59	64	74	88	(2)	(31)
Sold	32	33	37	43	49	(1)	(17)
Total	89	92	101	117	137	(3)	(48)
Total residential construction	\$ 435	\$ 448	\$ 474	\$ 502	\$ 550	(13)	(115)
RESIDENTIAL CONSTRUCTION - ATLANTA MSA							
Dirt loans							
Acquisition & development	\$ 17	\$ 17	\$ 19	\$ 20	\$ 22	-	(5)
Land loans	13	14	15	16	19	(1)	(6)
Lot loans	22	22	22	22	24	-	(2)
Total	52	53	56	58	65	(1)	(13)
House loans							
Spec	27	27	28	30	34	-	(7)
Sold	7	6	8	9	11	1	(4)
Total	34	33	36	39	45	1	(11)
Total residential construction	\$ 86	\$ 86	\$ 92	\$ 97	\$ 110	-	(24)

⁽¹⁾ Excludes total loans of \$47.2 million, \$54.5 million, \$57.8 million, \$70.8 million and \$63.3 million as of March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, 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⁾

<i>(in thousands)</i>	First Quarter 2012			Fourth Quarter 2011			Third Quarter 2011		
	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)	\$ 26,081	\$ 10,808	\$ 36,889	\$ 27,322	\$ 9,745	\$ 37,067	\$ 21,998	\$ 8,880	\$ 30,878
Commercial & industrial	36,314	-	36,314	34,613	-	34,613	53,009	-	53,009
Commercial construction	23,319	3,266	26,585	16,655	3,336	19,991	11,370	5,862	17,232
Total commercial	85,714	14,074	99,788	78,590	13,081	91,671	86,377	14,742	101,119
Residential mortgage	18,741	5,882	24,623	22,358	6,927	29,285	22,671	7,960	30,631
Residential construction	24,341	11,931	36,272	25,523	12,851	38,374	34,472	21,561	56,033
Consumer installment	908	-	908	1,008	-	1,008	964	-	964
Total NPAs	\$ 129,704	\$ 31,887	\$ 161,591	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747
Balance as a % of Unpaid Principal	70.6%	36.1%	59.4%	71.3%	35.9%	59.3%	77.8%	33.4%	59.3%
NPAs BY MARKET									
North Georgia	\$ 81,117	\$ 14,559	\$ 95,676	\$ 88,600	\$ 15,136	\$ 103,736	\$ 105,078	\$ 17,467	\$ 122,545
Atlanta MSA	22,321	7,647	29,968	14,480	6,169	20,649	13,350	12,971	26,321
North Carolina	15,765	4,650	20,415	15,100	5,365	20,465	13,243	7,941	21,184
Coastal Georgia	5,622	1,268	6,890	5,248	1,620	6,868	5,600	2,354	7,954
Gainesville MSA	2,210	3,387	5,597	2,069	3,760	5,829	5,311	2,495	7,806
East Tennessee	2,669	376	3,045	1,982	809	2,791	1,902	1,035	2,937
Total NPAs	\$ 129,704	\$ 31,887	\$ 161,591	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747
NPA ACTIVITY									
Beginning Balance	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649
Loans placed on non-accrual	32,437	-	32,437	45,675	-	45,675	103,365	-	103,365
Payments received	(5,945)	-	(5,945)	(1,884)	-	(1,884)	(3,995)	-	(3,995)
Loan charge-offs	(14,733)	-	(14,733)	(44,757)	-	(44,757)	(15,335)	-	(15,335)
Foreclosures	(9,534)	9,534	-	(16,039)	16,039	-	(10,616)	10,616	-
Capitalized costs	-	329	329	-	141	141	-	818	818
Note / property sales	-	(8,631)	(8,631)	-	(20,651)	(20,651)	-	(13,787)	(13,787)
Write downs	-	(2,111)	(2,111)	-	(3,893)	(3,893)	-	(1,772)	(1,772)
Net gains (losses) on sales	-	(93)	(93)	-	(3,040)	(3,040)	-	804	804
Ending Balance	\$ 129,704	\$ 31,887	\$ 161,591	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747

<i>(in thousands)</i>	First Quarter 2012		Fourth Quarter 2011		Third Quarter 2011	
	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)	\$ 3,697	.81%	\$ 4,962	1.09%	\$ 2,192	.50%
Commercial & industrial	669	.62	18,940	17.47	420	.39
Commercial construction	334	.81	3,318	7.88	1,625	3.54
Total commercial	4,700	.78	27,220	4.51	4,237	.71
Residential mortgage	5,375	1.91	5,887	2.04	6,110	2.09
Residential construction	5,314	4.84	12,090	10.36	6,381	5.19
Consumer installment	478	1.72	427	1.47	818	2.75
Total	\$ 15,867	1.55	\$ 45,624	4.39	\$ 17,546	1.68

NET CHARGE-OFFS BY MARKET						
North Georgia	\$ 9,022	2.56%	\$ 34,970	9.46%	\$ 8,124	2.16%
Atlanta MSA	2,729	.89	4,195	1.37	2,813	.94
North Carolina	1,679	1.14	3,180	2.10	3,608	2.31
Coastal Georgia	1,329	1.53	335	.41	709	.88
Gainesville MSA	883	1.35	2,572	3.84	1,804	2.64
East Tennessee	225	.34	372	.59	488	.78
Total	\$ 15,867	1.55	\$ 45,624	4.39	\$ 17,546	1.68

(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.

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

	Three Months Ended	
	March 31,	
<i>(in thousands, except per share data)</i>	2012	2011
Interest revenue:		
Loans, including fees	\$ 55,759	\$ 61,107
Investment securities, including tax exempt of \$250 and \$259	13,004	13,604
Federal funds sold, reverse repurchase agreements, commercial paper and deposits in banks	1,012	819
Total interest revenue	<u>69,775</u>	<u>75,530</u>
Interest expense:		
Deposits:		
NOW	637	1,324
Money market	641	2,028
Savings	37	77
Time	6,159	11,732
Total deposit interest expense	7,474	15,161
Federal funds purchased, repurchase agreements and other short-term borrowings	1,045	1,042
Federal Home Loan Bank advances	466	590
Long-term debt	2,372	2,780
Total interest expense	<u>11,357</u>	<u>19,573</u>
Net interest revenue	58,418	55,957
Provision for loan losses	15,000	190,000
Net interest revenue after provision for loan losses	<u>43,418</u>	<u>(134,043)</u>
Fee revenue:		
Service charges and fees	7,783	6,720
Mortgage loan and other related fees	2,099	1,494
Brokerage fees	813	677
Securities gains, net	557	55
Loss from prepayment of debt	(482)	-
Other	4,609	2,892
Total fee revenue	<u>15,379</u>	<u>11,838</u>
Total revenue	<u>58,797</u>	<u>(122,205)</u>
Operating expenses:		
Salaries and employee benefits	25,225	24,924
Communications and equipment	3,155	3,344
Occupancy	3,771	4,074
Advertising and public relations	846	978
Postage, printing and supplies	979	1,118
Professional fees	1,975	3,330
Foreclosed property	3,825	64,899
FDIC assessments and other regulatory charges	2,510	5,413
Amortization of intangibles	732	762
Other	3,937	6,429
Total operating expenses	<u>46,955</u>	<u>115,271</u>
Net income (loss) before income taxes	11,842	(237,476)
Income tax expense (benefit)	314	(140)
Net income (loss)	<u>11,528</u>	<u>(237,336)</u>
Preferred stock dividends and discount accretion	3,030	2,778
Net income (loss) available to common shareholders	<u>\$ 8,498</u>	<u>\$ (240,114)</u>
Earnings (loss) per common share - Basic / Diluted	\$.15	\$ (13.00)
Weighted average common shares outstanding - Basic / Diluted	57,764	18,466

UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet

	March 31,	December 31,	March 31,
<i>(in thousands, except share and per share data)</i>	2012	2011	2011
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
ASSETS			
Cash and due from banks	\$ 53,147	\$ 53,807	\$ 153,891
Interest-bearing deposits in banks	139,439	139,609	465,656
Federal funds sold, reverse repurchase agreements, commercial paper and short-term investments	235,000	185,000	470,087
Cash and cash equivalents	427,586	378,416	1,089,634
Securities available for sale	1,898,815	1,790,047	1,638,494
Securities held to maturity (fair value \$318,490, \$343,531 and \$248,361)	303,636	330,203	245,430
Loans held for sale	-	-	80,629
Mortgage loans held for sale	24,809	23,881	25,364
Loans, net of unearned income	4,127,566	4,109,614	4,194,372
Less allowance for loan losses	113,601	114,468	133,121
Loans, net	4,013,965	3,995,146	4,061,251
Assets covered by loss sharing agreements with the FDIC	72,854	78,145	125,789
Premises and equipment, net	174,419	175,088	179,143
Bank owned life insurance	80,956	80,599	79,777
Accrued interest receivable	20,292	20,693	21,687
Goodwill and other intangible assets	7,695	8,428	10,684
Foreclosed property	31,887	32,859	54,378
Unsettled securities sales	43,527	-	-
Other assets	73,252	69,915	97,228
Total assets	\$ 7,173,693	\$ 6,983,420	\$ 7,709,488
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Demand	\$ 1,101,757	\$ 992,109	\$ 864,708
NOW	1,389,016	1,509,896	1,320,136
Money market	1,123,734	1,038,778	967,938
Savings	214,150	199,007	193,591
Time:			
Less than \$100,000	1,207,479	1,332,394	1,576,505
Greater than \$100,000	796,882	847,152	990,289
Brokered	167,521	178,647	684,581
Total deposits	6,000,539	6,097,983	6,597,748
Federal funds purchased, repurchase agreements, and other short-term borrowings	101,925	102,577	102,107
Federal Home Loan Bank advances	215,125	40,625	55,125
Long-term debt	120,245	120,225	150,166
Unsettled securities purchases	119,565	10,325	177,532
Accrued expenses and other liabilities	36,755	36,199	40,766
Total liabilities	6,594,154	6,407,934	7,123,444
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	217
Series B; \$1,000 stated value; 180,000 shares issued and outstanding	177,451	177,092	176,049
Series D; \$1,000 stated value; 16,613 shares issued and outstanding	16,613	16,613	16,613
Series F; \$1,000 stated value; 195,872 shares issued and outstanding	-	-	195,872
Series G; \$1,000 stated value; 151,185 shares issued and outstanding	-	-	151,185
Common stock, \$1 par value; 100,000,000 shares authorized;			
41,688,647, 41,647,100 and 20,903,111 shares issued and outstanding	41,689	41,647	20,903
Common stock, non-voting, \$1 par value; 30,000,000 shares authorized;			
15,914,209 shares issued and outstanding	15,914	15,914	-
Common stock issuable; 90,126, 93,681 and 79,428 shares	2,948	3,233	3,681
Capital surplus	1,056,135	1,054,940	738,963
Accumulated deficit	(722,363)	(730,861)	(732,390)
Accumulated other comprehensive (loss) income	(9,065)	(3,309)	14,951
Total shareholders' equity	579,539	575,486	586,044
Total liabilities and shareholders' equity	\$ 7,173,693	\$ 6,983,420	\$ 7,709,488

UNITED COMMUNITY BANKS, INC.
Average Consolidated Balance Sheets and Net Interest Analysis
For the Three Months Ended March 31,

