



October 25, 2012

## United Community Banks, Inc. Reports Earnings of \$10.6 Million for Third Quarter 2012

BLAIRSVILLE, GA -- (Marketwire) -- 10/25/12 -- United Community Banks, Inc. (NASDAQ: UCBI)

- Net income of \$10.6 million, or 13 cents per share
- Loans up \$18.6 million from second quarter, and \$28 million from a year ago
- Core transaction deposits up \$72 million in third quarter, or 9 percent annualized
- Nonperforming assets decline \$3.8 million, or 3 percent, from second quarter
- Capital position sound

United Community Banks, Inc. (NASDAQ: UCBI) today reported net income of \$10.6 million, or 13 cents per share, for the third quarter of 2012; and net income of \$28.6 million, or 34 cents per share, year-to-date. The results for the third quarter and first nine months of 2012 reflect modest loan growth, strong core transaction deposit growth, increases in fee revenue and lower operating expenses compared with the same periods a year ago.

"United Community Banks is capitalizing on business opportunities, strengthening its financial foundation and building long-term value for customers, employees and shareholders," said Jimmy Tallent, president and chief executive officer. "Our third quarter was successful by nearly every measure, and represents the fifth profitable quarter since our 2011 capital transaction and problem asset disposition plan execution."

Tallent continued, "We achieved both positive linked-quarter and year-over-year loan growth. Our credit measures continue their positive trend, with nonperforming assets down \$3.8 million, or 3 percent, from the second quarter. At the same time we reduced expenses and improved operating efficiency. We expect profitability to continue from improved efficiency and further expense reductions, as well as revenue enhancements from prudent growth of our business mix of loans and deposits. We are gaining momentum and achieving success."

Tallent said, "Continued expansion of quality loan and deposit relationships remains a top priority. Total loans were \$4.138 billion at quarter-end, up \$18.6 million from the second quarter and up \$28 million from a year earlier, reflecting the first annual loan growth in over four years. We are strategically growing the portfolio by focusing on full-service relationships with small-to-medium-sized businesses. During the third quarter we added \$218 million in new loan commitments, of which \$137 million were funded by quarter-end. We also grew core transaction deposits by \$72 million, contributing to an especially strong \$236 million total in the first nine months. Annualized, the linked-quarter growth rate is 9 percent and year-to-date is 11 percent."

The third quarter provision for loan losses was \$15.5 million, down from \$36 million a year ago and \$18 million in the second quarter. The third quarter 2011 provision for loan losses included \$25 million specifically related to United's largest lending relationship. Third quarter net charge-offs were \$20.6 million, compared to \$18.9 million in the second quarter of 2012 and \$17.5 million in the third quarter of 2011. Tallent added, "Net charge-offs of \$20.6 million this quarter included losses from the sale of \$13 million in performing classified loans that had \$3.6 million in specific reserves at the end of the second quarter. The losses on the sold loans account for most of the difference between our provision for loan losses and charge-offs this quarter."

"Overall credit trends continued to improve this quarter with the exception of a slight increase in net charge-offs," Tallent said. "Most notably our performing classified loans, which are defined as accruing substandard for regulatory purposes, decreased \$41.1 million in the third quarter, or 13 percent, to \$282.5 million at quarter-end. Nonperforming assets were \$142 million in the third quarter, down \$3.8 million from the second quarter. Nonperforming asset levels are impacted positively or negatively by the inflow of new nonperforming loans and our ability to liquidate foreclosed properties. In the third quarter, the inflow of new nonperforming loans was \$30.5 million compared with \$29.4 million in the second quarter and \$103 million a year ago. Also, loans past due 30 to 89 days increased slightly from .65 percent of outstanding loans in the second quarter to .68 percent in the third quarter."

Taxable equivalent net interest revenue totaled \$57.4 million, up \$535,000 from the second quarter of 2012 but down \$1.91 million from the third quarter of 2011. "The decrease from last year primarily reflects lower yields on both our investment securities and loan portfolios," stated Tallent. "Our investment securities interest decline was due to reinvestment at record low rates, combined with \$179 million in lower average balances for the quarter. We continue to look for reinvestment opportunities with a focus on floating-rate securities to alleviate market and duration risk. Floating-rate securities now account for 39 percent of the total investment securities portfolio. The lower yield on our loan portfolio reflects ongoing pricing pressure on new and reviewed loans."

Taxable equivalent net interest margin of 3.60 percent was up 17 basis points from last quarter and 5 basis points from a year ago. The increase in the third quarter was primarily due to our second quarter balance sheet restructuring and the resulting smaller balance sheet.

Fee revenue was \$13.8 million for the third quarter, compared to \$12.9 million for the second quarter and \$11.5 million a year ago. The increase from prior quarters was primarily due to the higher level of mortgage loans closed and related mortgage fees. Mortgage refinancing activity continued to accelerate through the third quarter as mortgage rates fell to record low levels. Closed mortgage loans totaled \$108 million in the third quarter of 2012 compared with \$79.8 million in the second quarter and \$57.4 million in the third quarter of 2011. Service charges and fees on deposit accounts were also up from a year ago due to new fees on low balance deposit accounts that became effective in the first quarter of 2012, more than offsetting lower overdraft fees.

