



United Community Banks, Inc. Reports Diluted Earnings per Share of 15 Cents for Second Quarter 2008

BLAIRSVILLE, GA, Jul 24, 2008 (MARKET WIRE via COMTEX News Network) -- United Community Banks, Inc. (NASDAQ: UCBI) today announced diluted operating earnings per share of 15 cents for the second quarter of 2008, compared to 46 cents per share for the second quarter of 2007. Total operating revenue on a taxable equivalent basis was \$61.4 million for the quarter, compared to \$80.8 million for the second quarter of 2007. Net operating income was \$7.1 million, compared to \$21.1 million in the second quarter of 2007. Operating return on tangible equity was 5.86 percent and return on assets was .34 percent for the second quarter of 2008, compared to 17.52 percent and 1.12 percent a year ago, respectively. Second quarter 2007 financial results included a \$15 million special provision for fraud-related loan losses resulting from a failed real estate development near Spruce Pine, North Carolina. Because this was a fraud-related matter and an isolated and non-recurring event, the company has shown the special provision separate from the regular provision for loan losses and has highlighted operating earnings measures, which excluded this provision, to provide a better understanding of our underlying earnings and credit trends.

"While our operating environment continued to be very challenging in the second quarter, our solid earnings base, supported by experienced management and locations in growing markets, continues to sustain our company and keep it positioned to manage through this cycle. Despite this, we were able to cover our credit losses and strengthen our capital ratios," stated Jimmy Tallent, president and chief executive officer. "We continued to actively manage our loan portfolio, quickly identifying problem loans and aggressively taking action to move these loans and assets off our books."

Loans were down \$66 million to \$5.93 billion from the second quarter of 2007, and down \$35 million on a linked quarter basis as the company continued to reduce its exposure to the residential construction and housing markets. At June 30, 2008, residential construction loans were \$1.75 billion, or 29 percent of total loans, a decrease of \$268 million from a year ago and \$46 million from last quarter.

"Total loans declined from last quarter and a year ago, primarily due to a decrease in residential construction loans and we expect that trend to continue," Tallent said. "However, we did see solid growth in both commercial and residential mortgage loans of 6 percent and we expect to see slow loan growth for several more quarters. At the same time, we are very pleased with our continued progress in reducing exposure to residential construction and creating a more balanced risk portfolio."

Total customer deposits increased \$148 million, or 2 percent, over second quarter 2007 and increased \$417 million, or 29 percent on an annualized basis, over the prior quarter. "We ran a very successful program this quarter to increase liquidity through the promotion of customer time deposits that added \$407 million to our liquidity during the second quarter," stated Tallent. "The time deposit promotion did not erode core deposits, which grew by a modest amount."

Taxable equivalent net interest revenue of \$61.8 million reflected a decrease of \$6.2 million from the second quarter of 2007. Taxable equivalent net interest margin was 3.32 percent, compared with 3.55 percent for the first quarter of 2008 and 3.94 percent for the second quarter of 2007. "We continued to see margin compression in the second quarter," Tallent said. "Continued competitive deposit pricing, coupled with the full quarter impact of declining rates and a higher level of non-performing assets were key contributors."

The second quarter provision for loan losses was \$15.5 million. Net charge-offs for the second quarter were \$14.3 million compared with \$7.1 million for the first quarter of 2008 and \$2.1 million for the second quarter of 2007. Annualized net charge-offs to average loans was 97 basis points for the second quarter of 2008 compared to 48 basis points for the first quarter of 2008 and 15 basis points for the second quarter of 2007.

"Net charge-offs increased this quarter as we moved problem credits off our books," said Tallent. "With the higher level of non-performing loans we expect foreclosure activity will rise for the next two quarters as we move non-performing loans through the collection process. We expect charge-offs to increase as a result."

At quarter-end, non-performing assets totaled \$152.2 million, compared with \$89.9 million at March 31, 2008 and \$43.6 million at June 30, 2007. The ratio of non-performing assets to total assets at the end of each quarter was 1.84, 1.07 and .54 percent, respectively.

"The significant rise in non-performing assets this quarter is coming from the loan migration process," stated Tallent. "While non-performing assets were up sharply, most loans were already classified in the prior quarter and moved to non-performing

status this quarter. Total classified loans were flat compared to the first quarter. We now are seeing the migration of these problem assets through the collection process."

"A positive development in credit quality this quarter was a decrease in loans past due more than 30 days to 1.10 percent of loans from 1.39 percent in the first quarter," added Tallent. "Although this was good to see, we know that the uncertainties in the economy will continue and we expect to see further increases in non-performing assets and credit costs this year."

Fee revenue of \$15.1 million was down \$1.4 million from the second quarter of 2007 and increased \$900,000 from last quarter. Service charges and fees on deposit accounts of \$8.0 million were up slightly from last quarter and flat with the second quarter of 2007. Mortgage fees were up \$239,000 from last quarter, mostly seasonal, but down \$274,000 from last year due to the slowdown in the housing market. Brokerage fees were down \$378,000 from last year due to market conditions. Other fee revenue of \$1.5 million was down \$925,000 from last year primarily due to gains realized last year from the sale of foreclosed properties and a lower level of earnings on bank-owned life insurance and deferred compensation plan assets.

Operating expenses of \$49.8 million reflected an increase of \$2.1 million, or 4 percent, from the second quarter of 2007. Salaries and employee benefit costs of \$28.8 million declined \$1.3 million, or 4 percent, from last year due to lower incentive accruals. Other expenses of \$7.6 million were \$3.5 million higher than a year ago due to additional write-downs and related costs on foreclosed properties of \$2.5 million and an increase in FDIC insurance premiums of \$900,000. "We have continued to manage our salary costs, and have held staff levels flat year over year," Tallent stated. "Most of the operating expense categories were flat or down compared to last year as we focused on reducing discretionary spending."

"All of our regulatory capital ratios continue to be very strong," Tallent continued. "At June 30, 2008 our estimated Tier I Risk-Based Capital ratio was 9.17 percent, Leverage was 7.03 percent and Total Risk-Based was 11.40 percent. Also, our tangible equity-to-asset ratio was 6.77 percent. We have modeled our capital requirements under a number of loss scenarios and believe we have a strong capital position as well as a solid base of core earnings and allowance to work through this credit cycle without issuing common stock."