<i>(dollars in thousands, taxable equivalent)</i>	2012			2011		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
Assets:						
Interest-earning assets:						
Loans, net of unearned income ⁽¹⁾⁽²⁾	\$ 4,168,440	\$ 55,842	5.39%	\$ 4,598,860	\$ 61,070	5.39%
Taxable securities ⁽³⁾	2,127,794	12,754	2.40	1,599,481	13,345	3.34
Tax-exempt securities ⁽¹⁾⁽³⁾	25,438	410	6.45	25,827	424	6.57
Federal funds sold and other interest-earning assets	<u>377,988</u>	<u>1,215</u>	1.29	<u>677,453</u>	<u>1,126</u>	.66
Total interest-earning assets	<u>6,699,660</u>	<u>70,221</u>	4.21	<u>6,901,621</u>	<u>75,965</u>	4.45
Non-interest-earning assets:						
Allowance for loan losses	(117,803)			(169,113)		
Cash and due from banks	54,664			134,341		
Premises and equipment	174,849			179,353		
Other assets ⁽³⁾	233,676			332,827		
Total assets	<u>\$ 7,045,046</u>			<u>\$ 7,379,029</u>		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,458,112	637	.18	\$ 1,373,142	1,324	.39
Money market	1,069,658	641	.24	928,542	2,028	.89
Savings	205,402	37	.07	187,423	77	.17
Time less than \$100,000	1,271,351	3,026	.96	1,540,342	5,451	1.44
Time greater than \$100,000	821,164	2,415	1.18	990,881	4,151	1.70
Brokered	161,335	718	1.79	698,288	2,130	1.24
Total interest-bearing deposits	<u>4,987,022</u>	<u>7,474</u>	.60	<u>5,718,618</u>	<u>15,161</u>	1.08
Federal funds purchased and other borrowings	102,258	1,045	4.11	101,097	1,042	4.18
Federal Home Loan Bank advances	138,372	466	1.35	55,125	590	4.34
Long-term debt	120,237	2,372	7.93	150,157	2,780	7.51
Total borrowed funds	<u>360,867</u>	<u>3,883</u>	4.33	<u>306,379</u>	<u>4,412</u>	5.84
Total interest-bearing liabilities	<u>5,347,889</u>	<u>11,357</u>	.85	<u>6,024,997</u>	<u>19,573</u>	1.32
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,040,587			841,351		
Other liabilities	79,612			58,634		
Total liabilities	<u>6,468,088</u>			<u>6,924,982</u>		
Shareholders' equity	<u>576,958</u>			<u>454,047</u>		
Total liabilities and shareholders' equity	<u>\$ 7,045,046</u>			<u>\$ 7,379,029</u>		
Net interest revenue		<u>\$ 58,864</u>			<u>\$ 56,392</u>	
Net interest-rate spread			<u>3.36%</u>			<u>3.13%</u>
Net interest margin ⁽⁴⁾			<u>3.53%</u>			<u>3.30%</u>

(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 and loans that are held for sale.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$23.6 million in 2012 and \$27.2 million in 2011 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

First Quarter 2012

April 26, 2012

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#1 in Customer Satisfaction
by J.D. Power & Associates

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 **United**
Community Banks.

Cautionary Statement

This news release contains forward-looking statements, as defined by federal securities laws, including statements about United's financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United Community Banks, Inc.'s filings with the Securities and Exchange Commission including its 2011 Annual Report on Form 10-K under the sections entitled "Forward-Looking Statements". Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

Non-GAAP Measures

This presentation also contains financial measures determined by methods other than in accordance with generally accepted accounting principles (“GAAP”). Such non-GAAP financial measures include the following: net interest margin – pre credit, core net interest margin, core net interest revenue, 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, net interest revenue, 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 for comparison to financial results for prior periods. These non-GAAP financial measures should not be considered as a substitute for financial measures determined in accordance with GAAP and may not be comparable to other similarly titled financial measures used by other companies. For a reconciliation of the differences between our non-GAAP financial measures and the most comparable GAAP measures, please refer to the ‘Non-GAAP Reconciliation Tables’ at the end of the Appendix to this presentation.

- Founded in 1950
- Third-largest bank holding company in Georgia
- Headquartered in Blairsville, Georgia with 106 locations throughout north Georgia, metro Atlanta, coastal Georgia, western North Carolina and east Tennessee
- 1,707 employees

27 Banks and 106 Offices



Deposit Market Share ⁽¹⁾				
Market	Banks	Offices	Deposit Share	Rank
North Georgia	11	23	33%	1
Atlanta MSA	10	38	4	7
Gainesville MSA	1	5	14	3
Coastal Georgia	2	8	6	7
Western North Carolina	1	21	13	3
East Tennessee	2	11	2	10

Key Statistics as of 3/31/12	
<i>(billions)</i>	
Total assets	\$7.17
Total deposits	\$6.00
Loans	\$4.13

¹ FDIC deposit market share and rank as of 6/11 for markets where United takes deposits. Source: SNL and FDIC.

Highlights First Quarter

■ Improving Quarterly Results

- Net Income of \$11.5 million, or 15 cents per share
- Third quarterly profit in past four quarters
- Core earnings (pre-tax, pre-credit) of \$29.3 million; highest level since 4Q 2009

■ Loan Growth Traction

- Second linked-quarter with loan growth, first time since March 2008

■ Strong Core Transaction Deposit Growth

- Up 21% annualized
- Building customer deposit base
- Represents 52% of total customer deposits compared to 34%

■ Non Performing Assets Hold Steady

- Charge-offs declining

LOAN PORTFOLIO & CREDIT QUALITY



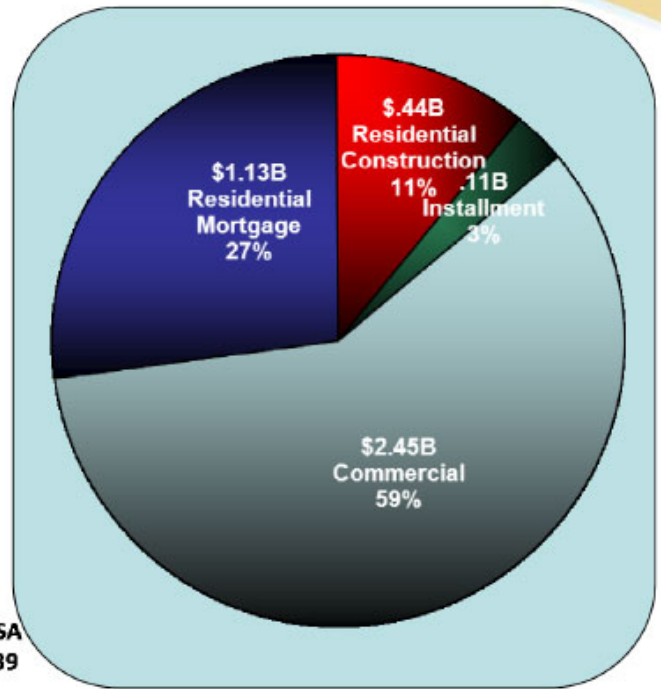
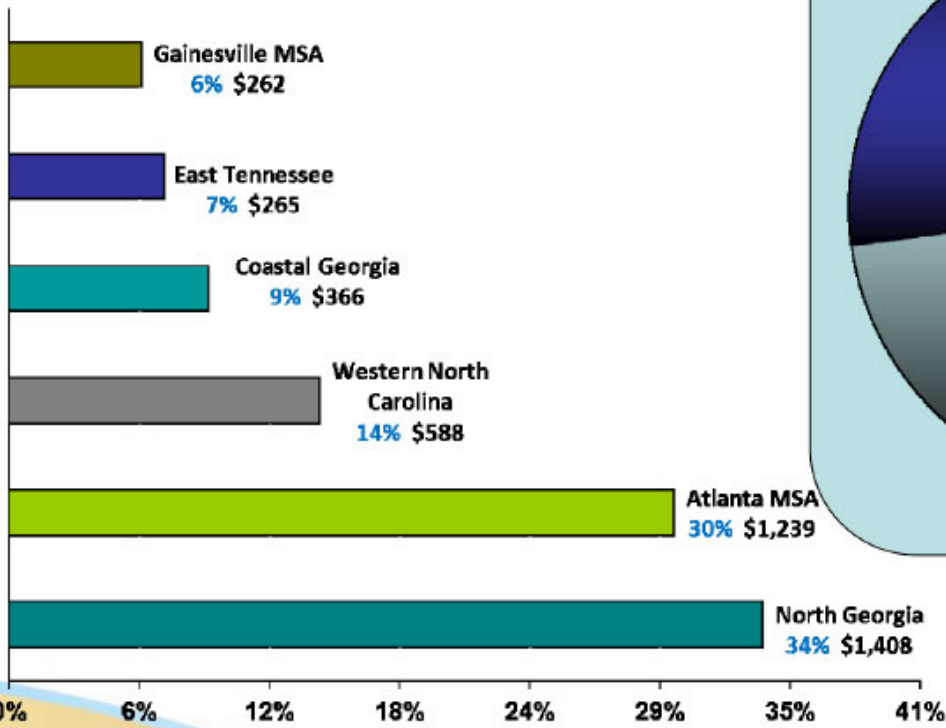
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Loan Portfolio (total \$4.13 billion)

Geographic Diversity

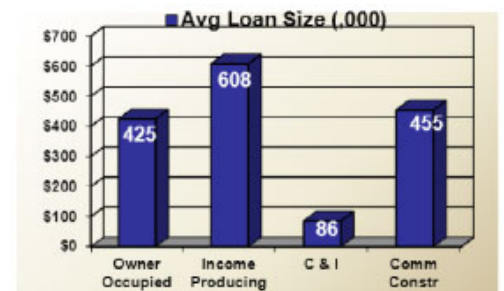
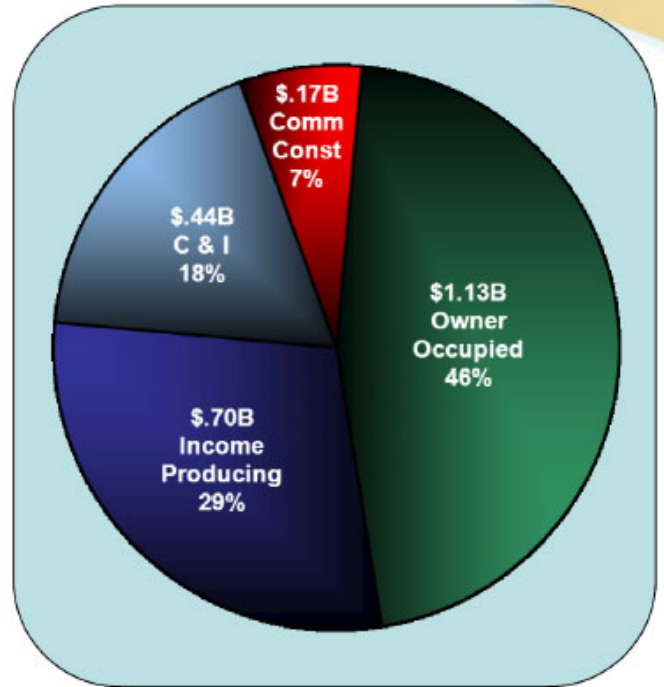
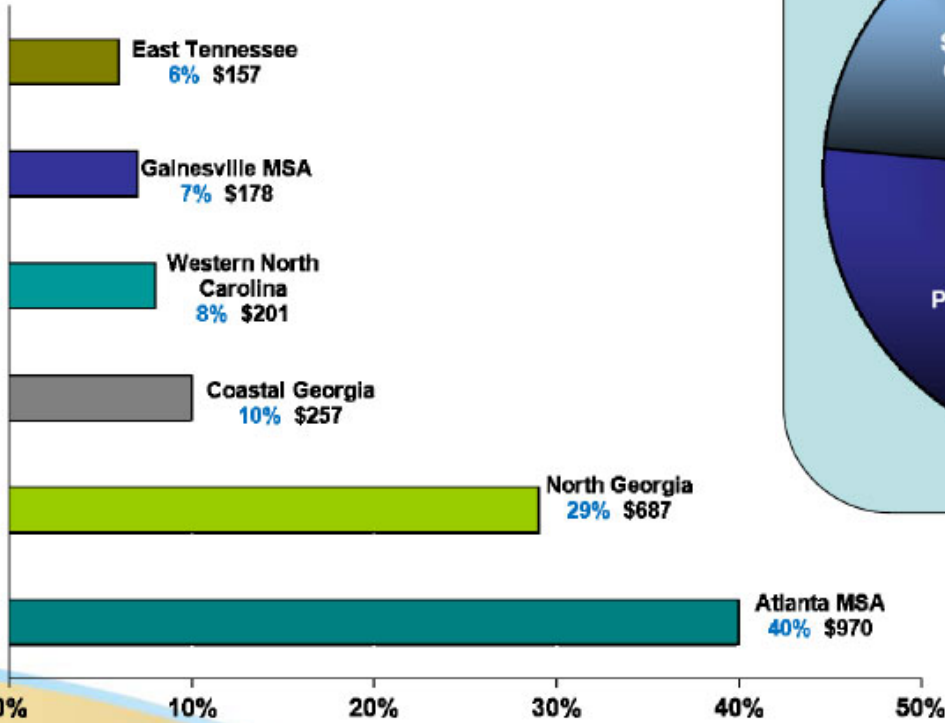
\$ in millions