Other fee revenue of \$2.56 million was up \$930,000 from the second quarter of 2012 and \$579,000 from the third quarter of 2011, primarily related to fees on our new customer derivatives product and non-core items. In the third quarter of 2012, United earned \$278,000 in net fees on customer derivative transactions through its recently initiated back-to-back swap program on fixed rate commercial loans. The non-core other fee revenue items in the third quarter included \$608,000 in hedge ineffectiveness gains, compared with \$180,000 in hedge ineffectiveness losses in the second quarter of 2012 and \$575,000 in hedge ineffectiveness gains in the third quarter of 2011. Another non-core item relates to net gains or losses on United's deferred compensation plan assets. In the third quarter of 2012, United had \$153,000 in gains on deferred compensation plan assets compared with \$386,000 in losses a year ago and \$8,000 in losses in the second quarter of 2012. Gains and losses on deferred compensation plan assets included in fee revenue are directly offset by losses or gains on United's deferred compensation plan liabilities that increase or decrease salaries and employee benefit costs each quarter.

Operating expenses, excluding foreclosed property costs, were \$41.1 million for the third quarter of 2012 compared to \$42.5 million for the second quarter and \$43.7 million a year ago. Reduced staff levels and related costs were the primary drivers of the decrease from both periods, with 22 fewer staff positions compared to the second quarter and 170 fewer from a year ago. Most other expense categories were down as well, reflecting efforts to improve operating efficiency.

Foreclosed property costs for the third quarter of 2012 were \$3.7 million, compared to \$1.9 million in the second quarter and \$2.8 million a year ago. Third quarter 2012 costs included \$962,000 for maintenance and \$2.7 million in net losses and write-downs. For the second quarter, foreclosed property costs included \$1.1 million in maintenance and \$739,000 in net losses and write-downs. Third quarter 2011 costs included \$1.8 million in maintenance and \$968,000 in net losses and write-downs. The rise this quarter in net losses and write-downs was due primarily to re-appraisals of properties held for sale.

As of September 30, 2012, capital ratios were as follows: Tier 1 Risk-Based of 14.3 percent; Tier 1 Leverage of 9.8 percent; and Total Risk-Based of 15.8 percent. The Tier 1 Common Risk-Based ratio was 8.8 percent and the tangible equity-to-assets ratio was 8.7 percent.

"We have made significant progress on all fronts to position us as the customer service leader in financial services," Tallent said. "This progress includes successfully recapitalizing the company, aggressively addressing our credit challenges, and rebalancing our loan portfolio for a more favorable risk profile going forward. We have also made significant progress in building on our already strong deposit base and improving operating efficiency."

Tallent noted the recent addition of Lynn Harton, who brings to United 29 years of executive banking experience, as chief operating officer. "Lynn has earned a high level of respect in our industry and we are delighted to have him on board," Tallent said. "We also strengthened our board of directors earlier this year with the addition of two experienced business, risk management and capital markets professionals. With this added depth and expertise, coupled with our exceptional bankers and their documented outstanding level of customer service, we are well positioned with the right people, strategies, products, and business model to be the financial services leader in our markets."

#### Conference Call

United will hold a conference call today, Thursday, October 25, 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 36390832. The conference call also will be webcast and can be accessed by selecting 'Calendar of Events' within the Investor Relations section of United's website at [www.ucbi.com](http://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 \$6.7 billion and operates 27 community banks with 104 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 website at [www.ucbi.com](http://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 sections 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.

UNITED COMMUNITY BANKS, INC.

## Financial Highlights

### Selected Financial Information

	2012			2011	
	Third	Second	First	Fourth	Third
(in thousands, except per share data; taxable equivalent)	Quarter	Quarter	Quarter	Quarter	Quarter
INCOME SUMMARY					
Interest revenue	\$ 65,978	\$ 66,780	\$ 70,221	\$ 71,905	\$ 74,543
Interest expense	8,607	9,944	11,357	12,855	15,262
Net interest revenue	57,371	56,836	58,864	59,050	59,281
Provision for loan losses	15,500	18,000	15,000	14,000	36,000
Fee revenue	13,764	12,867	15,379	12,667	11,498
Total revenue	55,635	51,703	59,243	57,717	34,779
Operating expenses	44,783	44,310	46,955	51,080	46,520
Income (loss) before income taxes	10,852	7,393	12,288	6,637	(11,741)

Income tax expense (benefit)	284	894	760	(3,264)	(402)
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Net income (loss)	10,568	6,499	11,528	9,901	(11,339)
Preferred dividends and discount accretion	3,041	3,032	3,030	3,025	3,019
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Net income (loss) available to common shareholders	\$ 7,527	\$ 3,467	\$ 8,498	\$ 6,876	\$(14,358)
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#### PERFORMANCE MEASURES

Per common share:

Diluted income (loss)	\$ .13	\$ .06	\$ .15	\$ .12	\$(.25)
Book value	6.75	6.61	6.68	6.62	6.77
Tangible book value (2)	6.64	6.48	6.54	6.47	6.61

Key performance ratios:

Return on equity (1)(3)	7.43%	3.51%	8.78%	7.40%	(15.06)
Return on assets (3)	.63	.37	.66	.56	(.64)
Net interest margin (3)	3.60	3.43	3.53	3.51	3.55
Efficiency ratio	62.95	63.84	63.31	71.23	65.73
Equity to assets	8.75	8.33	8.19	8.28	8.55
Tangible equity to assets (2)	8.66	8.24	8.08	8.16	8.42
Tangible common equity to assets (2)	5.73	5.45	5.33	5.38	5.65
Tangible common equity to risk-weighted assets (2)	8.44	8.37	8.21	8.25	8.52

#### ASSET QUALITY \*

Non-performing loans	\$115,001	\$115,340	\$129,704	\$127,479	\$144,484
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Foreclosed properties	26,958	30,421	31,887	32,859	44,263
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Total non-performing assets					
(NPAs)	141,959	145,761	161,591	160,338	188,747
Allowance for loan losses	107,642	112,705	113,601	114,468	146,092
Net charge-offs	20,563	18,896	15,867	45,624	17,546
Allowance for loan losses to					
loans	2.60%	2.74%	2.75%	2.79%	3.55
Net charge-offs to average					
loans (3)	1.99	1.85	1.55	4.39	1.68
NPAs to loans and foreclosed					
properties	3.41	3.51	3.88	3.87	4.54
NPAs to total assets	2.12	2.16	2.25	2.30	2.74

AVERAGE BALANCES (\$ in millions)

Loans	\$ 4,147	\$ 4,156	\$ 4,168	\$ 4,175	\$ 4,194
Investment securities	1,971	2,145	2,153	2,141	2,150
Earning assets	6,346	6,665	6,700	6,688	6,630
Total assets	6,648	6,993	7,045	7,019	7,000
Deposits	5,789	5,853	6,028	6,115	6,061
Shareholders' equity	582	583	577	581	598
Common shares - basic					
(thousands)	57,880	57,840	57,764	57,646	57,599
Common shares - diluted					
(thousands)	57,880	57,840	57,764	57,646	57,599

AT PERIOD END (\$ in millions)

Loans *	\$ 4,138	\$ 4,119	\$ 4,128	\$ 4,110	\$ 4,110
Investment securities	2,025	1,984	2,202	2,120	2,123
Total assets	6,699	6,737	7,174	6,983	6,894

Deposits	5,823	5,822	6,001	6,098	6,005
Shareholders' equity	585	576	580	575	583
Common shares outstanding					
(thousands)	57,710	57,641	57,603	57,561	57,510

(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.

Financial Highlights

Selected Financial Information

	Third Quarter 2012-	For the Nine Months Ended September 30, 2011	YTD 2012-
Third Quarter	2011	September 30,	2011

(in thousands, except  
per share data;

taxable equivalent) 2012 2011 Change 2012 2011 Change

INCOME SUMMARY

Interest revenue	\$ 65,978	\$ 74,543		\$ 202,979	\$ 227,439	
Interest expense	8,607	15,262		29,908	52,820	
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Net interest						
revenue	57,371	59,281	(3) %	173,071	174,619	(1) %
Provision for loan						
losses	15,500	36,000		48,500	237,000	
Fee revenue	13,764	11,498	20	42,010	37,241	13
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Total revenue	55,635	34,779		166,581	(25,140)	
Operating expenses	44,783	46,520	(4)	136,048	210,519	(35)
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Income (loss)						
before income						
taxes	10,852	(11,741)		30,533	(235,659)	
Income tax expense						
(benefit)	284	(402)		1,938	988	
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Net income (loss)	10,568	(11,339)		28,595	(236,647)	
Preferred dividends						
and discount						
accretion	3,041	3,019		9,103	8,813	
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Net income (loss)						
available to common						
shareholders	\$ 7,527	\$(14,358)		\$ 19,492	\$(245,460)	
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PERFORMANCE MEASURES

Per common share:

Diluted income

(loss)	\$	.13	\$	(.25)		\$	.34	\$	(7.23)	
Book value		6.75		6.77	-		6.75		6.77	-
Tangible book										
value (2)		6.64		6.61	-		6.64		6.61	-

Key performance

ratios:

Return on equity

(1)(3)		7.43%		(15.06)%			6.57%		(151.32)%
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Return on assets

(3)		.63		(.64)			.53		(4.37)
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Net interest

margin (3)		3.60		3.55			3.52		3.42
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Efficiency ratio		62.95		65.73			63.36		99.39
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Equity to assets		8.75		8.55			8.42		7.58
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Tangible equity to

assets (2)		8.66		8.42			8.32		7.47
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Tangible common

equity to assets

(2)		5.73		5.65			5.50		3.23
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Tangible common

equity to risk-

weighted assets

(2)		8.44		8.52			8.44		8.52
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ASSET QUALITY \*

Non-performing loans	\$115,001	\$144,484		\$ 115,001	\$ 144,484
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Foreclosed

properties	26,958	44,263		26,958	44,263
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Total non-



performing assets					
(NPAs)	141,959	188,747		141,959	188,747
Allowance for loan					
losses	107,642	146,092		107,642	146,092
Net charge-offs	20,563	17,546		55,326	265,603
Allowance for loan					
losses to loans	2.60%	3.55%		2.60%	3.55%
Net charge-offs to					
average loans (3)	1.99	1.68		1.80	8.28
NPAs to loans and					
foreclosed					
properties	3.41	4.54		3.41	4.54
NPAs to total assets	2.12	2.74		2.12	2.74