"This quarter has been challenging, and we've seen increases in non-performing assets and related credit costs," commented Tallent. "We have made progress getting our arms around these issues and remain intently focused on credit quality, capital and liquidity levels. While we were certainly challenged this quarter, our solid earnings base continues to sustain the company and keep it positioned to grow our business when things improve."

Conference Call

United Community Banks will hold a conference call on Thursday, July 24, 2008, at 11 a.m. ET to discuss the contents of this news release, as well as share business highlights for the quarter. The telephone number for the conference call is (877) 419-6598 and the pass code is "UCBI." The conference call will also be available by web cast within the Investor Relations section of the company's web site 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 \$8.3 billion and operates 27 community banks with 108 banking offices located 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 4 of United Community Banks, Inc.'s annual report filed on Form 10-K with the Securities and Exchange Commission.

(in thousands, except per share data; taxable equivalent)	Second Quarter	First Quarter	Fourth Quarter
INCOME SUMMARY			
Interest revenue	\$ 116,984	\$ 129,041	\$ 140,768
Interest expense	55,231	62,754	71,038
Net interest revenue	61,753	66,287	69,730
Provision for loan losses (1)	15,500	7,500	26,500
Fee revenue	15,105	14,197	16,100
Total operating revenue	61,358	72,984	59,330
Operating expenses	49,761	47,529	49,336
Income before taxes	11,597	25,455	9,994
Income taxes	4,504	9,377	3,960
Net operating income	7,093	16,078	6,034
Fraud loss provision, net of tax (1)	-	-	1,833
Net income	\$ 7,093	\$ 16,078	\$ 4,201
OPERATING PERFORMANCE (1)			
Earnings per common share:			
Basic	\$.15	\$.34	\$.13
Diluted	.15	.34	.13
Return on equity (2)	3.41%	7.85%	2.89%
Return on tangible equity (2)(3)(4)	5.86	13.16	5.06
Return on assets (4)	.34	.78	.29
Dividend payout ratio	60.00	26.47	69.23
GAAP PERFORMANCE MEASURES			
Per common share:			
Basic earnings	\$.15	\$.34	\$.09
Diluted earnings	.15	.34	.09
Cash dividends declared	.09	.09	.09
Book value	17.75	18.50	17.70
Tangible book value (3)	11.03	11.76	10.92
Key performance ratios:			
Return on equity (2)(4)	3.41%	7.85%	2.01%
Return on assets	.34	.78	.20
Net interest margin (4)	3.32	3.55	3.73
Efficiency Ratio	65.05	59.05	57.67
Dividend payout ratio	60.00	26.47	100.00
Equity to assets	10.33	10.30	10.20
Tangible equity to assets (3)	6.77	6.73	6.58
ASSET QUALITY			
Allowance for loan losses	\$ 91,035	\$ 89,848	\$ 89,423
Net charge-offs (1)	14,313	7,075	13,012
Non-performing loans	123,786	67,728	28,219
OREO	28,378	22,136	18,039
Total non-performing assets	152,164	89,864	46,258
Allowance for loan losses to loans (1)	1.53%	1.51%	1.51%
Net charge-offs to average loans (1)(4)	.97	.48	.87
Non-performing assets to loans and OREO	2.55	1.50	.78
Non-performing assets to total assets	1.84	1.07	.56

AVERAGE BALANCES

Loans	\$ 5,933,143	\$ 5,958,296	\$ 5,940,230
Investment securities	1,507,240	1,485,515	1,404,796
Earning assets	7,478,018	7,491,480	7,424,992
Total assets	8,295,748	8,305,621	8,210,120
Deposits	6,461,361	6,051,069	6,151,476
Shareholders' equity	856,727	855,659	837,195
Common shares - basic	47,060	46,966	47,203
Common shares - diluted	47,249	47,272	47,652

AT PERIOD END

Loans	\$ 5,933,141	\$ 5,967,839	\$ 5,929,263
Investment securities	1,430,588	1,508,402	1,356,846
Total assets	8,264,051	8,386,255	8,207,302
Deposits	6,696,456	6,175,769	6,075,951
Shareholders' equity	837,890	871,452	831,902
Common shares outstanding	47,096	47,004	46,903

- (1) Excludes effect of special \$15 million fraud-related provision for loan losses recorded in the second quarter of 2007, an additional \$3 million provision in the fourth quarter of 2007, and \$18 million of related loan charge-offs recorded in the fourth quarter of 2007.
- (2) Net income available to common shareholders, which excludes preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).
- (3) Excludes effect of acquisition related intangibles and associated amortization.
- (4) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

(in thousands, except per share data; taxable equivalent)	2007		Second
	Third Quarter	Second Quarter	Quarter 2008-2007 Change
INCOME SUMMARY			
Interest revenue	\$ 144,884	\$ 136,237	
Interest expense	73,203	68,270	
Net interest revenue	71,681	67,967	(9)%
Provision for loan losses (1)	3,700	3,700	
Fee revenue	15,615	16,554	(9)
Total operating revenue	83,596	80,821	(24)
Operating expenses	48,182	47,702	4
Income before taxes	35,414	33,119	(65)
Income taxes	12,878	12,043	
Net operating income	22,536	21,076	(66)
Fraud loss provision, net of tax (1)	-	9,165	
Net income	\$ 22,536	\$ 11,911	(40)

OPERATING PERFORMANCE (1)

Earnings per common share:

Basic	\$.47	\$.47	(68)
Diluted	.46	.46	(67)
Return on equity (2)	10.66%	12.47%	
Return on tangible equity (2)(3)(4)	17.54	17.52	
Return on assets (4)	1.11	1.12	

