



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 11-K**

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

or

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-21656

A. Full title of the Plan and address of the Plan, if different  
from that of the issuer named below:

United Community Banks, Inc.  
Profit Sharing Plan

B. Name of the issuer of the securities held pursuant to the plan and  
the address of the principal executive office:

United Community Banks, Inc.  
63 Highway 515, PO Box 398  
Blairsville, GA 30512

---

**UNITED COMMUNITY BANKS, INC.  
PROFIT SHARING PLAN**

**Financial Statements and Supplemental Schedule**

**December 31, 2003 and 2002**

**(with Independent Accountants' Report thereon)**

---



Porter Keadle Moore, LLP

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Trustees  
United Community Banks, Inc. Profit Sharing Plan  
Blairsville, Georgia

We have audited the accompanying statements of net assets available for plan benefits of United Community Banks, Inc. Profit Sharing Plan as of December 31, 2003 and 2002, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of United Community Banks, Inc. Profit Sharing Plan as of December 31, 2003 and 2002 and the changes in its net assets available for plan benefits for the year ended December 31, 2003, in conformity with the United States generally accepted accounting principles.

Our audit of the Plan's financial statements as of and for the year ended December 31, 2003, was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets Held for Investment Purposes is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management and has been subjected to the auditing procedures applied in our audit of the basic financial statements for the year ended December 31, 2003, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Porter Keadle Moore, LLP*

Atlanta, Georgia  
July 12, 2004

---

**UNITED COMMUNITY BANKS, INC. PROFIT SHARING PLAN**

**Statements of Net Assets Available for Plan Benefits**

**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Cash	\$ 4,999	166,801
<b>Investments at fair value:</b>		
Common stock of United Community Banks, Inc.	16,438,649	11,973,298
Shares of registered investment company mutual funds	25,868,049	18,624,364
Total investments	<u>42,311,697</u>	<u>30,764,463</u>
<b>Receivables:</b>		
Employees' contributions	110,608	—
Employer's contributions	1,125,053	833,419
Accrued dividends	43,040	30,676
Participant loans	—	216
Total receivables	<u>1,278,701</u>	<u>864,311</u>
Total assets	<u>43,590,398</u>	<u>31,628,774</u>
<b>Liabilities:</b>		
Amounts due to brokers	4,706	11,502
Benefit claims payable	1,348	—
Total liabilities	<u>6,054</u>	<u>11,502</u>
Net assets available for plan benefits	<u>\$43,584,344</u>	<u>31,617,272</u>

See accompanying notes to financial statements.

UNITED COMMUNITY BANKS, INC. PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Plan Benefits

For the Year Ended December 31, 2003

Additions to net assets attributable to:	
Investment income:	
Interest and dividends	\$ 551,722
Net appreciation in fair value of investments	8,079,006
Total investment income	8,630,728
Contributions:	
Employer discretionary	1,055,619
Employer match	1,698,439
Employee deferrals	2,764,949
Employee rollovers	223,823
Other	21,946
Total contributions	5,764,776
Total additions	14,395,504
Deductions from net assets attributable to:	
Distributions paid to participants	2,273,377
Administrative expenses	155,055
Total deductions	2,428,432
Net increase in net assets available for plan benefits	11,967,072
Net assets available for plan benefits:	
Beginning of year	31,617,272
End of year	\$43,584,344

See accompanying notes to financial statements

**UNITED COMMUNITY BANKS, INC. PROFIT SHARING PLAN**  
**Notes to Financial Statements**

**(1) Description of the Plan**

The following description of United Community Banks, Inc. Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General**

The Plan is a defined contribution plan, and was formed to provide benefits exclusively for the employees of United Community Banks, Inc. and its subsidiaries (the "Company"). Employees are eligible to participate in the Plan on the next immediate enrollment date following employment, but are eligible to participate in the matching portion after the completion of one year of service with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Contributions**

Employees of the Company participating in the Plan are entitled to make pre-tax contributions to the Plan in amounts from 2% to 30% of their annual compensation. The Company's matching contribution is up to 5% of a participant's annual compensation for those who have completed at least one year of service and have elected to make deferred contributions. The Company may also make an additional discretionary contribution in any Plan year. Contributions are subject to certain limitations.