AVERAGE BALANCES (\$

in millions)

Loans	\$ 4,147	\$ 4,194	(1)	\$ 4,157	\$ 4,352	(4)
Investment						
securities	1,971	2,150	(8)	2,089	1,952	7
Earning assets	6,346	6,630	(4)	6,569	6,817	(4)
Total assets	6,648	7,000	(5)	6,894	7,246	(5)
Deposits	5,789	6,061	(4)	5,890	6,329	(7)
Shareholders' equity	582	598	(3)	580	549	6
Common shares -						
basic (thousands)	57,880	57,599		57,826	33,973	
Common shares -						
diluted (thousands)	57,880	57,599		57,826	33,973	

AT PERIOD END (\$ in

millions)

Loans *	\$ 4,138	\$ 4,110	1	\$ 4,138	\$ 4,110	1
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Investment						
securities	2,025	2,123	(5)	2,025	2,123	(5)
Total assets	6,699	6,894	(3)	6,699	6,894	(3)
Deposits	5,823	6,005	(3)	5,823	6,005	(3)
Shareholders' equity	585	583	-	585	583	-
Common shares						
outstanding						
(thousands)	57,710	57,510		57,710	57,510	

(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

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	2012			2011	
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(in thousands, except per					
share	Third	Second	First	Fourth	Third
data; taxable equivalent)	Quarter	Quarter	Quarter	Quarter	Quarter

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Interest revenue					
reconciliation					
Interest revenue - taxable					
equivalent	\$ 65,978	\$ 66,780	\$ 70,221	\$ 71,905	\$ 74,543
Taxable equivalent adjustment	(419)	(444)	(446)	(423)	(420)
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Interest revenue (GAAP)	\$ 65,559	\$ 66,336	\$ 69,775	\$ 71,482	\$ 74,123
	=====	=====	=====	=====	=====

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Net interest revenue					
reconciliation					
Net interest revenue - taxable					
equivalent	\$ 57,371	\$ 56,836	\$ 58,864	\$ 59,050	\$ 59,281
Taxable equivalent adjustment	(419)	(444)	(446)	(423)	(420)
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Net interest revenue (GAAP)	\$ 56,952	\$ 56,392	\$ 58,418	\$ 58,627	\$ 58,861
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Total revenue reconciliation					
Total operating revenue	\$ 55,635	\$ 51,703	\$ 59,243	\$ 57,717	\$ 34,779
Taxable equivalent adjustment	(419)	(444)	(446)	(423)	(420)
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Total revenue (GAAP)	\$ 55,216	\$ 51,259	\$ 58,797	\$ 57,294	\$ 34,359
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Income (loss) before taxes					
reconciliation					
Income (loss) before taxes	\$ 10,852	\$ 7,393	\$ 12,288	\$ 6,637	\$ (11,741)
Taxable equivalent adjustment	(419)	(444)	(446)	(423)	(420)

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Income (loss) before taxes					
(GAAP)	\$ 10,433	\$ 6,949	\$ 11,842	\$ 6,214	\$(12,161)
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Income tax (benefit) expense					
reconciliation					
Income tax (benefit) expense	\$ 284	\$ 894	\$ 760	\$ (3,264)	\$ (402)
Taxable equivalent adjustment	(419)	(444)	(446)	(423)	(420)
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Income tax (benefit) expense					
(GAAP)	\$ (135)	\$ 450	\$ 314	\$ (3,687)	\$ (822)
	=====	=====	=====	=====	=====
Book value per common share					
reconciliation					
Tangible book value per common					
share	\$ 6.64	\$ 6.48	\$ 6.54	\$ 6.47	\$ 6.61
Effect of goodwill and other					
intangibles	.11	.13	.14	.15	.16
	-----	-----	-----	-----	-----
Book value per common share					
(GAAP)	\$ 6.75	\$ 6.61	\$ 6.68	\$ 6.62	\$ 6.77
	=====	=====	=====	=====	=====
Average equity to assets					
reconciliation					
Tangible common equity to					
assets	5.73%	5.45%	5.33%	5.38%	5.65%
Effect of preferred equity	2.93	2.79	2.75	2.78	2.77
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Tangible equity to assets	8.66	8.24	8.08	8.16	8.42
Effect of goodwill and other intangibles	.09	.09	.11	.12	.13
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Equity to assets (GAAP)	8.75%	8.33%	8.19%	8.28%	8.55%
	=====	=====	=====	=====	=====
Tangible common equity to risk-weighted assets reconciliation					
Tangible common equity to risk-weighted assets	8.44%	8.37%	8.21%	8.25%	8.52%
Effect of other comprehensive income	.36	.28	.10	(.03)	(.29)
Effect of trust preferred	1.17	1.19	1.15	1.18	1.19
Effect of preferred equity	4.29	4.35	4.23	4.29	4.33
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Tier I capital ratio (Regulatory)	14.26%	14.19%	13.69%	13.69%	13.75%
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UNITED COMMUNITY BANKS, INC.