Commercial Loans (total \$2.45 billion)

Geographic Diversity

\$ in millions



Commercial Real Estate *(by loan type)*

(in millions)

Loan Type	March 31, 2012			
	Owner Occupied	Income Producing	Total	Percent
Office Buildings	\$ 297	\$ 207	\$ 504	27 %
Retail	122	142	264	14
Small Warehouses/Storage	117	74	191	10
Multi-Residential/Other Properties	64	92	156	9
Churches	138	-	138	8
Convenience Stores	74	23	97	5
Hotels/Motels	-	89	89	5
Franchise / Restaurants	38	34	72	4
Farmland	62	-	62	4
Golf Course/Recreation	59	-	59	3
Manufacturing Facility	47	9	56	3
Auto Dealership/Service	45	8	53	3
Leasehold Property	17	10	27	1
Daycare Facility	16	9	25	1
Other Small Business	11	8	19	1
Carwash	18	-	18	1
Funeral Home	12	1	13	1
Total	\$ 1,137	\$ 706	\$ 1,843	

Portfolio Characteristics

- 62% owner-occupied
- Small business, doctors, dentists, attorneys, CPAs
- \$12 million project limit
- Average Loan Size
 - \$469 Composite CRE
 - \$380 Owner Occupied
 - \$583 Income Producing

Commercial Construction *(by loan type)*

10

(in millions)

Loan Type	March 31, 2012	
	Amount	Percent
Land Develop - Vacant (Improved)	\$ 66	39 %
Raw Land - Vacant (Unimproved)	55	33
Commercial Land Development	23	14
Golf Course/Country Club	6	4
Office Buildings	4	2
Churches	4	2
Warehouse	2	1
Miscellaneous Construction	7	5
Total Commercial Construction	\$ 167	100 %

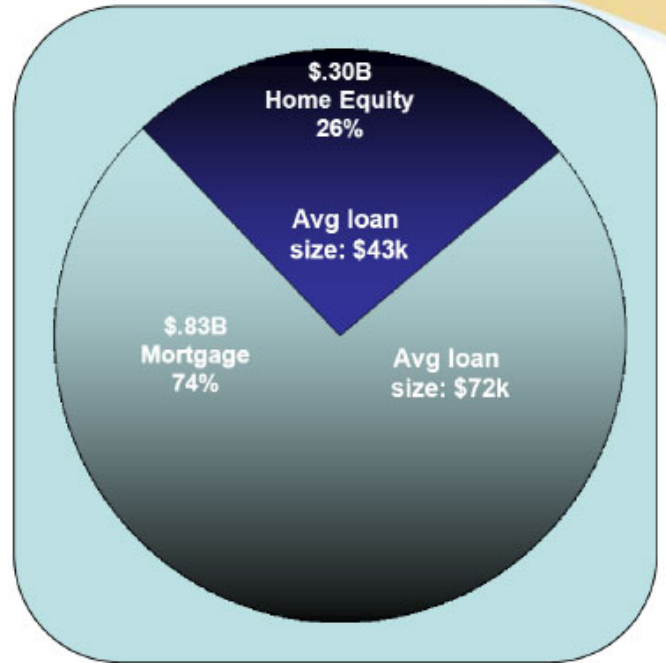
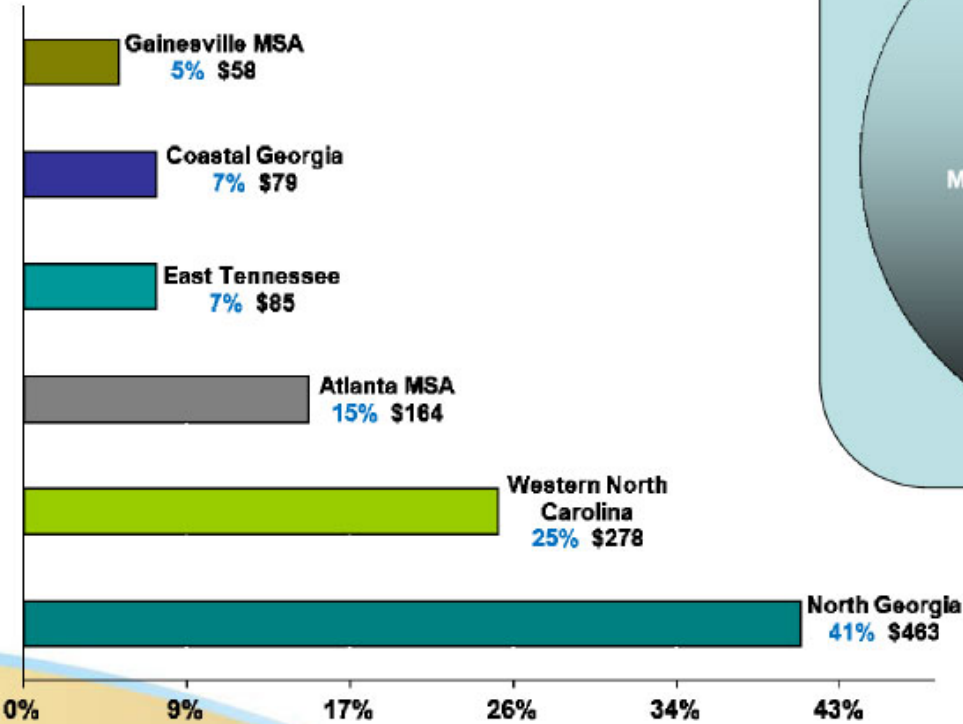
Portfolio Characteristics

■ Average loan size: \$455k

Residential Mortgage (total \$1.13 billion)

Geographic Diversity

\$ in millions



Origination Characteristics

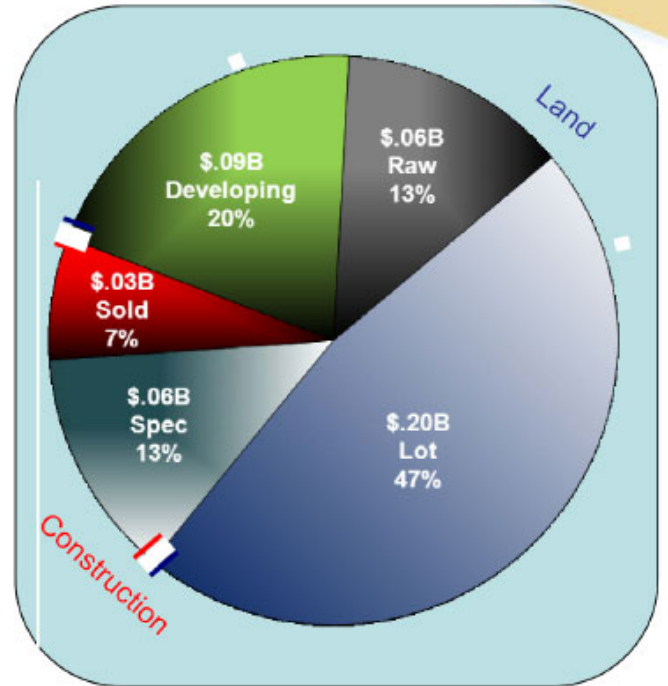
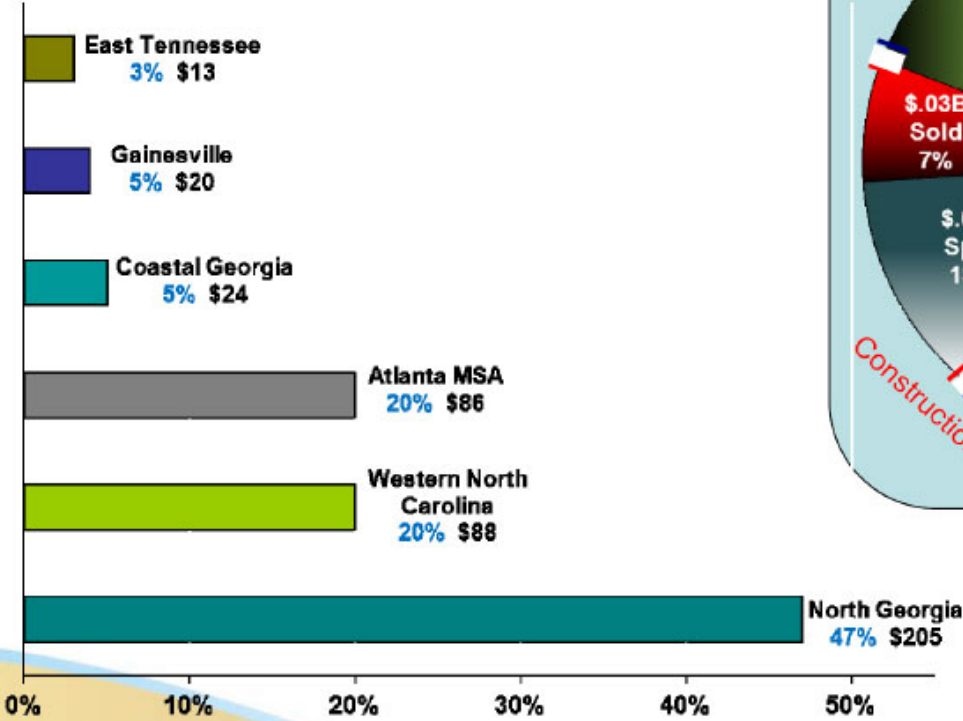
- No broker loans
- Policy Max LTV: 80-85%
- 54% of HE Primary Lien



Residential Construction (total \$.44 billion)