Dividend payout ratio	19.15	19.15	
GAAP PERFORMANCE MEASURES			
Per common share:			
Basic earnings	\$.47	\$.26	(42)
Diluted earnings	.46	.26	(42)
Cash dividends declared	.09	.09	-
Book value	17.51	16.96	5
Tangible book value (3)	10.81	10.43	6
Key performance ratios:			
Return on equity (2)(4)	10.66%	7.05%	
Return on assets	1.11	.64	
Net interest margin (4)	3.89	3.94	
Efficiency Ratio	55.34	56.59	
Dividend payout ratio	19.15	34.62	
Equity to assets	10.32	8.94	
Tangible equity to assets (3)	6.65	6.65	
ASSET QUALITY			
Allowance for loan losses	\$ 90,935	\$ 92,471	
Net charge-offs (1)	5,236	2,124	
Non-performing loans	46,783	30,849	
OREO	16,554	12,752	
	-----	-----	
Total non-performing assets	63,337	43,601	
Allowance for loan losses to loans (1)	1.28%	1.29%	
Net charge-offs to average loans (1)(4)	.35	.15	
Non-performing assets to loans and OREO	1.06	.73	
Non-performing assets to total assets	.77	.54	
AVERAGE BALANCES			
Loans	\$ 5,966,933	\$ 5,619,950	6
Investment securities	1,308,192	1,242,448	21
Earning assets	7,332,492	6,915,134	8
Total assets	8,083,739	7,519,392	10
Deposits	6,246,319	5,945,633	9
Shareholders' equity	834,094	672,348	27
Common shares - basic	48,348	44,949	
Common shares - diluted	48,977	45,761	
AT PERIOD END			
Loans	\$ 5,952,749	\$ 5,999,093	(1)
Investment securities	1,296,826	1,213,659	18
Total assets	8,180,600	8,087,667	2
Deposits	6,154,308	6,361,269	5
Shareholders' equity	833,761	828,731	1
Common shares outstanding	47,542	48,781	

- (1) Excludes effect of special \$15 million fraud-related provision for loan losses recorded in the second quarter of 2007, an additional \$3 million provision in the fourth quarter of 2007, and \$18 million of related loan charge-offs recorded in the fourth quarter of 2007.
- (2) Net income available to common shareholders, which excludes preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).
- (3) Excludes effect of acquisition related intangibles and associated amortization.
- (4) Annualized.

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Selected Financial Information

For the Six
Months Ended YTD

(in thousands, except per share data; taxable equivalent)	----- 2008 -----	----- 2007 -----	2008-2007 Change -----
INCOME SUMMARY			
Interest revenue	\$ 246,025	\$ 265,265	
Interest expense	117,985	132,193	
	-----	-----	
Net interest revenue	128,040	133,072	(4)%
Provision for loan losses (1)	23,000	7,400	
Fee revenue	29,302	30,936	(5)
	-----	-----	
Total operating revenue	134,342	156,608	(14)
Operating expenses	97,290	92,543	5
	-----	-----	
Income before taxes	37,052	64,065	(42)
Income taxes	13,881	23,644	
	-----	-----	
Net operating income	23,171	40,421	(43)
Fraud loss provision, net of tax (1)	-	9,165	
	-----	-----	
Net income	\$ 23,171	\$ 31,256	(26)
	=====	=====	
OPERATING PERFORMANCE (1)			
Earnings per common share:			
Basic	\$.49	\$.92	(47)
Diluted	.49	.90	(46)
Return on equity (2)	5.61%	9.64%	
Return on tangible equity (2)(3)(4)	9.46	17.36	
Return on assets (4)	.56	1.12	
Dividend payout ratio	36.73	19.57	
GAAP PERFORMANCE MEASURES			
Per common share:			
Basic earnings	\$.49	\$.71	(31)
Diluted earnings	.49	.70	(30)
Cash dividends declared	.18	.18	-
Book value	17.75	16.96	5
Tangible book value (3)	11.03	10.43	6
Key performance ratios:			
Return on equity (2)(4)	5.61%	9.64%	
Return on assets	.56	.86	
Net interest margin (4)	3.43	3.96	
Efficiency Ratio	61.97	56.57	
Dividend payout ratio	36.73	25.35	
Equity to assets	10.31	8.87	
Tangible equity to assets (3)	6.75	6.65	
ASSET QUALITY			
Allowance for loan losses	\$ 91,035	\$ 92,471	
Net charge-offs (1)	21,388	3,586	
Non-performing loans	123,786	30,849	
OREO	28,378	12,752	
	-----	-----	
Total non-performing assets	152,164	43,601	
Allowance for loan losses to loans (1)	1.53%	1.29%	
Net charge-offs to average loans (1)(4)	.72	.13	
Non-performing assets to loans and OREO	2.55	.73	
Non-performing assets to total assets	1.84	.54	
AVERAGE BALANCES			

Loans	\$ 5,945,720	\$ 5,512,005	8
Investment securities	1,496,377	1,198,075	25
Earning assets	7,484,749	6,757,959	11
Total assets	8,300,686	7,307,231	14
Deposits	6,256,217	5,855,530	7
Shareholders' equity	856,193	648,358	32
Common shares - basic	47,013	43,980	
Common shares - diluted	47,260	44,842	
AT PERIOD END			
Loans	\$ 5,933,141	\$ 5,999,093	(1)
Investment securities	1,430,588	1,213,659	18
Total assets	8,264,051	8,087,667	2
Deposits	6,696,456	6,361,269	5
Shareholders' equity	837,890	828,731	1
Common shares outstanding	47,096	48,781	

- (1) Excludes effect of special \$15 million fraud-related provision for loan losses recorded in the second quarter of 2007, an additional \$3 million provision in the fourth quarter of 2007, and \$18 million of related loan charge-offs recorded in the fourth quarter of 2007.
- (2) Net income available to common shareholders, which excludes preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).
- (3) Excludes effect of acquisition related intangibles and associated amortization.
- (4) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End

(in millions)	2008		2007	
	Second Quarter	First Quarter	Fourth Quarter	
LOANS BY CATEGORY				
Commercial (sec. by RE)	\$ 1,584	\$ 1,526	\$ 1,476	
Commercial construction	522	548	527	
Commercial & industrial	417	437	418	
Total commercial	2,523	2,511	2,421	
Residential construction	1,745	1,791	1,830	
Residential mortgage	1,494	1,491	1,502	
Consumer / installment	171	175	176	
Total loans	\$ 5,933	\$ 5,968	\$ 5,929	
LOANS BY MARKET				
Atlanta MSA	\$ 1,934	\$ 1,978	\$ 2,002	
Gainesville MSA	422	415	400	
North Georgia	2,065	2,071	2,060	
Western North Carolina	819	816	806	
Coastal Georgia	436	439	416	
East Tennessee	257	249	245	
Total loans	\$ 5,933	\$ 5,968	\$ 5,929	
RESIDENTIAL CONSTRUCTION				
Dirt loans				
Acquisition & development	\$ 569	\$ 583	\$ 593	
Land loans	139	130	126	
Lot loans	401	406	407	
Total	1,109	1,119	1,126	