Non-GAAP Performance Measures Reconciliation

Selected Financial Information

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(in thousands, except per share

For the Nine

Months Ended

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data; taxable equivalent)	2012	2011
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Interest revenue reconciliation		
Interest revenue - taxable equivalent	\$ 202,979	\$ 227,439
Taxable equivalent adjustment	(1,309)	(1,284)
	-----	-----
Interest revenue (GAAP)	\$ 201,670	\$ 226,155
	=====	=====
Net interest revenue reconciliation		
Net interest revenue - taxable equivalent	\$ 173,071	\$ 174,619
Taxable equivalent adjustment	(1,309)	(1,284)
	-----	-----
Net interest revenue (GAAP)	\$ 171,762	\$ 173,335
	=====	=====
Total revenue reconciliation		
Total operating revenue	\$ 166,581	\$ (25,140)
Taxable equivalent adjustment	(1,309)	(1,284)
	-----	-----
Total revenue (GAAP)	\$ 165,272	\$ (26,424)
	=====	=====
Income (loss) before taxes reconciliation		
Income (loss) before taxes	\$ 30,533	\$ (235,659)
Taxable equivalent adjustment	(1,309)	(1,284)
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Income (loss) before taxes (GAAP)	\$ 29,224	\$ (236,943)
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Income tax (benefit) expense reconciliation

Income tax (benefit) expense	\$	1,938	\$	988
Taxable equivalent adjustment		(1,309)		(1,284)
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Income tax (benefit) expense (GAAP)	\$	629	\$	(296)
		=====		=====

Book value per common share reconciliation

Tangible book value per common share	\$	6.64	\$	6.61
Effect of goodwill and other intangibles		.11		.16
		-----		-----
Book value per common share (GAAP)	\$	6.75	\$	6.77
		=====		=====

Average equity to assets reconciliation

Tangible common equity to assets		5.50%		3.23%
Effect of preferred equity		2.82		4.24
		-----		-----
Tangible equity to assets		8.32		7.47
Effect of goodwill and other intangibles		.10		.11
		-----		-----
Equity to assets (GAAP)		8.42%		7.58%
		=====		=====

Tangible common equity to risk-weighted assets  
reconciliation

Tangible common equity to risk-weighted assets		8.44%		8.52%
Effect of other comprehensive income		.36		(.29)
Effect of trust preferred		1.17		1.19
Effect of preferred equity		4.29		4.33
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Tier I capital ratio (Regulatory) 14.26% 13.75%

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UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End (1)

	2012			2011	
(in millions)	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
-----					
LOANS BY CATEGORY					
Commercial (sec.by RE)	\$ 1,819	\$ 1,837	\$ 1,843	\$ 1,822	\$ 1,771
Commercial & industrial	460	450	440	428	429
Commercial construction	161	169	167	164	169
-----					
Total commercial	2,440	2,456	2,450	2,414	2,369
Residential mortgage	1,174	1,128	1,131	1,135	1,150
Residential construction	389	409	436	448	474
Consumer installment	135	126	111	113	117
-----					
Total loans	\$ 4,138	\$ 4,119	\$ 4,128	\$ 4,110	\$ 4,110
=====					

LOANS BY MARKET



North Georgia	\$ 1,383	\$ 1,387	\$ 1,408	\$ 1,426	\$ 1,478
Atlanta MSA	1,257	1,252	1,239	1,220	1,192
North Carolina	579	576	588	597	607
Coastal Georgia	380	369	366	346	316
Gainesville MSA	256	259	262	265	272
East Tennessee	283	276	265	256	245
-----					
Total loans	\$ 4,138	\$ 4,119	\$ 4,128	\$ 4,110	\$ 4,110

=====

RESIDENTIAL CONSTRUCTION

Dirt loans

Acquisition & development	\$ 71	\$ 78	\$ 86	\$ 88	97
Land loans	41	45	57	61	60
Lot loans	196	203	204	207	216
-----					
Total	308	326	347	356	373

-----

House loans

Spec	44	49	57	59	64
Sold	37	34	32	33	37
-----					
Total	81	83	89	92	101

-----

Total residential construction \$ 389 \$ 409 \$ 436 \$ 448 \$ 474

=====

RESIDENTIAL CONSTRUCTION - ATLANTA MSA

Dirt loans

Acquisition & development	\$ 14	\$ 14	\$ 17	\$ 17	19
---------------------------	-------	-------	-------	-------	----

Land loans	9	9	13	14	15
Lot loans	18	22	22	22	22
	-----	-----	-----	-----	-----
Total	41	45	52	53	56
	-----	-----	-----	-----	-----
House loans					
Spec	19	24	27	27	28
Sold	8	7	7	6	8
	-----	-----	-----	-----	-----
Total	27	31	34	33	36
	-----	-----	-----	-----	-----
Total residential construction	\$ 68	\$ 76	\$ 86	\$ 86	\$ 92
	=====	=====	=====	=====	=====

(1) Excludes total loans of \$37.0 million, \$41.5 million, \$47.2 million, \$54.5 million and \$57.8 million as of September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 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

Loan Portfolio Composition at Period-End (1)

-----

(in millions)	Third Quarter	Second Quarter	Quarter Change
-----	-----	-----	-----
LOANS BY CATEGORY			
Commercial (sec.by RE)	\$ 1,819	\$ 1,837	\$ (18)
Commercial & industrial	460	450	10
Commercial construction	161	169	(8)
	-----	-----	
Total commercial	2,440	2,456	(16)
Residential mortgage	1,174	1,128	46
Residential construction	389	409	(20)
Consumer installment	135	126	9
	-----	-----	
Total loans	\$ 4,138	\$ 4,119	19
	=====	=====	