Geographic Diversity

\$ in millions



Average Loan Size

Spec	\$221k	Develop	\$627k
Sold	\$126k	Raw Land	\$142k

Residential Construction – Total Company

13

(in millions)	1Q12	4Q11	3Q11	2Q11	1Q11	1Q12 vs. 1Q11
Land Loans						
Developing Land	\$ 86	\$ 88	\$ 97	\$ 105	\$ 116	\$ (30)
Raw Land	57	61	60	62	69	(12)
Lot Loans	203	207	216	218	228	(25)
Total	346	356	373	385	413	(67)
Construction Loans						
Spec	57	59	64	74	88	(31)
Sold	32	33	37	43	49	(17)
Total	89	92	101	117	137	(48)
Total Res Construction	\$ 435	\$ 448	\$ 474	\$ 502	\$ 550	\$ (115)
By Region						
Atlanta	\$ 86	\$ 86	\$ 92	\$ 97	\$ 110	\$ (24)
Gainesville MSA	20	20	25	25	26	(6)
North Georgia	205	214	229	249	266	(61)
North Carolina	88	91	92	95	106	(18)
Coastal Georgia	23	24	24	24	27	(4)
Tennessee	13	13	12	12	15	(2)
Total Res Construction	\$ 435	\$ 448	\$ 474	\$ 502	\$ 550	\$ (115)

New Loans Funded – Category and Market

14

(in millions)

<u>CATEGORY</u>	<u>1Q12</u>	<u>MARKET</u>	<u>1Q12</u>
Commercial RE:		Atlanta	\$ 54.2
Owner Occupied	\$ 55.0	Coastal Georgia	25.4
Income Producing	15.3	N. Georgia	25.1
Total Commercial RE	70.3	Tennessee	14.1
Commercial C & I	26.0	North Carolina	7.9
Commercial Constr.	2.9	Gainesville	4.7
Residential	24.7	Total Markets	\$ 131.4
Residential Constr.	6.4		
Consumer	1.1		
Total Categories	\$ 131.4		

New Loan Commitments – Category and Market

15

(in millions)

CATEGORY	1Q12	MARKET	1Q12
Commercial RE:		Atlanta	\$ 70.9
Owner Occupied	\$ 55.7	N. Georgia	36.3
Income Producing	16.7	Coastal Georgia	28.0
Total Commercial RE	72.4	Tennessee	18.7
Commercial C & I	39.0	North Carolina	9.8
Commercial Constr.	6.1	Gainesville	4.9
Residential	29.0	Total Markets	\$ 168.6
Residential Constr.	20.9		
Consumer	1.2		
Total Categories	\$ 168.6		

Credit Quality

(in millions)

16

	1Q12	4Q11	3Q11	2Q11	1Q11
Operating Net Charge-offs⁽¹⁾	\$ 15.9	\$ 20.6	\$ 17.5	\$ 16.5	\$ 231.6
as % of Average Loans ⁽¹⁾	1.55 %	1.99 %	1.68 %	1.58 %	20.71 %
Allowance for Loan Losses	\$ 113.6	\$ 114.5	\$ 146.1	\$ 127.6	\$ 133.1
as % of Total Loans	2.75 %	2.79 %	3.55 %	3.07 %	3.17 %
as % of NPLs	88	90	101	180	159
Past Due Loans (30 - 89 Days)	.85 %	.75 %	.70 %	0.65 %	1.26 %
Non-Performing Loans	\$ 129.7	\$ 127.5	\$ 144.5	\$ 71.0	\$ 83.7
OREO	31.9	32.8	44.2	47.6	54.4
Total NPAs	\$ 161.6	\$ 160.3	\$ 188.7	\$ 118.6	\$ 138.1
Accruing TDRs	\$ 125.8	\$ 105.8	\$ 69.8	\$ 41.5	\$ 44.4
As % of Original Principal Balance					
Non-Performing Loans	70.6 %	71.3 %	77.8 %	64.5 %	57.3 %
OREO	36.1	35.9	33.4	32.6	30.3
Total NPAs					
as % of Total Assets	2.26	2.30	2.74	1.66	1.79
as % of Loans & OREO	3.88	3.87	4.54	2.82	3.25

(1) Excludes \$25 million of charge-offs for largest loan relationship in 4Q11.

NPL Inflow Trends

Quarterly NPL Inflows Since 2009 (\$mm)



Total NPLs (\$mm)



Net Charge-offs by Loan Category

(in thousands)

	1Q12		% of Average Loans (Annualized)		
	Total	% of Avg Loans	4Q12 ⁽¹⁾	3Q11	2Q11 ⁽²⁾
Commercial (Sec. by RE):					
Owner Occupied	\$ 2,462	.87 %	1.16 %	.34 %	.89 %
Income Producing	1,235	.70	.57	.71	1.54
Total Comm (Sec. by RE)	3,697	.81	.90	.50	1.16
Commercial & Industrial	669	.62	1.08	3.54	4.31
Commercial Construction	334	.81	1.75	.39	.59
Total Commercial	4,700	.78	1.06	.71	1.33
Residential Mortgage	5,375	1.91	2.04	2.09	1.97
Residential Construction	5,314	4.84	6.77	5.19	7.19
Consumer/ Installment	478	1.72	1.47	2.75	2.07
Total Net Charge-offs	\$ 15,867	1.55	1.99	1.68	2.27

(1) Excludes charge-offs for largest loan relationship of Commercial Construction \$2,863; Commercial & Industrial \$17,046; CRE Income Producing \$901; and, Residential Construction \$4,190

(2) Calculated excluding losses related to asset disposition plans.

Net Charge-offs by Market

(in millions)

19

	1Q12		% of Average Loans (Annualized)		
	Total	% of Avg Loans	4Q11 ⁽¹⁾	3Q11	2Q11 ⁽²⁾
North Georgia	\$ 9,022	2.56 %	2.70 %	2.16 %	2.71 %
Atlanta MSA	2,729	.89	1.37	.94	1.66
North Carolina	1,679	1.14	2.10	2.31	2.67
Coastal Georgia	1,329	1.53	.41	.88	1.52
Gainesville MSA	883	1.35	3.84	2.64	3.73
East Tennessee	225	.34	.59	.78	.76
Total	\$ 15,867	1.55	1.99	1.68	2.27

(1) Excludes charge-offs for largest loan relationship of in North Georgia of \$25,000

(2) Calculated excluding losses related to asset disposition plans.

NPAs by Loan Category and Market

(in thousands)

	1Q12		
	NPLs	OREO	Total NPAs
LOAN CATEGORY			
Commercial (sec. by RE):			
Owner Occupied	\$ 12,830	\$ 7,892	\$ 20,722
Income Producing	13,251	2,916	16,167
Commercial & Industrial	36,314	-	36,314
Commercial Construction	23,319	3,266	26,585
Total Commercial	85,714	14,074	99,788
Residential Mortgage	18,741	5,882	24,623
Residential Construction	24,341	11,931	36,272
Consumer/ Installment	908	-	908
Total	\$ 129,704	\$ 31,887	\$ 161,591

	1Q12		
	NPLs	OREO	Total NPAs
MARKETS			
North Georgia	\$ 81,117	\$ 14,559	\$ 95,676
Atlanta MSA	22,321	7,647	29,968
North Carolina	15,765	4,650	20,415
Coastal Georgia	5,622	1,268	6,890
Gainesville MSA	2,210	3,387	5,597
East Tennessee	2,669	376	3,045
Total	\$ 129,704	\$ 31,887	\$ 161,591



Core Earnings Summary

(in thousands)

22

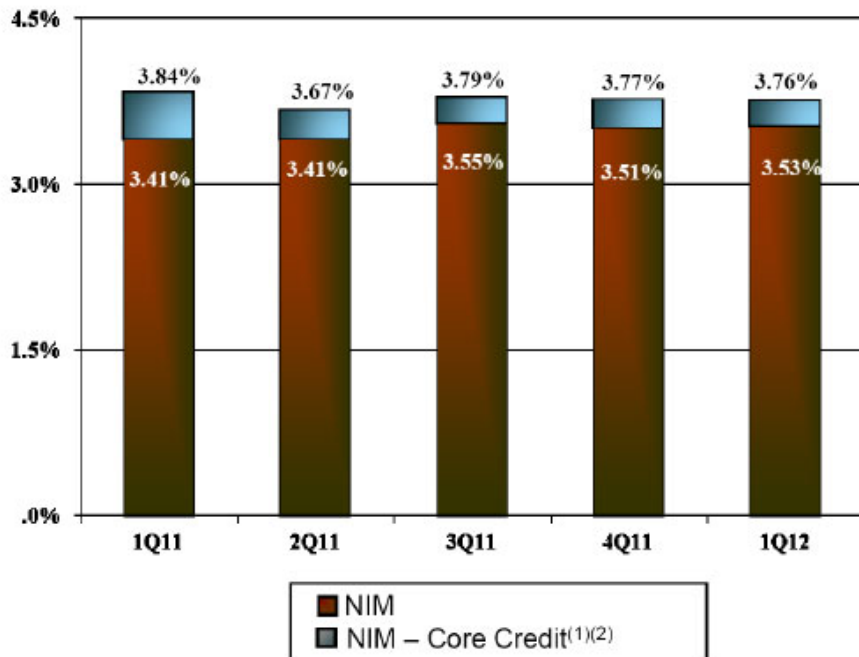
	1Q12	Variance - Incr / (Decr)	
		4Q11	1Q11
Net Interest Revenue	\$ 58,864	\$ (186)	\$ 458
Fee Revenue	13,091	1,649	2,739
Gross Revenue	71,955	1,463	3,197
Operating Expense (Excl OREO)	42,670	(1,173)	(3,974)
Pre-Tax, Pre-Credit (Core)	\$ 29,285	\$ 2,636	\$ 7,171

Net Interest Margin	3.53 %	.02 %	.23 %
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Net Interest Margin

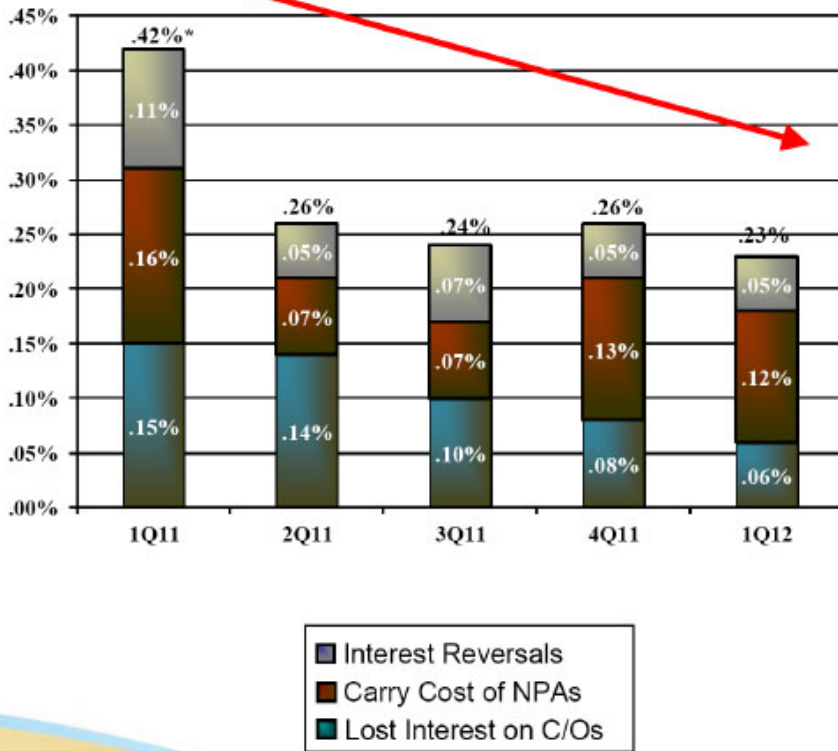


NIM Characteristics

- Margin
+2 bps vs. 4Q11
+23 bps vs. 1Q11
- Lowered Core and CD Deposit Pricing
- Loan Pricing Pressure
- 1Q Excess Liquidity – Lowered Margin by 53 bps and 63 bps in Q4