House loans			
Spec	450	460	473
Sold	186	212	231
Total	636	672	704
Total residential construction	\$ 1,745	\$ 1,791	\$ 1,830
	=====	=====	=====
RESIDENTIAL CONSTRUCTION - ATLANTA MSA			
Dirt loans			
Acquisition & development	\$ 232	\$ 252	\$ 258
Land loans	50	50	52
Lot loans	117	117	117
Total	399	419	427
House loans			
Spec	271	271	280
Sold	58	71	77
Total	329	342	357
Total residential construction	\$ 728	\$ 761	\$ 784
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(1) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End

(in millions)	-----		Linked	Year over
	Third	Second	Quarter	Year
	Quarter	Quarter	Change(1)	Change
	-----	-----	-----	-----
LOANS BY CATEGORY				
Commercial (sec. by RE)	\$ 1,441	\$ 1,461	15%	8%
Commercial construction	527	509	(19)	3
Commercial & industrial	408	421	(18)	(1)
Total commercial	2,376	2,391	2	6
Residential construction	1,939	2,013	(10)	(13)
Residential mortgage	1,459	1,413	1	6
Consumer / installment	179	182	(9)	(6)
Total loans	\$ 5,953	\$ 5,999	(2)	(1)
	=====	=====		
LOANS BY MARKET				
Atlanta MSA	\$ 2,057	\$ 2,134	(9)%	(9)%
Gainesville MSA	394	384	7	10
North Georgia	2,026	2,032	(1)	2
Western North Carolina	834	816	1	-
Coastal Georgia	402	396	(3)	10
East Tennessee	240	237	13	8
Total loans	\$ 5,953	\$ 5,999	(2)	(1)
	=====	=====		
RESIDENTIAL CONSTRUCTION				
Dirt loans				
Acquisition & development	\$ 596	\$ 602	(10)%	(5)%
Land loans	125	113	28	23
Lot loans	403	393	(5)	2
Total	1,124	1,108	(4)	-

House loans				
Spec	539	596	(9)%	(24)%
Sold	276	309	(49)	(40)

Total	815	905	(21)	(30)

Total residential construction	\$ 1,939	\$ 2,013	(10)	(13)
	=====			
RESIDENTIAL CONSTRUCTION -				
ATLANTA MSA				
Dirt loans				
Acquisition & development	\$ 268	\$ 278	(32)%	(17)%
Land loans	50	49	-	2
Lot loans	123	136	-	(14)

Total	441	463	(19)	(14)

House loans				
Spec	322	371	- %	(27)%
Sold	104	132	(73)	(56)

Total	426	503	(15)	(35)

Total residential construction	\$ 867	\$ 966	(17)	(25)
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(1) Annualized.

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Credit Quality

Second Quarter 2008

(in thousands)	Second Quarter 2008		
	Nonaccrual Loans	OREO	Total NPAs

NPAs BY CATEGORY			
Commercial (sec. by RE)	\$ 4,610	\$ 593	\$ 5,203
Commercial construction	3,027	1,859	4,886
Commercial & industrial	2,950	-	2,950

Total commercial	10,587	2,452	13,039
Residential construction	90,283	22,075	112,358
Residential mortgage	21,792	3,851	25,643
Consumer / installment	1,124	-	1,124

Total NPAs	\$ 123,786	\$ 28,378	\$ 152,164
	=====		
NPAs BY MARKET			
Atlanta MSA	\$ 89,327	\$ 15,196	\$ 104,523
Gainesville MSA	4,885	12	4,897
North Georgia	16,117	8,277	24,394
Western North Carolina	9,838	990	10,828
Coastal Georgia	1,575	3,871	5,446
East Tennessee	2,044	32	2,076

Total NPAs	\$ 123,786	\$ 28,378	\$ 152,164
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UNITED COMMUNITY BANKS, INC.
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Credit Quality

First Quarter 2008

(in thousands)	Nonaccrual Loans	OREO	Total NPAs
NPAs BY CATEGORY			
Commercial (sec. by RE)	\$ 4,070	\$ 653	\$ 4,723
Commercial construction	1,514	961	2,475
Commercial & industrial	1,936	-	1,936
Total commercial	7,520	1,614	9,134
Residential construction	42,249	16,486	58,735
Residential mortgage	16,965	4,036	21,001
Consumer / installment	994	-	994
Total NPAs	\$ 67,728	\$ 22,136	\$ 89,864

NPAs BY MARKET			
Atlanta MSA	\$ 37,442	\$ 16,121	\$ 53,563
Gainesville MSA	4,584	909	5,493
North Georgia	11,969	3,385	15,354
Western North Carolina	7,775	1,405	9,180
Coastal Georgia	5,266	95	5,361
East Tennessee	692	221	913
Total NPAs	\$ 67,728	\$ 22,136	\$ 89,864

UNITED COMMUNITY BANKS, INC.
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Credit Quality

Fourth Quarter 2007			
(in thousands)	Nonaccrual Loans	OREO	Total NPAs
NPAs BY CATEGORY			
Commercial (sec. by RE)	\$ -	\$ 68	\$ 68
Commercial construction	-	507	507
Commercial & industrial	3,366	-	3,366
Total commercial	3,366	575	3,941
Residential construction	11,544	14,987	26,531
Residential mortgage	12,479	2,477	14,956
Consumer / installment	830	-	830
Total NPAs	\$ 28,219	\$ 18,039	\$ 46,258
NPAs BY MARKET			
Atlanta MSA	\$ 11,548	\$ 13,019	\$ 24,567
Gainesville MSA	1,544	-	1,544
North Georgia	5,469	3,469	8,938
Western North Carolina	7,455	1,178	8,633
Coastal Georgia	691	95	786
East Tennessee	1,512	278	1,790
Total NPAs	\$ 28,219	\$ 18,039	\$ 46,258

UNITED COMMUNITY BANKS, INC.
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Credit Quality