LOANS BY MARKET

North Georgia	\$ 1,383	\$ 1,387	(4)
Atlanta MSA	1,257	1,252	5
North Carolina	579	576	3
Coastal Georgia	380	369	11
Gainesville MSA	256	259	(3)
East Tennessee	283	276	7
	-----	-----	
Total loans	\$ 4,138	\$ 4,119	19
	=====	=====	

RESIDENTIAL CONSTRUCTION

Dirt loans

Acquisition & development	\$ 71	\$ 78	(7)
Land loans	41	45	(4)

Lot loans	196	203	(7)
	-----	-----	
Total	308	326	(18)
	-----	-----	
House loans			
Spec	44	49	(5)
Sold	37	34	3
	-----	-----	
Total	81	83	(2)
	-----	-----	
Total residential construction	\$ 389	\$ 409	(20)
	=====	=====	

RESIDENTIAL CONSTRUCTION - ATLANTA MSA

Dirt loans

Acquisition & development	\$ 14	\$ 14	-
Land loans	9	9	-
Lot loans	18	22	(4)
	-----	-----	
Total	41	45	(4)
	-----	-----	

House loans

Spec	19	24	(5)
Sold	8	7	1
	-----	-----	
Total	27	31	(4)
	-----	-----	
Total residential construction	\$ 68	\$ 76	(8)
	=====	=====	

(1) Excludes total loans of \$37.0 million, \$41.5 million, \$47.2 million, \$54.5 million and \$57.8 million as of September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 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

Loan Portfolio Composition at Period-End (1)

	2012	2011	Year over
	-----	-----	
	Third	Third	Year
(in millions)	Quarter	Quarter	Change
	-----	-----	-----
LOANS BY CATEGORY			
Commercial (sec.by RE)	\$ 1,819	\$ 1,771	\$ 48
Commercial & industrial	460	429	31
Commercial construction	161	169	(8)
	-----	-----	
Total commercial	2,440	2,369	71
Residential mortgage	1,174	1,150	24
Residential construction	389	474	(85)
Consumer installment	135	117	18
	-----	-----	
Total loans	\$ 4,138	\$ 4,110	28

=====

LOANS BY MARKET

North Georgia	\$ 1,383	\$ 1,478	(95)
Atlanta MSA	1,257	1,192	65
North Carolina	579	607	(28)
Coastal Georgia	380	316	64
Gainesville MSA	256	272	(16)
East Tennessee	283	245	38
	-----	-----	
Total loans	\$ 4,138	\$ 4,110	28

=====

RESIDENTIAL CONSTRUCTION

Dirt loans

Acquisition & development	\$ 71	\$ 97	(26)
Land loans	41	60	(19)
Lot loans	196	216	(20)
	-----	-----	
Total	308	373	(65)

-----

House loans

Spec	44	64	(20)
Sold	37	37	-
	-----	-----	
Total	81	101	(20)

-----

Total residential construction	\$ 389	\$ 474	(85)
--------------------------------	--------	--------	------

=====

RESIDENTIAL CONSTRUCTION - ATLANTA MSA

Dirt loans

Acquisition & development	\$	14	\$	19	(5)
Land loans		9		15	(6)
Lot loans		18		22	(4)
		-----		-----	
Total		41		56	(15)
		-----		-----	

House loans

Spec		19		28	(9)
Sold		8		8	-
		-----		-----	
Total		27		36	(9)
		-----		-----	

Total residential construction	\$	68	\$	92	(24)
		=====		=====	

(1) Excludes total loans of \$37.0 million, \$41.5 million, \$47.2 million, \$54.5 million and \$57.8 million as of September 30, 2012, June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 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)

-----

Third Quarter 2012

	-----		
	Non-		
(in thousands)	performing	Foreclosed	Total
	Loans	Properties	NPAs
	-----		
NPAs BY CATEGORY			
Commercial (sec.by RE)	\$ 25,896	\$ 8,767	\$ 34,663
Commercial & industrial	32,678	-	32,678
Commercial construction	18,590	3,121	21,711
	-----		
Total commercial	77,164	11,888	89,052
Residential mortgage	13,996	6,031	20,027
Residential construction	22,935	9,039	31,974
Consumer installment	906	-	906
	-----		
Total NPAs	\$ 115,001	\$ 26,958	\$ 141,959
	=====	=====	=====
Balance as a % of Unpaid Principal	68.8%	36.4%	58.8%
NPAs BY MARKET			
North Georgia	\$ 72,211	\$ 14,582	\$ 86,793
Atlanta MSA	21,349	5,926	27,275
North Carolina	9,622	2,771	12,393
Coastal Georgia	6,822	864	7,686
Gainesville MSA	840	1,328	2,168
East Tennessee	4,157	1,487	5,644
	-----		
Total NPAs	\$ 115,001	\$ 26,958	\$ 141,959
	=====	=====	=====



NPA ACTIVITY

Beginning Balance	\$ 115,340	\$ 30,421	\$ 145,761
Loans placed on non-accrual	30,535	-	30,535
Payments received	(3,646)	-	(3,646)
Loan charge-offs	(19,227)	-	(19,227)
Foreclosures	(8,001)	8,001	-
Capitalized costs	-	102	102
Note / property sales	-	(8,822)	(8,822)
Write downs	-	(2,394)	(2,394)
Net gains (losses) on sales	-	(350)	(350)
	-----	-----	-----
Ending Balance	\$ 115,001	\$ 26,958	\$ 141,959
	=====	=====	=====

(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.