(1) Excludes impact of reversal of interest on performing loans classified as held for sale – Q1 2011
(2) Excluding impact of nonaccrual loans, OREO and interest reversals

Margin – Credit Costs

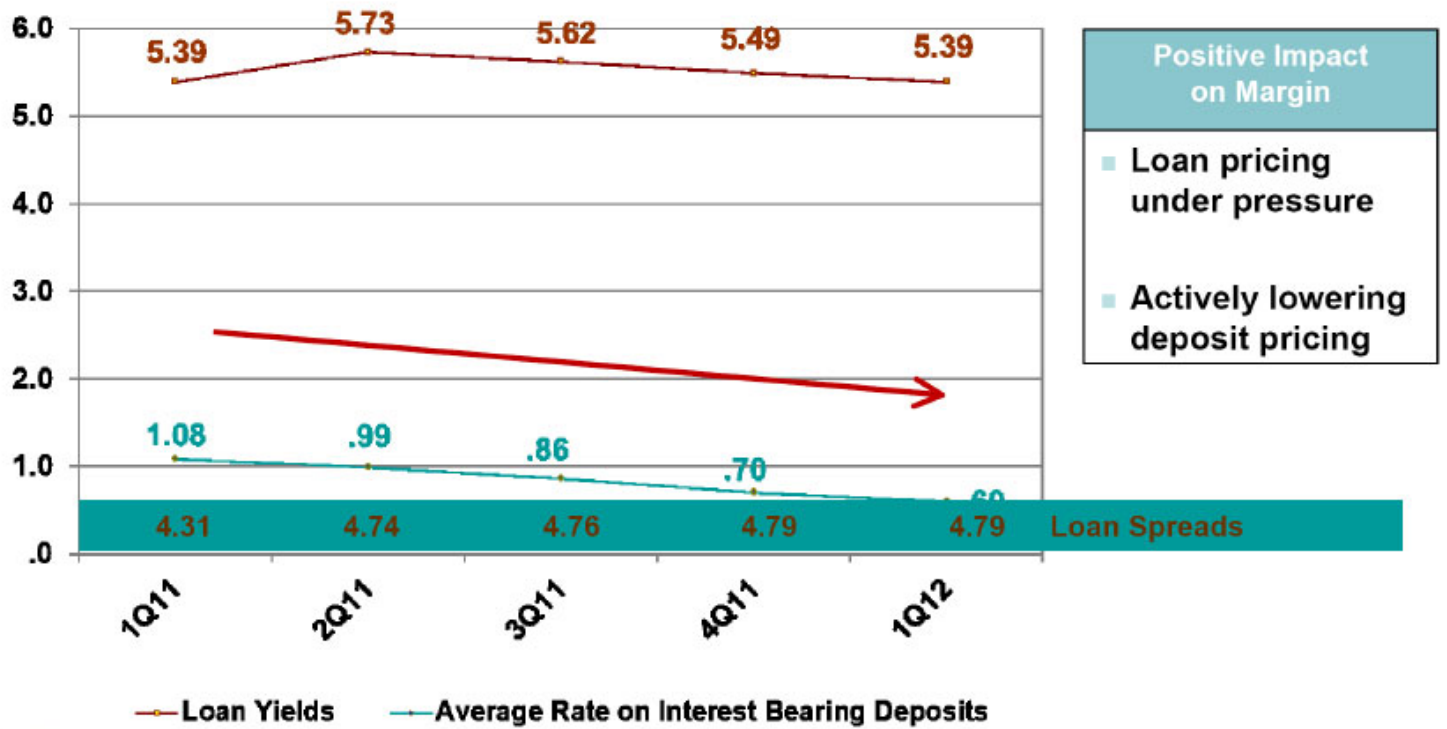


Credit Costs Impacting Margin

- Historically 8 to 12 bps
- Significant improvement after de-risking balance sheet 1Q11
- Cost 1Q12 vs. Historical – 11 bps (annual earnings impact of \$7.4 million)
- 1 bps = \$670 thousand in NIR

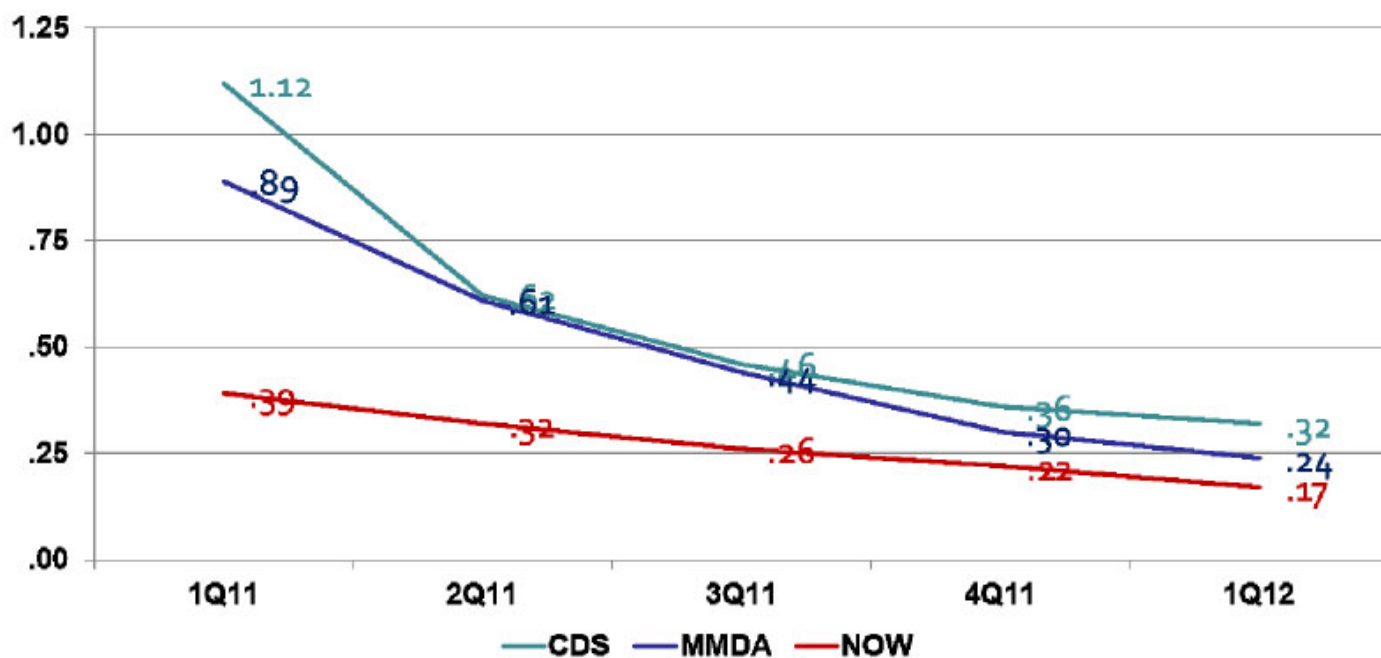
*Excludes bulk loan sale impact of 10 bps

Key Drivers of Net Interest Revenue / Margin



Deposit Pricing, Excluding Brokered Deposits

26



Note – CD pricing reflects the quarter-ending new and renewed yield. MMDA / NOW pricing reflects the deposit yield for each quarter

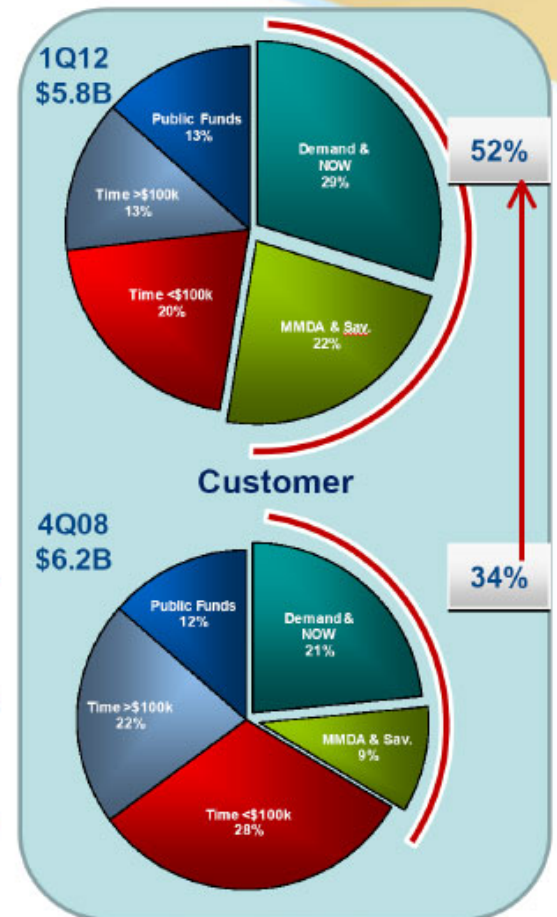
Deposit Mix (total \$6.0 billion)

(in millions)

	1Q12	4Q11	1Q11	4Q08
Demand / NOW	\$ 1,722	\$ 1,674	\$ 1,576	\$ 1,457
MMDA / Savings	1,331	1,228	1,149	630
Core Transaction	3,053	2,902	2,725	2,087



Time < \$100,000	1,201	1,326	1,570	1,945
Public Deposits	782	844	628	755
Total Core	5,036	5,072	4,923	4,787
Time > \$100,000	759	807	946	1,336
Public Deposits	38	40	44	87
Total Customer	5,833	5,919	5,913	6,210
Brokered Deposits	168	179	685	793
Total Deposits	\$ 6,001	\$ 6,098	\$ 6,598	\$ 7,003



Core Deposit Growth – Category and Market

(in millions, excluding public)

CATEGORY	Growth	
	1Q12	Last 12 Mo
Demand	\$ 107.8	\$ 227.6
MM Accounts	88.2	161.6
Savings	15.2	20.5
NOW	(60.2)	(81.3)
Total Categories	\$ 151.0	\$ 328.4
Percent Growth	21 %	12 %

MARKET	Growth	
	1Q12	Last 12 Mo
Atlanta	\$ 62.3	\$ 123.1
North Carolina	30.5	56.8
Coastal Georgia	25.4	31.8
N. Georgia	21.3	75.7
Tennessee	9.3	25.3
Gainesville	2.2	15.7
Total Markets	\$ 151.0	\$ 328.4

Fee Revenue - Core (in millions)

29

	<u>Variance - Incr / (Decr)</u>		
	<u>1Q12</u>	<u>4Q11</u>	<u>1Q11</u>
NSF & Overdraft Fees	\$ 3,245	\$ (292)	\$ (265)
Debit Card Fees	3,102	133	572
Other Service Charges	<u>1,436</u>	<u>694</u>	<u>756</u>
Total Service Charges and Fees	7,783	535	1,063
Mortgage Loan & Related Fees	2,099	274	605
Brokerage Fees	813	31	136
Other	<u>2,396</u>	<u>809</u>	<u>935</u>
Total	<u>\$ 13,091</u>	<u>\$ 1,649</u>	<u>\$ 2,739</u>

Excludes net securities gains and charges on prepayment of FHLB advances, hedge ineffectiveness gains, gains from the sale of low income housing tax credits, interest on Federal income tax refund and mark to market adjustments on United's deferred compensation plan assets.