Second Quarter 2008	First Quarter 2008
Net Charge- Offs to	Net Charge- Offs to

(in thousands)	Net Charge-Offs	Average Loans (2)	Net Charge-Offs	Average Loans (2)
NET CHARGE-OFFS BY CATEGORY				
Commercial (sec. by RE)	\$ 424	.11%	\$ 630	.17%
Commercial construction	125	.09	-	-
Commercial & industrial	398	.38	304	.29
	-----		-----	
Total commercial	947	.15	934	.15
Residential construction	10,343	2.36	4,665	1.03
Residential mortgage	2,576	.70	1,011	.27
Consumer / installment	447	1.05	465	1.06
	-----		-----	
Total NPAs	\$ 14,313	.97	\$ 7,075	.48
	=====		=====	

NET CHARGE-OFFS BY MARKET				
Atlanta MSA	\$ 10,682	2.22%	\$ 4,647	.94%
Gainesville MSA	360	.34	323	.32
North Georgia	1,829	.36	1,280	.25
Western North Carolina	279	.14	57	.03
Coastal Georgia	980	.90	42	.04
East Tennessee	183	.29	726	1.18
	-----		-----	
Total NPAs	\$ 14,313	.97	\$ 7,075	.48
	=====		=====	

(1) Fourth quarter residential construction charge-offs exclude \$18 million in fraud-related charge-offs resulting from the failed real estate development near Spruce Pine, North Carolina

(2) Annualized

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality

(in thousands)	Fourth Quarter 2007 (1)	
	Net Charge-Offs	Net Charge- Offs to Average Loans (2)
NET CHARGE-OFFS BY CATEGORY		
Commercial (sec. by RE)	\$ 167	.05%
Commercial construction	-	-
Commercial & industrial	507	.49

Total commercial	674	.11
Residential construction	10,109	2.13
Residential mortgage	1,671	.45
Consumer / installment	559	1.25

Total NPAs	\$ 13,013	.87
	=====	
NET CHARGE-OFFS BY MARKET		
Atlanta MSA	\$ 8,740	1.72%
Gainesville MSA	231	.23
North Georgia	2,071	.40
Western North Carolina	285	.14
Coastal Georgia	(10)	(.01)
East Tennessee	1,696	2.76

Total NPAs	\$ 13,013	.87
	=====	

(1) Fourth quarter residential construction charge-offs exclude \$18 million in fraud-related charge-offs resulting from the failed real estate development near Spruce Pine, North Carolina

(2) Annualized

UNITED COMMUNITY BANKS, INC.

Operating Earnings to GAAP Earnings Reconciliation

(in thousands, except per share data)

	2008		2007
	Second Quarter	First Quarter	Fourth Quarter
Special provision for fraud-related loan losses	\$ -	\$ -	\$ 3,000
Income tax effect of special provision	-	-	1,167
After-tax effect of special provision	\$ -	\$ -	\$ 1,833
Net Income Reconciliation			
Operating net income	\$ 7,093	\$ 16,078	\$ 6,034
After-tax effect of special provision and merger-related charges	-	-	(1,833)
Net income (GAAP)	\$ 7,093	\$ 16,078	\$ 4,201
Basic Earnings Per Share Reconciliation			
Basic operating earnings per share	\$.15	\$.34	\$.13
Per share effect of special provision and merger-related charges	-	-	(.04)
Basic earnings per share (GAAP)	\$.15	\$.34	\$.09
Diluted Earnings Per Share Reconciliation			
Diluted operating earnings per share	\$.15	\$.34	\$.13
Per share effect of special provision and merger-related charges	-	-	(.04)
Diluted earnings per share (GAAP)	\$.15	\$.34	\$.09
Provision for Loan Losses Reconciliation			
Operating provision for loan losses	\$ 15,500	\$ 7,500	\$ 26,500
Special provision for fraud-related loan losses	-	-	3,000
Provision for loan losses (GAAP)	\$ 15,500	\$ 7,500	\$ 29,500
Nonperforming Assets Reconciliation			
Nonperforming assets excluding fraud-related assets	\$ 148,219	\$ 85,182	\$ 40,956
Fraud-related loans and OREO included in nonperforming assets	3,945	4,682	5,302
Nonperforming assets (GAAP)	\$ 152,164	\$ 89,864	\$ 46,258
Allowance for Loan Losses Reconciliation			
Allowance for loan losses excluding special fraud-related allowance	\$ 91,035	\$ 89,848	\$ 89,423
Fraud-related allowance for loan losses	-	-	-
Allowance for loan losses (GAAP)	\$ 91,035	\$ 89,848	\$ 89,423

	=====	=====	=====
Net Charge-Offs Reconciliation			
Net charge-offs excluding charge-off of fraud-related loans	\$ 14,313	\$ 7,075	\$ 13,012
Fraud-related loans charged off	-	-	18,000
	-----	-----	-----
Net charge-offs (GAAP)	\$ 14,313	\$ 7,075	\$ 31,012
	=====	=====	=====
Allowance for Loan Losses to Loans Ratio Reconciliation			
Allowance for loan losses to loans ratio excluding fraud-related allowance	1.53%	1.51%	1.51%
Portion of allowance assigned to fraud-related loans	-	-	-
	-----	-----	-----
Allowance for loan losses to loans ratio (GAAP)	1.53%	1.51%	1.51%
	=====	=====	=====
Nonperforming Assets to Total Assets Ratio Reconciliation			
Nonperforming assets to total assets ratio excluding fraud-related assets	1.79%	1.02%	.50%
Fraud-related nonperforming assets	.05	.05	.06
	-----	-----	-----
Nonperforming assets to total assets ratio (GAAP)	1.84%	1.07%	.56%
	=====	=====	=====
Net Charge-Offs to Average Loans Ratio Reconciliation			
Net charge-offs to average loans ratio excluding fraud-related loans	.97%	.48%	.87%
Charge-offs of fraud-related loans	-	-	1.20
	-----	-----	-----
Net charge-offs to average loans ratio (GAAP)	.97%	.48%	2.07%
	=====	=====	=====

UNITED COMMUNITY BANKS, INC.