**Vesting**

Participants are immediately vested in their voluntary contributions to the Plan. Participants vest in the Company's contributions according to the following schedule:

<b>Years of Service</b>		<b>Vested Percentage</b>
Less than 1	1	0%
	2	33%
	3	66%
3 or more		100%

Participants automatically become 100% vested upon death or disability while still an active employee of the Company. Upon termination of employment, amounts not vested will be forfeited with such forfeitures reducing administrative expenses paid from the plan. Forfeitures during 2003 totaled \$22,435.

**Payment of Benefits**

Upon retirement, a participant is entitled to receive 100% of his vested account balance in a lump-sum distribution or periodic payments over a predetermined period. Upon the death of a participant, the designated beneficiary is entitled to receive 100% of the participant's account in a lump-sum distribution or periodic payments over a predetermined period. In addition, disabled participants are entitled to 100% of their account balance. Plan participants who are terminated for reasons other than retirement, death or disability are entitled to receive only the vested portion of their account. The Plan also allows for certain hardship withdrawals prior to termination of employment.

**Administrative Expenses**

In 2003, the Plan began paying administrative expenses. Prior to 2003, administrative expenses of the Plan were absorbed by the Company.

## UNITED COMMUNITY BANKS, INC. PROFIT SHARING PLAN

### Notes to Financial Statements, continued

#### (1) Description of the Plan, continued

##### Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. The participants affected by the termination or discontinuance of contributions will immediately become 100% vested in their accounts.

#### (2) Summary of Significant Accounting Policies

##### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those assets of the Plan. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

##### Investment Valuation

The Plan's investments are stated at fair value. The Company's stock trades on the NASDAQ exchange, and the value of UCBI stock at December 31, 2003 is based on a quoted market price. Investments in mutual funds are valued at fair value based on quoted market prices of the underlying fund securities.

The Plan provides for investments in various investment securities, which are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The net gain/(loss) from investment activity includes realized and unrealized gains and losses from investment activity as well as earnings on investments. Unrealized gains/(losses) are calculated as the difference between the current value of securities as of the end of the plan year and either the current value at the end of the preceding year or the actual cost if such investments were purchased during the current year. Realized gains or losses on sales of investments are calculated as the difference between sales proceeds and the current value of investments at the beginning of the year or the actual cost if such investments were purchased during the year. Earnings on investments include interest and dividends received on the Company's common stock and mutual fund shares.

Securities transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date.

**UNITED COMMUNITY BANKS, INC. PROFIT SHARING PLAN**

**Notes to Financial Statements, continued**

**(3) Investments**

The following table represents investments at December 31, 2003 and 2002

	2003	2002
Cash	\$ 4,999	166,801
United Community Banks, Inc. Common Stock (750,167 and 736,969 shares at December 31, 2003 and 2002, respectively)	\$16,438,649	11,973,298
INTRUST Funds:		
AI Money Market Fund	\$ 1,245,769	1,132,961
Federated – U.S. Treasury Cash Reserves Fund	885	884
Amcent Equity Income Fund	276,757	—
AI Nestegg 2040 Fund	3,969,356	2,525,558
AI Nestegg 2030 Fund	3,595,491	2,497,343
AI Nestegg 2020 Fund	7,664,069	6,051,818
AI Nestegg 2010 Fund	2,904,715	2,388,601
AI Nestegg Capital Preservation Fund (formerly Nestegg 2000 Fund)	1,691,169	1,249,708
American Independence International Multi-Manager Stock Fund	168,987	82,211
Baron Growth Fund	205,780	14,399
Federated Stock Trust Fund	936,234	555,749
Federated Max-Cap Fund	669,923	413,693
Franklin Strategic Small MIDCAP Growth Fund	477,764	229,169
Janus Growth & Income Fund	638,173	342,750
MSIF MIDCAP Value Advisor Fund	—	141,184
Royce Fund	142,336	12,030
Pimco Total Return Bond Fund	1,280,641	986,306
Total INTRUST Funds	\$25,868,049	18,624,364

During 2003, the Plan's investments (including investments bought, sold, and held during the year) appreciated in value by \$8,079,006 as detailed below:

	Year Ended December 31, 2003
Net Change in Investments at Fair Value as Determined by Quoted Market Price	
Mutual Funds	\$ 3,706,314
United Community Banks, Inc. Common Stock	4,372,692
Net change in Fair Value	\$8,079,006

Single investments representing more than 5% of the Plan's net assets as of December 31, 2003 and 2002, are separately identified.