Operating Expenses - Core

(in thousands)

	<u>Variance - Incr / (Decr)</u>		
	<u>1Q12</u>	<u>4Q11</u>	<u>1Q11</u>
Salaries & Employee Benefits	\$ 24,765	\$ (773)	(31)
Communications & Equipment	3,155	26	(189)
Occupancy	3,771	(201)	(303)
FDIC Assessment	2,510	(89)	(2,903)
Advertising & Public Relations	846	(98)	(132)
Postage, Printing & Supplies	979	(38)	(139)
Professional Fees	1,975	(21)	(355)
Other Expense	4,669	21	78
	<u>\$ 42,670</u>	<u>\$ (1,173)</u>	<u>\$ (3,974)</u>

Excludes foreclosed property costs, adjustment to reclassify pension plan actuarial gains and losses and unamortized prior service costs to other comprehensive income, severance costs and mark to market adjustments on United's deferred compensation plan liability.

Net Operating Loss

(in thousands)

	1Q12	4Q11	1Q11
Pre-Tax, Pre-Credit (Core)	\$ 29,285	\$ 26,649	\$ 22,114
Provision for Loan Loss	(15,000)	(14,000)	(10,000)
Problem Asset Disposition Plan	-	-	(246,219)
<i>Foreclosed Property Costs:</i>			
Write-downs	(2,111)	(3,892)	-
Losses on Sales	(93)	(3,041)	-
Maintenance, Taxes, Etc.	(1,621)	(2,369)	(4,294)
Total Foreclosed Property Costs	(3,825)	(9,302)	(4,294)
Hedge Ineffectiveness Gains	115	313	1,303
Securities Gains, Net	557	4	55
Losses from Prepayment of Borrowings	(482)	-	-
Gains from Sale of Low Income Housing Tax Credits	728	728	-
Interest on Federal Income Tax Refund	1,100	-	-
Reclassification of Pension Actuarial Gains and Losses and Prior Service Cost to OCI	-	2,245	-
Severance	(190)	-	-
Income Tax (Expense) Benefit	(760)	3,264	(295)
Net Income (Loss)	\$ 11,528	\$ 9,901	\$ (237,336)

Net Income (Loss) Per Share	\$.15	\$.12	\$ (13.00)
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Net Income (Loss)

(in thousands)

32

	1Q12	4Q11	1Q11
Net Income (Loss)	\$ 11,528	\$ 9,901	\$ (237,336)
Preferred Stock Dividends	(3,030)	(3,025)	(2,778)
Net Income (Loss) Avail to Common Shareholders	\$ 8,498	\$ 6,876	\$ (240,114)

Net Income (Loss) Per Share	\$.15	\$.12	\$ (13.00)
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Tangible Book Value	\$ 6.54	\$ 6.47	\$ 1.69
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Shares Outstanding (millions)	57.6	57.6	20.9
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Capital Ratios

	<u>Well-Capitalized</u>	<u>Minimum Guideline</u>	<u>MAR '12</u>	<u>DEC '11</u>	<u>MAR '11</u>
Bank					
Tier 1 RBC	6 %	10 %	13.7 %	13.6 %	12.7 %
Total RBC	10	11	15.0	14.9	14.5
Leverage	5	8	9.0	8.8	8.1
Holding Company					
Tier 1 RBC	6	10	13.7	13.7	7.4
Total RBC	10	11	15.4	15.4	14.9
Leverage	5	8	8.9	8.8	4.8
Tier I Common RBC	4.5	7	8.3	8.2	.4
Tangible Equity to Assets			8.1	8.2	6.0



Experienced Proven Leadership

35

		Joined <u>UCBI</u>	Years in <u>Banking</u>
Jimmy Tallent	President & CEO	1984	38
Rex Schuette	Chief Financial Officer	2001	35
David Shearrow	Chief Risk Officer	2007	31
Craig Metz	Marketing & Retail Banking	2002	20
<i>Regional Presidents:</i>			
Bill Gilbert	North & Coastal Georgia	2000	36
Tim Schools	North Carolina & Tennessee	2011	12
Glenn White	Atlanta	2007	38

“Community bank service, large bank resources”

- **Twenty-seven “community banks”**
 - *Local CEOs with deep roots in their communities*
 - *Resources of \$7.2 billion bank*
- **Service is point of differentiation**
 - *#1 in Customer Satisfaction according to Customer Service Profiles*
 - *J.D. Power Customer Service Champion*
 - ✓ *Recognized 40 companies in the U.S.*
 - ✓ *Only bank to be recognized*
 - *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	\$ 6.8	\$ 2.0	11	23	33 %	1
Atlanta MSA	45.7	2.1	10	38	4	7
Gainesville MSA	2.5	.3	1	5	14	3
Coastal Georgia	7.0	.4	2	8	6	7
Western North Carolina	7.3	.9	1	21	13	3
East Tennessee	15.9	.3	2	11	2	10
Total Markets	\$ 85.2	\$ 6.0	27	106		

¹ FDIC deposit market share and rank as of 6/11 for markets where United takes deposits. Source: SNL and FDIC.

² Based on current quarter.

Leading Demographics

Rank	Ticker	Company ⁽¹⁾	State	Total Assets (\$B)	2010 - 2015 Population Growth ⁽²⁾
1	CFR	Cullen/Frost Bankers, Inc.	TX	20.3	8.38
2	IBOC	International Bancshares Corporation	TX	11.7	6.99
3	HBHC	Hancock Holding Company	MS	19.8	6.38
4	PB	Prosperity Bancshares, Inc.	TX	9.8	6.21
5	FCNCA	First Citizens BancShares, Inc.	NC	20.9	6.02
6	GBCI	Glacier Bancorp, Inc.	MT	7.2	5.63
7	FIBK	First Interstate BancSystem, Inc.	MT	7.3	5.43
8	TCBI	Texas Capital Bancshares, Inc.	TX	8.1	5.37
9	FCBN	First Citizens Bancorporation, Inc.	SC	8.2	4.87
10	UCBI	United Community Banks, Inc.	GA	7.2	4.85
11	BOKF	BOK Financial Corporation	OK	25.5	4.77
12	WAL	Western Alliance Bancorporation	AZ	6.8	4.56
13	IBKC	IBERIABANK Corporation	LA	11.8	4.42
14	STSA	Sterling Financial Corporation	WA	9.2	4.18
15	UMPQ	Umpqua Holdings Corporation	OR	11.6	3.98

NOTE Financial information as of December 31, 2011

(1) Includes publicly traded companies with assets between \$5.0 - \$50.0 billion as of December 31, 2011

(2) Population growth weighted by county (cumulative)

Data Source: SNL Financial

■ 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:*
 - o *Weekly past due meetings*
 - o *Weekly NPA/ORE meetings*
 - o *Quarterly criticized watch loan review meetings*
 - o *Quarterly pass commercial and CRE portfolio review meetings*
- *Internal loan review of new credit relationships*

■ Policy

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

Lending – Credit Summary

41

(in millions)

■ Legal lending limit	\$158
■ House lending limit	20
✓ Project lending limit	12
■ Top 25 relationships	414

Regional credit review – Standard underwriting

Performing Classified Loans

(in millions)

42

LOANS BY CATEGORY	1Q12	4Q11	3Q11	2Q11	1Q11
Commercial (Sec. by RE):					
Owner Occupied	\$ 78	\$ 79	\$ 69	\$ 72	\$ 75
Income Producing	56	64	65	46	45
Total Comm (Sec. by RE)	134	143	134	118	120
Commercial & Industrial	17	16	25	17	16
Commercial Construction	23	18	26	31	35
Total Commercial	174	177	185	166	171
Residential Mortgage	76	76	77	70	69
Residential Construction	64	72	76	74	81
Consumer / Installment	3	3	3	3	2
Total Classified Loans	\$ 317	\$ 328	\$ 341	\$ 313	\$ 323

Business Mix Loans (at quarter-end)

43

(in millions)

<u>LOANS BY CATEGORY</u>	<u>1Q12</u>	<u>4Q11</u>	<u>3Q11</u>	<u>2Q11</u>	<u>1Q11</u>	<u>1Q12 vs. 1Q11</u>
Commercial (Sec. by RE):						
Owner Occupied	\$ 1,137	\$ 1,111	\$ 1,037	\$ 1,014	\$ 994	\$ 143
Income Producing	706	711	734	728	698	8
Total Comm (Sec. by RE)	1,843	1,822	1,771	1,742	1,692	151
Commercial & Industrial	440	428	429	428	431	9
Commercial Construction	167	164	169	195	213	(46)
Total Commercial	2,450	2,414	2,369	2,365	2,336	114
Residential Mortgage	1,131	1,135	1,150	1,177	1,187	(56)
Residential Construction	436	448	474	502	550	(114)
Consumer / Installment	111	113	117	119	121	(10)
Total Loans	\$ 4,128	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	\$ (66)

Loans – Markets Served *(at quarter-end)*

44

(in millions)

LOANS BY MARKET	1Q12	4Q11	3Q11	2Q11	1Q11	1Q12 vs. 1Q11
North Georgia	\$ 1,408	\$ 1,426	\$ 1,478	\$ 1,500	\$ 1,531	\$ (123)
Atlanta MSA	1,239	1,220	1,192	1,188	1,179	60
North Carolina	588	597	607	626	640	(52)
Coastal Georgia	366	346	316	325	312	54
East Tennessee	265	256	245	249	250	15
Gainesville MSA	262	265	272	275	282	(20)
Total Loans	\$ 4,128	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	\$ (66)

Residential Construction – North Georgia

(in millions)

45

	<u>1Q12</u>	<u>4Q11</u>	<u>3Q11</u>	<u>2Q11</u>	<u>1Q11</u>	<u>1Q12 vs. 1Q11</u>
<i>Land Loans</i>						
Developing Land	\$ 44	\$ 44	\$ 51	\$ 58	\$ 62	\$ (18)
Raw Land	26	26	25	25	27	(1)
Lot Loans	112	118	124	129	131	(19)
Total	182	188	200	212	220	(38)
<i>Construction Loans</i>						
Spec	12	12	15	18	25	(13)
Sold	11	14	14	19	21	(10)
Total	23	26	29	37	46	(23)
Total Res Construction	\$ 205	\$ 214	\$ 229	\$ 249	\$ 266	\$ (61)

Residential Construction – Atlanta MSA

(in millions)

46

	1Q12	4Q11	3Q11	2Q11	1Q11	1Q12 vs. 1Q11
Land Loans						
Developing Land	\$ 17	\$ 17	\$ 19	\$ 20	\$ 22	\$ (5)
Raw Land	13	14	15	16	19	(6)
Lot Loans	22	22	22	22	24	(2)
Total	52	53	56	58	65	(13)
Construction Loans						
Spec	27	27	28	30	34	(7)
Sold	7	6	8	9	11	(4)
Total	34	33	36	39	45	(11)
Total Res Construction	\$ 86	\$ 86	\$ 92	\$ 97	\$ 110	\$ (24)

Business Mix Loans (at year-end)

47

(in millions)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
LOANS BY CATEGORY					
Commercial (Sec. by RE)	\$ 1,822	\$ 1,761	\$ 1,779	\$ 1,627	\$ 1,476
Commercial & Industrial	428	441	390	410	418
Commercial Construction	164	297	363	500	527
Total Commercial	2,414	2,499	2,532	2,537	2,421
Residential Mortgage	1,135	1,279	1,427	1,526	1,502
Residential Construction	448	695	1,050	1,479	1,829
Consumer / Installment	113	131	142	163	177
Total Loans	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929

Loans – Markets Served (at year-end)

48

(in millions)

LOANS BY MARKET	2011	2010	2009	2008	2007
North Georgia	\$ 1,426	\$ 1,689	\$ 1,884	\$ 2,040	\$ 2,060
Atlanta MSA	1,220	1,310	1,435	1,706	2,002
North Carolina	597	702	772	810	806
Coastal Georgia	346	335	405	464	416
Gainesville MSA	265	312	390	420	399
East Tennessee	256	256	265	265	246
Total Loans	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929