Operating Earnings to GAAP Earnings Reconciliation
(in thousands, except per share data)

	2007		For the Six Months Ended June 30	
	-----	-----	-----	-----
	Third Quarter	Second Quarter	2008	2007
	-----	-----	-----	-----
Special provision for fraud-related loan losses	\$ -	\$ 15,000	\$ -	\$ 15,000
	-----	-----	-----	-----
Income tax effect of special provision	-	5,835	-	5,835
	-----	-----	-----	-----
After-tax effect of special provision	\$ -	\$ 9,165	\$ -	\$ 9,165
	=====	=====	=====	=====
Net Income Reconciliation				
Operating net income	\$ 22,536	\$ 21,076	\$ 23,171	\$ 41,421
After-tax effect of special provision and merger-related charges	-	(9,165)	-	(9,165)
	-----	-----	-----	-----
Net income (GAAP)	\$ 22,536	\$ 11,911	\$ 23,171	\$ 32,256
	=====	=====	=====	=====

Basic Earnings Per Share

Reconciliation				
Basic operating earnings per share	\$.47	\$.47	\$.49	\$.92
Per share effect of special provision and merger-related charges	-	(.21)	-	(.21)
	-----	-----	-----	-----
Basic earnings per share (GAAP)	\$.47	\$.26	\$.49	\$.71
	=====	=====	=====	=====
Diluted Earnings Per Share Reconciliation				
Diluted operating earnings per share	\$.46	\$.46	\$.49	\$.90
Per share effect of special provision and merger-related charges	-	(.20)	-	(.20)
	-----	-----	-----	-----
Diluted earnings per share (GAAP)	\$.46	\$.26	\$.49	\$.70
	=====	=====	=====	=====
Provision for Loan Losses Reconciliation				
Operating provision for loan losses	\$ 3,700	\$ 3,700	\$ 23,000	\$ 7,400
Special provision for fraud-related loan losses	-	15,000	-	15,000
	-----	-----	-----	-----
Provision for loan losses (GAAP)	\$ 3,700	\$ 18,700	\$ 23,000	\$ 22,400
	=====	=====	=====	=====
Nonperforming Assets Reconciliation				
Nonperforming assets excluding fraud-related assets	\$ 39,761	\$ 19,968	\$ 148,218	\$ 19,968
Fraud-related loans and OREO included in nonperforming assets	23,576	23,633	3,945	23,633
	-----	-----	-----	-----
Nonperforming assets (GAAP)	\$ 63,337	\$ 43,601	\$ 152,163	\$ 43,601
	=====	=====	=====	=====
Allowance for Loan Losses Reconciliation				
Allowance for loan losses excluding special fraud-related allowance	\$ 75,935	\$ 77,471	\$ 91,035	\$ 77,471
Fraud-related allowance for loan losses	15,000	15,000	-	15,000
	-----	-----	-----	-----
Allowance for loan losses (GAAP)	\$ 90,935	\$ 92,471	\$ 91,035	\$ 92,471
	=====	=====	=====	=====
Net Charge-Offs Reconciliation				
Net charge-offs excluding Charge-off of fraud-related loans	\$ 5,236	\$ 2,124	\$ 21,388	\$ 3,586
Fraud-related loans charged off	-	-	-	-
	-----	-----	-----	-----
Net charge-offs (GAAP)	\$ 5,236	\$ 2,124	\$ 21,388	\$ 3,586
	=====	=====	=====	=====
Allowance for Loan Losses to				

Loans Ratio Reconciliation				
Allowance for loan losses to loans ratio excluding fraud-related allowance	1.28%	1.29%	1.53%	1.29%
Portion of allowance assigned to fraud-related loans	.25	.25	-	.25
	-----	-----	-----	-----
Allowance for loan losses to loans ratio (GAAP)	1.53%	1.54%	1.53%	1.54%
	=====	=====	=====	=====
Nonperforming Assets to Total Assets Ratio Reconciliation				
Nonperforming assets to total assets ratio excluding fraud-related assets	.49%	.25%	1.79%	.25%
Fraud-related nonperforming assets	.28	.29	.05	.29
	-----	-----	-----	-----
Nonperforming assets to total assets ratio (GAAP)	.77%	.54%	1.84%	.54%
	=====	=====	=====	=====
Net Charge-Offs to Average Loans Ratio Reconciliation				
Net charge-offs to average loans ratio excluding fraud-related loans	.35%	.15%	.97%	.13%
Charge-offs of fraud-related loans	-	-	-	-
	-----	-----	-----	-----
Net charge-offs to average loans ratio (GAAP)	.35%	.15%	.97%	.13%
	=====	=====	=====	=====

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Income (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share data)	2008	2007	2008	2007
	-----	-----	-----	-----
Interest revenue:				
Loans, including fees	\$ 97,051	\$ 119,799	\$ 206,317	\$ 233,872
Investment securities:				
Taxable	18,879	15,476	37,507	29,444
Tax exempt	398	438	792	885
Federal funds sold and deposits in banks	50	80	272	138
	-----	-----	-----	-----
Total interest revenue	116,378	135,793	244,888	264,339
	-----	-----	-----	-----
Interest expense:				
Deposits:				
NOW	7,216	11,470	15,803	22,097
Money market	2,310	3,540	5,223	6,080
Savings	180	374	407	683
Time	38,828	41,979	77,712	83,604
	-----	-----	-----	-----
Total deposit interest expense	48,534	57,363	99,145	112,464
Federal funds purchased, repurchase agreements, & other short-term borrowings	1,820	3,671	6,138	5,488
Federal Home Loan Bank				