	December 31	
	2003	2002
United Community Banks, Inc. Common Stock	16,438,649	11,973,298
AI Nestegg 2040 Fund	3,969,356	2,525,558
AI Nestegg 2030 Fund	3,595,491	2,497,343
AI Nestegg 2020 Fund	7,664,069	6,051,818
AI Nestegg 2010 Fund	2,904,715	2,388,601

**UNITED COMMUNITY BANKS, INC. PROFIT SHARING PLAN**  
**Notes to Financial Statements, continued**

**(4) Tax Status**

The Plan obtained its latest determination letter on October 4, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan sponsor and the Plan's tax counsel believe the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

**(5) Party-In-Interest Transactions**

The Plan received cash dividends of \$543,105 on its investment in United Community Banks, Inc. common stock during 2003.

**UNITED COMMUNITY BANKS, INC. PROFIT SHARING PLAN**

**Schedule of Assets Held for Investment Purposes**

**December 31, 2003**

**Employer Identification Number: 58-0554454**

**Plan Number: 001**

<b>(a) Identity of issuer or similar party (b)</b>	<b>Description of assets (c)</b>	<b>Cost (d)</b>	<b>Fair Value (e)</b>
* United Community Banks, Inc.	Common stock — 750,167 shares	N/A	\$16,438,649
INTRUST	AI Money Market Fund — 1,245,769 shares	N/A	1,245,769
INTRUST	Federated — U.S. Treasury Cash Reserves Fund - 885 shares	N/A	885
INTRUST	AMCENT Equity Income Fund — 35,527 shares	N/A	276,757
INTRUST	AI NESTEGG 2040 Fund — 422,722 shares	N/A	3,969,356
INTRUST	AI NESTEGG 2030 Fund — 376,097 shares	N/A	3,595,491
INTRUST	AI NESTEGG 2020 Fund — 793,382 shares	N/A	7,664,069
INTRUST	AI NESTEGG 2010 Fund — 288,739 shares	N/A	2,904,715
INTRUST	AI NESTEGG Capital Preservation Fund - 163,398 shares	N/A	1,691,169
INTRUST	AI International Multi-Manager Stock Fund - 14,759 shares	N/A	168,987
INTRUST	Baron Growth Fund — 5,806 shares	N/A	205,780
INTRUST	Federated Stock Trust Fund — 27,319 shares	N/A	936,234
INTRUST	Federated Max-Cap Fund — 29,761 shares	N/A	669,923
INTRUST	Franklin Strategic Small MIDCAP Growth Fund - 15,810 shares	N/A	477,764
INTRUST	Janus Growth & Income — 22,074 shares	N/A	638,173
INTRUST	Royce Fund — 10, 181 shares	N/A	142,336
INTRUST	PIMCO Total Return Bond Fund — 119,574 shares	N/A	1,280,641

\* *Party in interest*

N/A — *Due to Plan being fully participant directed, such values are not applicable.*

**SIGNATURE**

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

United Community Banks, Inc.  
Profit Sharing Plan

By: *s/ John Goff*

---

Title: Vice President and Trust Officer INTRUST BANK, N.A.

---

Date: July 22, 2004

---

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
23	Consent of Independent Registered Public Accountants

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statement (Form S-8 File Number 333-86876) pertaining to the United Community Banks, Inc. Profit Sharing Plan of our report dated July 12, 2004, with respect to the financial statements of the United Community Banks, Inc. Profit Sharing Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2003.

/s/ Porter Keadle Moore, LLP

Atlanta, Georgia  
July 22, 2004