NPAs by Loan Category, Market, and Activity

49

Credit Quality ⁽¹⁾

(in thousands)	First Quarter 2012			Fourth Quarter 2011			Third Quarter 2011		
	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)	\$ 26,081	\$ 10,808	\$ 36,889	\$ 27,322	\$ 9,745	\$ 37,067	\$ 21,998	\$ 8,880	\$ 30,878
Commercial & industrial	36,314	-	36,314	34,613	-	34,613	53,009	-	53,009
Commercial construction	23,319	3,266	26,585	16,655	3,336	19,991	11,370	5,862	17,232
Total commercial	85,714	14,074	99,788	78,590	13,081	91,671	86,377	14,742	101,119
Residential mortgage	18,741	5,882	24,623	22,358	6,927	29,285	22,671	7,960	30,631
Residential construction	24,341	11,931	36,272	25,523	12,851	38,374	34,472	21,561	56,033
Consumer installment	908	-	908	1,008	-	1,008	964	-	964
Total NPAs	\$ 129,704	\$ 31,887	\$ 161,591	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747
Balance as a % of Unpaid Principal	70.6%	36.1%	59.4%	71.3%	35.9%	59.3%	77.8%	33.4%	59.3%
NPAs BY MARKET									
North Georgia	\$ 81,117	\$ 14,559	\$ 95,676	\$ 88,600	\$ 15,136	\$ 103,736	\$ 105,078	\$ 17,467	\$ 122,545
Atlanta MSA	22,321	7,647	29,968	14,480	6,169	20,649	13,350	12,971	26,321
North Carolina	15,765	4,650	20,415	15,100	5,365	20,465	13,243	7,941	21,184
Coastal Georgia	5,622	1,268	6,890	5,248	1,620	6,868	5,600	2,354	7,954
Gainesville MSA	2,210	3,387	5,597	2,069	3,760	5,829	5,311	2,495	7,806
East Tennessee	2,669	376	3,045	1,982	809	2,791	1,902	1,035	2,937
Total NPAs	\$ 129,704	\$ 31,887	\$ 161,591	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747
NPA ACTIVITY									
Beginning Balance	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649
Loans placed on non-accrual	32,437	-	32,437	45,675	-	45,675	103,365	-	103,365
Payments received	(5,945)	-	(5,945)	(1,884)	-	(1,884)	(3,995)	-	(3,995)
Loan charge-offs	(14,733)	-	(14,733)	(44,757)	-	(44,757)	(15,335)	-	(15,335)
Foreclosures	(9,534)	9,534	-	(16,039)	16,039	-	(10,616)	10,616	-
Capitalized costs	-	329	329	-	141	141	-	818	818
Note / property sales	-	(8,631)	(8,631)	-	(20,651)	(20,651)	-	(13,787)	(13,787)
Write downs	-	(2,111)	(2,111)	-	(3,893)	(3,893)	-	(1,772)	(1,772)
Net gains (losses) on sales	-	(93)	(93)	-	(3,040)	(3,040)	-	804	804
Ending Balance	\$ 129,704	\$ 31,887	\$ 161,591	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747

⁽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.

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Net Charge-offs by Category and Market

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Credit Quality ⁽¹⁾

<i>(in thousands)</i>	First Quarter 2012		Fourth Quarter 2011		Third Quarter 2011	
	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)	\$ 3,697	.81 %	\$ 4,962	1.09 %	\$ 2,192	.50 %
Commercial & industrial	669	.62	18,940	17.47	420	.39
Commercial construction	334	.81	3,318	7.88	1,625	3.54
Total commercial	4,700	.78	27,220	4.51	4,237	.71
Residential mortgage	5,375	1.91	5,887	2.04	6,110	2.09
Residential construction	5,314	4.84	12,090	10.36	6,381	5.19
Consumer installment	478	1.72	427	1.47	818	2.75
Total	\$ 15,867	1.55	\$ 45,624	4.39	\$ 17,546	1.68
NET CHARGE-OFFS BY MARKET						
North Georgia	\$ 9,022	2.56 %	\$ 34,970	9.46 %	\$ 8,124	2.16 %
Atlanta MSA	2,729	.89	4,195	1.37	2,813	.94
North Carolina	1,679	1.14	3,180	2.10	3,608	2.31
Coastal Georgia	1,329	1.53	335	.41	709	.88
Gainesville MSA	883	1.35	2,572	3.84	1,804	2.64
East Tennessee	225	.34	372	.59	488	.78
Total	\$ 15,867	1.55	\$ 45,624	4.39	\$ 17,546	1.68

⁽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.

Net Charge-offs by Category and Market

Asset Disposition Plan *as of March 31, 2011*

Credit Quality - Net Charge-Offs First Quarter 2011 ⁽¹⁾

<i>(in thousands)</i>	Asset Disposition Plan					First Quarter 2011 Net Charge- Offs
	Bulk Loan Sale ⁽²⁾		Other Bulk Loan Sales ⁽³⁾	Foreclosure Charge-Offs ⁽⁴⁾	Other Net Charge-Offs	
	Performing Loans	Nonperforming Loans				
NET CHARGE-OFFS BY CATEGORY						
Commercial (sec. by RE)	\$ 29,451	\$ 11,091	\$ 3,318	\$ 1,905	\$ 2,842	\$ 48,607
Commercial construction	32,530	15,328	292	419	1,146	49,715
Commercial & industrial	365	2,303	859	-	513	4,040
Total commercial	62,346	28,722	4,469	2,324	4,501	102,362
Residential construction	43,018	23,459	3,325	11,693	10,643	92,138
Residential mortgage	13,917	14,263	1,676	1,538	4,989	36,383
Consumer / installment	86	168	30	24	383	691
Total	\$ 119,367	\$ 66,612	\$ 9,500	\$ 15,579	\$ 20,516	\$ 231,574
NET CHARGE-OFFS BY MARKET						
Atlanta MSA	\$ 37,186	\$ 8,545	\$ 1,428	\$ 6,034	\$ 3,296	\$ 56,489
Gainesville MSA	3,563	2,442	957	700	954	8,616
North Georgia	57,969	47,699	2,508	6,585	8,544	123,305
Western North Carolina	11,138	4,743	2,415	1,402	6,749	26,447
Coastal Georgia	6,835	2,180	2,013	634	341	12,003
East Tennessee	2,676	1,003	179	224	632	4,714
Total	\$ 119,367	\$ 66,612	\$ 9,500	\$ 15,579	\$ 20,516	\$ 231,574

⁽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⁾ Charge-offs totaling \$186 million were recognized on the bulk loan sale in the first quarter of 2011. The loans were transferred to the loans held for sale category in anticipation of the second quarter bulk loan sale that was completed on April 18, 2011.

⁽³⁾ Losses on smaller bulk sale transactions completed during the first quarter of 2011.

⁽⁴⁾ Loan charge-offs recognized in the first quarter of 2011 related to loans transferred to foreclosed properties. Such charge-offs were elevated in the first quarter as a result of the asset disposition plan, which called for aggressive write downs to expedite sales in the second and third quarters of 2011.

Credit Quality – Bulk Loan Sale Summary

as of March 31, 2011

Credit Quality - Bulk Loan Sale Summary ⁽¹⁾

<i>(in thousands)</i>	Performing Loans			Nonperforming Loans			Total Loans		
	Carrying Amount ⁽²⁾	Charge-Offs ⁽³⁾	Loans Held for Sale ⁽⁴⁾	Carrying Amount ⁽²⁾	Charge-Offs ⁽³⁾	Loans Held for Sale ⁽⁴⁾	Carrying Amount ⁽²⁾	Charge-Offs ⁽³⁾	Loans Held for Sale ⁽⁴⁾
BY CATEGORY									
Commercial (sec. by RE)	\$ 40,902	\$ 29,451	\$ 11,451	\$ 17,202	\$ 11,090	\$ 6,112	\$ 58,104	\$ 40,541	\$ 17,563
Commercial construction	45,490	32,530	12,960	22,440	15,328	7,112	67,930	47,858	20,072
Commercial & industrial	504	365	139	3,397	2,302	1,095	3,901	2,667	1,234
Total commercial	86,896	62,346	24,550	43,039	28,720	14,319	129,935	91,066	38,869
Residential construction	59,747	43,018	16,729	35,508	23,459	12,049	95,255	66,477	28,778
Residential mortgage	19,342	13,917	5,425	21,716	14,262	7,454	41,058	28,179	12,879
Consumer / installment	120	86	34	238	169	69	358	255	103
Total	\$ 166,105	\$ 119,367	\$ 46,738	\$ 100,501	\$ 66,610	\$ 33,891	\$ 266,606	\$ 185,977	\$ 80,629
BY MARKET									
Atlanta MSA	\$ 51,647	\$ 37,186	\$ 14,461	\$ 13,755	\$ 8,545	\$ 5,210	\$ 65,402	\$ 45,731	\$ 19,671
Gainesville MSA	4,949	3,563	1,386	3,695	2,442	1,253	8,644	6,005	2,639
North Georgia	80,831	57,969	22,862	70,900	47,698	23,202	151,731	105,667	46,064
Western North Carolina	15,468	11,138	4,330	7,228	4,743	2,485	22,696	15,881	6,815
Coastal Georgia	9,493	6,835	2,658	3,527	2,179	1,348	13,020	9,014	4,006
East Tennessee	3,717	2,676	1,041	1,396	1,003	393	5,113	3,679	1,434
Total	\$ 166,105	\$ 119,367	\$ 46,738	\$ 100,501	\$ 66,610	\$ 33,891	\$ 266,606	\$ 185,977	\$ 80,629

⁽¹⁾ This schedule presents a summary of classified loans included in the bulk loan sale transaction that closed on April 18, 2011.

⁽²⁾ This column represents the book value, or carrying amount, of the loans prior to charge offs to mark loans to expected proceeds from sale.

⁽³⁾ This column represents the charge-offs required to adjust the loan balances to the expected proceeds from the sale based on indicative bids received from prospective buyers, including principal payments received or committed advances made after the cutoff date through March 31, 2011 that are part of the settlement.

⁽⁴⁾ This column represents the expected proceeds from the bulk sale based on indicative bids received from prospective buyers and equals the balance shown on the consolidated balance sheet as loans held for sale.