advances	2,818	5,035	8,563	9,836
Long-term debt	2,059	2,201	4,139	4,405
	-----	-----	-----	-----
Total interest expense	55,231	68,270	117,985	132,193
	-----	-----	-----	-----
Net interest revenue	61,147	67,523	126,903	132,146
Provision for loan losses	15,500	18,700	23,000	22,400
	-----	-----	-----	-----
Net interest revenue after provision for loan losses	45,647	48,823	103,903	109,746
	-----	-----	-----	-----
Fee revenue:				
Service charges and fees	7,957	7,975	15,770	15,228
Mortgage loan and other related fees	2,202	2,476	4,165	4,699
Consulting fees	2,252	2,241	4,059	3,988
Brokerage fees	814	1,192	1,907	2,136
Securities gains, net	357	1,386	357	1,593
Losses on prepayment of borrowings	-	(1,164)	-	(1,164)
Other	1,523	2,448	3,044	4,456
	-----	-----	-----	-----
Total fee revenue	15,105	16,554	29,302	30,936
	-----	-----	-----	-----
Total revenue	60,752	65,377	133,205	140,682
	-----	-----	-----	-----
Operating expenses:				
Salaries and employee benefits	28,753	30,022	57,507	58,339
Communications and equipment	3,852	3,845	7,684	7,657
Occupancy	3,704	3,316	7,420	6,507
Advertising and public relations	2,009	2,098	3,360	4,114
Postage, printing and supplies	1,448	1,680	3,040	3,340
Professional fees	1,679	2,010	3,600	3,489
Amortization of intangibles	745	633	1,512	1,197
Other	7,571	4,098	13,167	7,900
	-----	-----	-----	-----
Total operating expenses	49,761	47,702	97,290	92,543
	-----	-----	-----	-----
Income before income taxes	10,991	17,675	35,915	48,139
Income taxes	3,898	5,764	12,744	16,883
	-----	-----	-----	-----
Net income	\$ 7,093	\$ 11,911	\$ 23,171	\$ 31,256
	=====	=====	=====	=====
Net income available to common shareholders	\$ 7,089	\$ 11,906	\$ 23,163	\$ 31,246
	=====	=====	=====	=====
Earnings per common share:				
Basic	\$.15	\$.26	\$.49	\$.71
Diluted	.15	.26	.49	.70
Dividends per common share	.09	.09	.18	.18
Weighted average common shares outstanding:				
Basic	47,060	44,949	47,013	43,980
Diluted	47,249	45,761	47,260	44,842
UNITED COMMUNITY BANKS, INC. Consolidated Balance Sheet				
	June 30,	December 31,	June 30,	
(in thousands, except share and per share data)	2008	2007	2007	
	-----	-----	-----	
	(unaudited)	(audited)	(unaudited)	
ASSETS				

Cash and due from banks	\$ 176,240	\$ 157,549	\$ 171,095
Interest-bearing deposits in banks	12,455	62,074	23,146
	-----	-----	-----
Cash and cash equivalents	188,695	219,623	194,241
Securities available for sale	1,430,588	1,356,846	1,213,659
Mortgage loans held for sale	27,094	28,004	30,615
Loans, net of unearned income	5,933,141	5,929,263	5,999,093
Less allowance for loan losses	91,035	89,423	92,471
	-----	-----	-----
Loans, net	5,842,106	5,839,840	5,906,622
Premises and equipment, net	181,395	180,088	171,327
Accrued interest receivable	50,399	62,828	64,538
Goodwill and other intangible assets	323,296	325,305	326,467
Other assets	220,478	194,768	180,198
	-----	-----	-----
Total assets	\$ 8,264,051	\$ 8,207,302	\$ 8,087,667
	=====	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Demand	\$ 696,575	\$ 700,941	\$ 773,435
NOW	1,541,609	1,474,818	1,447,789
Money market	418,935	452,917	504,730
Savings	187,088	186,392	207,468
Time:			
Less than \$100,000	1,744,217	1,573,604	1,651,486
Greater than \$100,000	1,573,078	1,364,763	1,428,841
Brokered	534,954	322,516	347,520
	-----	-----	-----

Total deposits 6,696,456 6,075,951 6,361,269

Federal funds purchased, repurchase agreements, and other short-term borrowings	288,650	638,462	238,429
Federal Home Loan Bank advances	285,807	519,782	499,060
Long-term debt	107,996	107,996	113,151
Accrued expenses and other liabilities	47,252	33,209	47,027
	-----	-----	-----

Total liabilities 7,426,161 7,375,400 7,258,936

Shareholders' equity:

Preferred stock, \$1 par value; \$10 stated value; 10,000,000 shares authorized; 25,800, 25,800 and 32,200 shares issued and outstanding	258	258	322
Common stock, \$1 par value; 100,000,000 shares authorized; 48,809,301, 48,809,301 and 48,781,351 shares issued	48,809	48,809	48,781
Common stock issuable; 105,579, 73,250 and 60,761 shares	2,696	2,100	1,816
Capital surplus	462,939	462,881	461,226
Retained earnings	362,089	347,391	329,229

Treasury stock; 1,713,310 and 1,905,921 shares, at cost	(39,222)	(43,798)	-
Accumulated other comprehensive income (loss)	321	14,261	(12,643)
	-----	-----	-----
Total shareholders' equity	837,890	831,902	828,731
	-----	-----	-----
Total liabilities and shareholders' equity	\$ 8,264,051	\$ 8,207,302	\$ 8,087,667
	=====	=====	=====

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis
For the Three Months Ended June 30,

2008

(dollars in thousands, taxable equivalent)	Average Balance	Interest	Avg. Rate
	-----	-----	-----
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 5,933,143	\$ 97,080	6.58%
Taxable securities (3)	1,471,958	18,879	5.13
Tax-exempt securities (1)(3)	35,282	655	7.43
Federal funds sold and other interest-earning assets	37,635	370	3.93
	-----	-----	
Total interest-earning assets	7,478,018	116,984	6.29
	-----	-----	
Non-interest-earning assets:			
Allowance for loan losses	(93,776)		
Cash and due from banks	144,589		
Premises and equipment	181,454		
Other assets (3)	585,463		

Total assets	\$ 8,295,748		
	=====		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$ 1,505,280	\$ 7,216	1.93
Money market	422,419	2,310	2.20
Savings	186,826	180	.39
Time less than \$100,000	1,642,677	17,285	4.23
Time greater than \$100,000	1,484,032	16,135	4.37
Brokered	535,898	5,408	4.06
	-----	-----	
Total interest-bearing deposits	5,777,132	48,534	3.38
	-----	-----	
Federal funds purchased and other borrowings	383,378	1,820	1.91
Federal Home Loan Bank advances	412,268	2,818	2.75
Long-term debt	107,996	2,059	7.67
	-----	-----	
Total borrowed funds	903,642	6,697	2.98
	-----	-----	
Total interest-bearing liabilities	6,680,774	55,231	3.33

Non-interest-bearing liabilities:		
Non-interest-bearing deposits	684,229	
Other liabilities	74,018	