Loans / Deposits – Liquidity

(in millions)

53

	1Q12	4Q11	1Q11	Variance	
				vs 4Q11	vs 1Q11
Loans	\$ 4,128	\$ 4,110	\$ 4,194	\$ 18	\$ (66)
Core (DDA, MMDA, Savings)	\$ 3,053	\$ 2,902	\$ 2,725	\$ 151	\$ 328
Public Funds	820	884	672	(64)	148
CD's	1,960	2,133	2,516	(173)	(556)
Total Deposits (excl Brokered)	<u>\$ 5,833</u>	<u>\$ 5,919</u>	<u>\$ 5,913</u>	<u>\$ (86)</u>	<u>\$ (80)</u>
Loan to Deposit Ratio	71%	69%	71%		
Investment Securities:					
Available for Sale	\$ 1,359	\$ 1,217	\$ 1,187	\$ 142	\$ 172
Held to Maturity	304	330	245	(26)	59
Total Investment Securities	1,663	1,547	1,432	116	231
Floating Rate CMD, Bonds	540	573	451	(33)	89
Total Securities Portfolio	<u>2,203</u>	<u>2,120</u>	<u>1,883</u>	<u>83</u>	<u>320</u>
Percent of Assets (Excludes Floating)	23%	22%	19%		
Commercial Paper & Reverse Repo	\$ 235	\$ 185	\$ 470	\$ 50	\$ (235)
Floating Rate Securities	540	573	451	(33)	89
Excess Reserves	103	103	530	-	(427)
Total Excess Liquidity	<u>\$ 878</u>	<u>\$ 861</u>	<u>\$ 1,451</u>	<u>\$ 17</u>	<u>\$ (573)</u>

Wholesale Borrowings - Liquidity

54

(in millions)

	Unused Capacity	1Q12	4Q11	1Q11	Variance	
					vs 4Q11	vs 1Q11
Wholesale Borrowings						
Brokered Deposits	\$ 1,625 ⁽¹⁾	\$ 168	\$ 179	\$ 685	\$ (11)	\$ (517)
FHLB	715	215	41	55	174	160
Fed Funds	50	-	-	-	-	-
Other Wholesale	468	102	103	102	(1)	-
Total	\$ 2,858	\$ 485	\$ 323	\$ 842	\$ 162	\$ (357)
Long-Term Debt						
Sub-Debt		\$ 65	\$ 65	\$ 95	\$ -	\$ (30)
Trust Preferred Securities		55	55	55	-	-
Total Long-Term Debt		\$ 120	\$ 120	\$ 150	\$ -	\$ (30)

(1) Estimated Brokered Deposit Capacity at 25% of Assets

Business Mix – Deposits (at quarter-end)

55

(in millions)

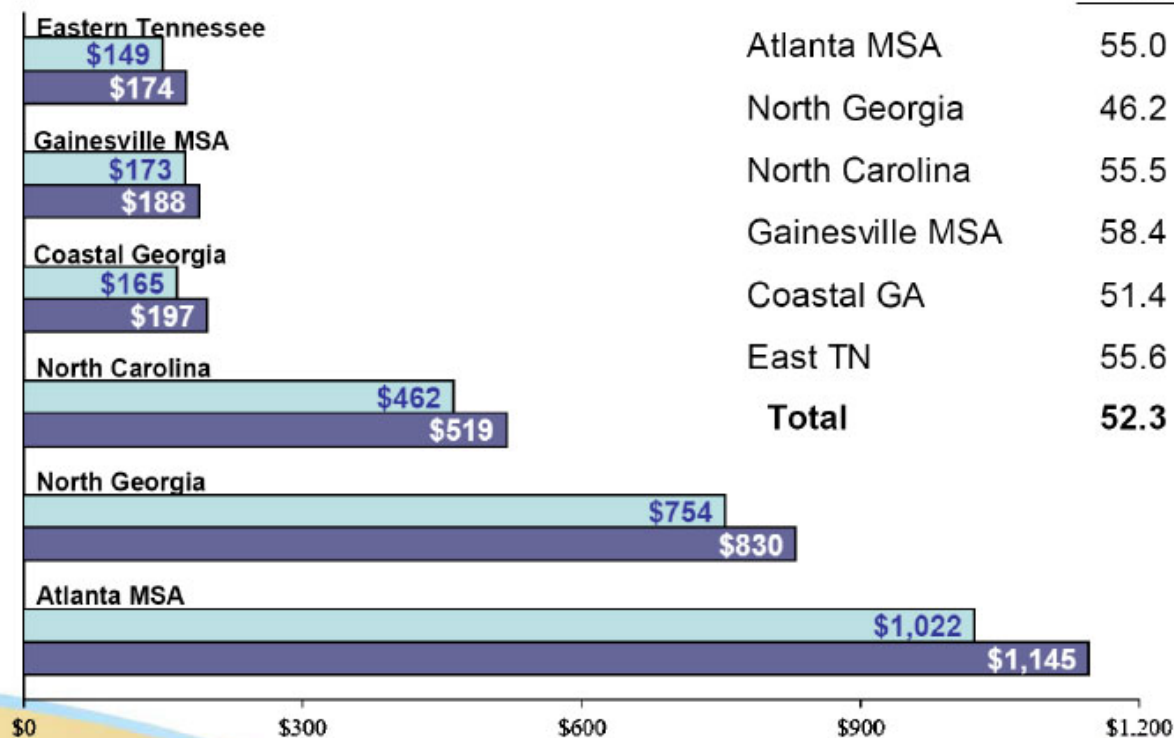
DEPOSITS BY CATEGORY	1Q12	4Q11	3Q11	2Q11	1Q11	1Q12 vs. 1Q11
Demand & Now	\$ 1,722	\$ 1,674	\$ 1,686	\$ 1,620	\$ 1,576	\$ 146
MMDA & Savings	1,331	1,228	1,220	1,174	1,149	182
Core Transaction Deposits	3,053	2,902	2,906	2,794	2,725	328
Time < \$100,000	1,201	1,326	1,387	1,503	1,570	(369)
Public Deposits	782	844	597	605	628	154
Total Core Deposits	5,036	5,072	4,890	4,902	4,923	113
Time > \$100,000	759	807	867	936	946	(187)
Public Deposits	38	40	38	44	44	(6)
Total Customer Deposits	5,833	5,919	5,795	5,882	5,913	(80)
Brokered Deposits	168	179	210	301	685	(517)
Total Deposits	\$ 6,001	\$ 6,098	\$ 6,005	\$ 6,183	\$ 6,598	\$ (597)

Core Transaction Deposits

Geographic Diversity

□ 1Q 11 ■ 1Q 12

\$ in millions



Core Transactions / Total Deposits (%)

	1Q12	1Q11
Atlanta MSA	55.0 %	49.8 %
North Georgia	46.2	40.7
North Carolina	55.5	48.3
Gainesville MSA	58.4	50.7
Coastal GA	51.4	42.6
East TN	55.6	46.5
Total	52.3 %	46.1 %

Non-GAAP Reconciliation Tables

57

(in thousands except EPS)

Core net interest revenue reconciliation

Core net interest revenue	\$ 58,864	\$ 59,050	\$ 58,406
Interest reversed on performing loans included in Bulk Loan Sale	\$ -	\$ -	\$ (2,014)
Taxable equivalent adjustment	(446)	(423)	(435)
Net interest revenue (GAAP)	\$ 58,418	\$ 58,627	\$ 55,957

Provision for loan losses reconciliation

Core provision for loan losses	15,000	14,000	10,000
Provision for loan losses associated with Bulk Loan Sale	-	-	180,000
Provision for loan losses (GAAP)	\$ 15,000	\$ 14,000	\$ 190,000

Core fee revenue reconciliation

Core fee revenue	\$ 13,091	\$ 11,442	\$ 10,352
Securities gains, net	557	4	55
Loss on prepayment of borrowings	(482)	-	-
Gains from sales of low income housing tax credits	728	728	-
Hedge ineffectiveness gains	115	313	1,303
Interest on Federal tax refund	1,100	-	-
Mark to market on deferred compensation plan assets	270	180	128
Fee revenue (GAAP)	\$ 15,379	\$ 12,667	\$ 11,838

Core operating expense reconciliation

Core operating expense	\$ 42,670	\$ 43,843	\$ 46,644
Foreclosed property expense	3,825	9,302	64,899
Severance	190	-	-
Mark to market on deferred compensation plan liability	270	180	128
Professional fees incurred in connection with Bulk Loan Sale	-	-	1,000
Property taxes paid on collateral for loans in Bulk Loan Sale	-	-	2,600
Reclassification of pension plan actuarial gains and losses and unamortized prior service costs to other comprehensive income	-	(2,245)	-
Operating expense (GAAP)	\$ 46,955	\$ 51,080	\$ 115,271

Operating Earnings to GAAP Earnings Reconciliation

	1Q12	4Q11	1Q11
Core net interest revenue	\$ 58,864	\$ 59,050	\$ 58,406
Interest reversed on performing loans included in Bulk Loan Sale	\$ -	\$ -	\$ (2,014)
Taxable equivalent adjustment	(446)	(423)	(435)
Net interest revenue (GAAP)	\$ 58,418	\$ 58,627	\$ 55,957
Provision for loan losses	15,000	14,000	10,000
Provision for loan losses associated with Bulk Loan Sale	-	-	180,000
Provision for loan losses (GAAP)	\$ 15,000	\$ 14,000	\$ 190,000
Core fee revenue	\$ 13,091	\$ 11,442	\$ 10,352
Securities gains, net	557	4	55
Loss on prepayment of borrowings	(482)	-	-
Gains from sales of low income housing tax credits	728	728	-
Hedge ineffectiveness gains	115	313	1,303
Interest on Federal tax refund	1,100	-	-
Mark to market on deferred compensation plan assets	270	180	128
Fee revenue (GAAP)	\$ 15,379	\$ 12,667	\$ 11,838
Core operating expense	\$ 42,670	\$ 43,843	\$ 46,644
Foreclosed property expense	3,825	9,302	64,899
Severance	190	-	-
Mark to market on deferred compensation plan liability	270	180	128
Professional fees incurred in connection with Bulk Loan Sale	-	-	1,000
Property taxes paid on collateral for loans in Bulk Loan Sale	-	-	2,600
Reclassification of pension plan actuarial gains and losses and unamortized prior service costs to other comprehensive income	-	(2,245)	-
Operating expense (GAAP)	\$ 46,955	\$ 51,080	\$ 115,271

Operating Earnings to GAAP Earnings Reconciliation

Net interest margin - pre credit reconciliation

Net interest margin - pre credit	3.76 %	3.77 %	3.84 %
Effect of interest reversals, lost interest, and carry costs of NPAs	(.23)	(.26)	(.43)
Net interest margin	3.53	3.51	3.41

	1Q12	4Q11	1Q11
	3.76 %	3.77 %	3.84 %
	(.23)	(.26)	(.43)
	3.53	3.51	3.41

Tangible common equity and tangible equity to tangible assets reconciliation

Tangible common equity to tangible assets	5.33 %	5.38 %	2.70 %
Effect of preferred equity	2.75	2.78	3.31
Tangible equity to tangible assets	8.08	8.16	6.01
Effect of goodwill and other intangibles	.11	.12	.14
Equity to assets (GAAP)	8.19 %	8.28 %	6.15 %

	5.33 %	5.38 %	2.70 %
	2.75	2.78	3.31
	8.08	8.16	6.01
	.11	.12	.14
	8.19 %	8.28 %	6.15 %

Tangible common equity to risk-weighted assets reconciliation

Tangible common equity to risk-weighted assets	8.21 %	8.25 %	.75 %
Effect of preferred equity	4.23	4.29	5.87
Tangible equity to risk weighted assets	12.44	12.54	6.62
Effect of other comprehensive income	.10	(.03)	(.32)
Effect of trust preferred	1.15	1.18	1.13
Tier I capital ratio (Regulatory)	13.69 %	13.69 %	7.43 %

	8.21 %	8.25 %	.75 %
	4.23	4.29	5.87
	12.44	12.54	6.62
	.10	(.03)	(.32)
	1.15	1.18	1.13
	13.69 %	13.69 %	7.43 %

■ **FIG Partners**

(Market Perform - Mar 22, 2012)

■ **Guggenheim Securities, LLC**

(Neutral - Jan 27, 2012)

■ **Keefe, Bruyette & Woods**

(Market Perform - Jan 26, 2012)

■ **Macquarie Capital (USA)**

(Neutral - Jan 25, 2012)

■ **Raymond James & Assoc.**

(Market Perform - Jan 27, 2012)

■ **Sandler O'Neill & Partners**

(Hold, Apr 4, 2012)

■ **Stephens, Inc.**

(Equal Weight - Jan 27, 2012)

■ **SunTrust Robinson Humphrey**

(Neutral - Jan 26, 2012)

United Community Banks, Inc.

Investor Presentation

First Quarter 2012

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