Total liabilities	7,439,021	
Shareholders' equity	856,727	

Total liabilities and shareholders' equity	\$ 8,295,748	
	=====	
Net interest revenue	\$ 61,753	
	=====	
Net interest-rate spread		2.96%
		=====
Net interest margin (4)		3.32%
		=====

- (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 \$13.0 million in 2008 and pretax unrealized losses of \$7.8 million in 2007 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 Three Months Ended June 30,

	2007		
(dollars in thousands, taxable equivalent)	Average Balance	Interest	Avg. Rate
	-----	-----	-----
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 5,619,950	\$ 119,569	8.53%
Taxable securities (3)	1,200,268	15,476	5.16
Tax-exempt securities (1)(3)	42,180	721	6.83
Federal funds sold and other interest-earning assets	52,736	471	3.57
	-----	-----	
Total interest-earning assets	6,915,134	136,237	7.90
	-----	-----	
Non-interest-earning assets:			
Allowance for loan losses	(73,323)		
Cash and due from banks	130,046		
Premises and equipment	158,290		
Other assets (3)	389,245		

Total assets	\$ 7,519,392		
	=====		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$ 1,379,423	\$ 11,470	3.34
Money market	354,815	3,540	4.00
Savings	186,490	374	.80

Time less than \$100,000	1,627,708	19,978	4.92
Time greater than \$100,000	1,372,410	17,892	5.23
Brokered	332,857	4,109	4.95
	-----	-----	
Total interest-bearing deposits	5,253,703	57,363	4.38
	-----	-----	
Federal funds purchased and other borrowings	275,319	3,671	5.35
Federal Home Loan Bank advances	419,287	5,035	4.82
Long-term debt	113,270	2,201	7.79
	-----	-----	
Total borrowed funds	807,876	10,907	5.42
	-----	-----	
Total interest-bearing liabilities	6,061,579	68,270	4.52
	-----	-----	
Non-interest-bearing liabilities:			
Non-interest-bearing deposits	691,930		
Other liabilities	93,535		

Total liabilities	6,847,044		
Shareholders' equity	672,348		

Total liabilities and shareholders' equity	\$ 7,519,392		
	=====		
Net interest revenue		\$ 67,967	
		=====	
Net interest-rate spread			3.38%
		=====	
Net interest margin (4)			3.94%
		=====	

- (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 \$13.0 million in 2008 and pretax unrealized losses of \$7.8 million in 2007 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 Six Months Ended June 30,

	2008		
(dollars in thousands, taxable equivalent)	Average Balance	Interest	Avg. Rate
	-----	-----	-----
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 5,945,720	\$ 206,332	6.98%
Taxable securities (3)	1,460,090	37,507	5.14
Tax-exempt securities (1)(3)	36,287	1,303	7.18
Federal funds sold and other interest-earning assets	42,652	883	4.14
	-----	-----	

Total interest-earning assets	7,484,749	246,025	6.60
	-----	-----	
Non-interest-earning assets:			
Allowance for loan losses	(92,901)		
Cash and due from banks	149,648		
Premises and equipment	181,405		
Other assets (3)	577,785		

Total assets	\$ 8,300,686		
	=====		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$ 1,483,699	\$ 15,803	2.14
Money market	430,734	5,223	2.44
Savings	185,819	407	.44
Time less than \$100,000	1,597,995	35,508	4.47
Time greater than \$100,000	1,424,670	32,505	4.59
Brokered	455,150	9,699	4.29
	-----	-----	
Total interest-bearing deposits	5,578,067	99,145	3.57
	-----	-----	
Federal funds purchased and other borrowings	467,596	6,138	2.64
Federal Home Loan Bank advances	536,883	8,563	3.21
Long-term debt	107,995	4,139	7.71
	-----	-----	
Total borrowed funds	1,112,474	18,840	3.41
	-----	-----	
Total interest-bearing liabilities	6,690,541	117,985	3.55

Non-interest-bearing liabilities:			
Non-interest-bearing deposits	678,150		
Other liabilities	75,802		

Total liabilities	7,444,493		
Shareholders' equity	856,193		

Total liabilities and shareholders' equity	\$ 8,300,686		
	=====		
Net interest revenue		\$ 128,040	
		=====	
Net interest-rate spread			3.05%
			=====
Net interest margin (4)			3.43%
			=====

- (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 \$14.5 million in 2008 and pretax unrealized losses of \$8.9 million in 2007 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 Six Months Ended June 30,

	2007		
(dollars in thousands, taxable equivalent)	Average Balance	Interest	Avg. Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 5,512,005	\$ 233,437	8.54%
Taxable securities (3)	1,155,308	29,444	5.10
Tax-exempt securities (1)(3)	42,767	1,456	6.81
Federal funds sold and other interest-earning assets	47,879	928	3.88
Total interest-earning assets	6,757,959	265,265	7.91
Non-interest-earning assets:			
Allowance for loan losses	(70,769)		
Cash and due from banks	125,367		
Premises and equipment	152,593		
Other assets (3)	342,081		
Total assets	\$ 7,307,231		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$ 1,351,277	\$ 22,097	3.30
Money market	308,541	6,080	3.97
Savings	180,913	683	.76
Time less than \$100,000	1,634,569	39,774	4.91
Time greater than \$100,000	1,378,870	35,808	5.24
Brokered	333,800	8,022	4.85
Total interest-bearing deposits	5,187,970	112,464	4.37
Federal funds purchased and other borrowings	207,663	5,488	5.33
Federal Home Loan Bank advances	407,583	9,836	4.87
Long-term debt	113,251	4,405	7.84
Total borrowed funds	728,497	19,729	5.46
Total interest-bearing liabilities	5,916,467	132,193	4.51
Non-interest-bearing liabilities:			
Non-interest-bearing deposits	667,560		
Other liabilities	74,846		
Total liabilities	6,658,873		
Shareholders' equity	648,358		
Total liabilities and shareholders' equity	\$ 7,307,231		
Net interest revenue		\$ 133,072	

Net interest-rate spread	=====	3.40%
		=====
Net interest margin (4)		3.96%
		=====

- (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 \$14.5 million in 2008 and pretax unrealized losses of \$8.9 million in 2007 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.

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