Financial Highlights

Credit Quality(1)

-----

Second Quarter 2012

-----

(in thousands)	Non-		Total
	performing Loans	Foreclosed Properties	
-----			
NPAs BY CATEGORY			
Commercial (sec.by RE)	\$ 19,115	\$ 10,586	\$ 29,701
Commercial & industrial	34,982	-	34,982
Commercial construction	18,175	2,732	20,907
-----			
Total commercial	72,272	13,318	85,590
Residential mortgage	16,631	5,591	22,222
Residential construction	25,530	11,512	37,042
Consumer installment	907	-	907
-----			
Total NPAs	\$ 115,340	\$ 30,421	\$ 145,761
=====			
Balance as a % of Unpaid Principal	68.8%	39.3%	59.4%

NPAs BY MARKET

North Georgia	\$ 77,332	\$ 13,546	\$ 90,878
Atlanta MSA	17,593	8,651	26,244
North Carolina	10,657	3,287	13,944
Coastal Georgia	5,822	785	6,607
Gainesville MSA	991	2,998	3,989
East Tennessee	2,945	1,154	4,099
-----			
Total NPAs	\$ 115,340	\$ 30,421	\$ 145,761
=====			

NPA ACTIVITY

Beginning Balance	\$ 129,704	\$ 31,887	\$ 161,591
Loans placed on non-accrual	29,364	-	29,364
Payments received	(15,027)	-	(15,027)
Loan charge-offs	(19,382)	-	(19,382)
Foreclosures	(9,319)	9,319	-
Capitalized costs	-	415	415
Note / property sales	-	(10,461)	(10,461)
Write downs	-	(1,008)	(1,008)
Net gains (losses) on sales	-	269	269
	-----	-----	-----
Ending Balance	\$ 115,340	\$ 30,421	\$ 145,761
	=====	=====	=====

(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.

Financial Highlights

Credit Quality(1)

-----

First Quarter 2012

-----

Non-

performing    Foreclosed    Total

(in thousands)

Loans        Properties    NPAs

-----

NPAs BY CATEGORY

Commercial (sec.by RE)	\$ 26,081	\$ 10,808	\$ 36,889
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 NPAs	\$ 129,704	\$ 31,887	\$ 161,591
	=====	=====	=====
Balance as a % of Unpaid Principal	70.6%	36.1%	59.4%

NPAs BY MARKET

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 NPAs	\$ 129,704	\$ 31,887	\$ 161,591
	=====	=====	=====

NPA ACTIVITY

Beginning Balance	\$ 127,479	\$ 32,859	\$ 160,338
Loans placed on non-accrual	32,437	-	32,437
Payments received	(5,945)	-	(5,945)



## NET CHARGE-OFFS BY CATEGORY

Commercial (sec.by RE)	\$ 8,174	1.79%	\$ 4,349	.95%	\$ 3,697	.81%
Commercial & industrial	(259)	(.23)	775	.70	669	.62
Commercial construction	3,190	7.74	88	.21	334	.81
	-----		-----		-----	
Total commercial	11,105	1.81	5,212	.86	4,700	.78
Residential mortgage	3,527	1.23	3,862	1.38	5,375	1.91
Residential construction	5,676	5.69	9,563	9.14	5,314	4.84
Consumer installment	255	.78	259	.88	478	1.72
	-----		-----		-----	
Total	\$ 20,563	1.99	\$ 18,896	1.85	\$ 15,867	1.55
	=====		=====		=====	

## NET CHARGE-OFFS BY MARKET

North Georgia	\$ 6,451	1.84%	\$ 12,474	3.58%	\$ 9,022	2.56%
Atlanta MSA	9,344	3.02	2,307	.75	2,729	.89
North Carolina	1,674	1.15	3,634	2.52	1,679	1.14
Coastal Georgia	2,486	2.67	211	.23	1,329	1.53
Gainesville MSA	294	.45	(187)	(.29)	883	1.35
East Tennessee	314	.45	457	.68	225	.34
	-----		-----		-----	
Total	\$ 20,563	1.99	\$ 18,896	1.85	\$ 15,867	1.55
	=====		=====		=====	

(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		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
(in thousands, except per share data)				
Interest revenue:				
Loans, including fees	\$ 53,868	\$ 59,294	\$ 163,805	\$ 181,359
Investment securities, including tax exempt of \$225, \$244, \$737 and \$754	10,706	14,568	34,772	42,964
Federal funds sold, reverse repurchase agreements, commercial paper and deposits in banks	985	261	3,093	1,832
Total interest revenue	65,559	74,123	201,670	226,155

Interest expense:

Deposits:

NOW	447	831	1,587	3,191
Money market	599	1,129	1,901	4,656
Savings	37	52	112	193
Time	4,612	9,086	15,844	31,813
-----				
Total deposit interest				
expense	5,695	11,098	19,444	39,853
Federal funds purchased, repurchase agreements and other short-term borrowings	514	1,081	2,463	3,197
Federal Home Loan Bank advances	26	441	882	1,601
Long-term debt	2,372	2,642	7,119	8,169
-----				
Total interest expense	8,607	15,262	29,908	52,820
-----				
Net interest revenue	56,952	58,861	171,762	173,335
Provision for loan losses	15,500	36,000	48,500	237,000
-----				
Net interest revenue after provision for loan losses	41,452	22,861	123,262	(63,665)
-----				
Fee revenue:				
Service charges and fees	7,696	7,534	23,295	21,862
Mortgage loan and other related fees	2,800	1,148	7,221	3,594
Brokerage fees	709	836	2,331	2,204
Securities gains, net	-	-	7,047	838
Loss from prepayment of debt	-	-	(6,681)	(791)
Other	2,559	1,980	8,797	9,534



Total fee revenue	13,764	11,498	42,010	37,241
Total revenue	55,216	34,359	165,272	(26,424)
Operating expenses:				
Salaries and employee benefits	22,918	25,262	72,440	76,622
Communications and equipment	3,254	3,284	9,620	10,006
Occupancy	3,539	3,794	10,849	11,673
Advertising and public relations	934	1,052	2,868	3,347
Postage, printing and supplies	954	1,036	2,849	3,239
Professional fees	2,180	2,051	6,107	7,731
Foreclosed property	3,706	2,813	9,382	69,603
FDIC assessments and other regulatory charges	2,537	2,603	7,592	11,660
Amortization of intangibles	728	748	2,190	2,270
Other	4,033	3,877	12,151	14,368
Total operating expenses	44,783	46,520	136,048	210,519
Net income (loss) before income taxes	10,433	(12,161)	29,224	(236,943)
Income tax (benefit) expense	(135)	(822)	629	(296)
Net income (loss)	10,568	(11,339)	28,595	(236,647)
Preferred stock dividends and discount accretion	3,041	3,019	9,103	8,813
Net income (loss) available				

to common shareholders	\$	7,527	\$	(14,358)	\$	19,492	\$	(245,460)
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Earnings (loss) per common share

- Basic	\$	.13	\$	(.25)	\$	.34	\$	(7.23)
---------	----	-----	----	-------	----	-----	----	--------

Earnings (loss) per common share

- Diluted		.13		(.25)		.34		(7.23)
-----------	--	-----	--	-------	--	-----	--	--------

Weighted average common shares

outstanding - Basic		57,880		57,599		57,826		33,973
---------------------	--	--------	--	--------	--	--------	--	--------

Weighted average common shares

outstanding - Diluted		57,880		57,599		57,826		33,973
-----------------------	--	--------	--	--------	--	--------	--	--------

UNITED COMMUNITY BANKS, INC.

Consolidated Balance Sheet

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(in thousands, except share and per share data)	September 30, 2012	December 31, 2011	September 30, 2011
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(unaudited)	(audited)	(unaudited)
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ASSETS

Cash and due from banks	\$	57,270	\$	53,807	\$	57,780
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Interest-bearing deposits in

banks		119,355		139,609		241,440
-------	--	---------	--	---------	--	---------

Federal funds sold, reverse

repurchase agreements,

commercial paper and short-

term investments		45,000		185,000		-
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Cash and cash equivalents	221,625	378,416	299,220
Securities available for sale	1,761,994	1,790,047	1,769,083
Securities held to maturity (fair value \$281,336, \$343,531 and \$369,020)	262,648	330,203	353,739
Mortgage loans held for sale	30,571	23,881	22,050
Loans, net of unearned income	4,137,845	4,109,614	4,109,875
Less allowance for loan losses	107,642	114,468	146,092
	-----	-----	-----
Loans, net	4,030,203	3,995,146	3,963,783
Assets covered by loss sharing agreements with the FDIC	53,070	78,145	83,623
Premises and equipment, net	170,532	175,088	176,839
Bank owned life insurance	81,574	80,599	80,452
Accrued interest receivable	19,133	20,693	19,744
Goodwill and other intangible assets	6,237	8,428	9,175
Foreclosed property	26,958	32,859	44,263
Other assets	34,690	69,915	72,302
	-----	-----	-----
Total assets	\$ 6,699,235	\$ 6,983,420	\$ 6,894,273
	=====	=====	=====

LIABILITIES AND SHAREHOLDERS'

EQUITY

Liabilities:

Deposits:

Demand	\$ 1,210,703	\$ 992,109	\$ 966,452
NOW	1,184,341	1,509,896	1,299,512
Money market	1,126,312	1,038,778	1,030,370
Savings	222,431	199,007	200,231

Time:

Less than \$100,000	1,123,672	1,332,394	1,393,559
Greater than \$100,000	731,766	847,152	905,183
Brokered	223,474	178,647	209,998
	-----	-----	-----
Total deposits	5,822,699	6,097,983	6,005,305
Federal funds purchased, repurchase agreements, and other short-term borrowings	53,243	102,577	102,883
Federal Home Loan Bank advances	50,125	40,625	40,625
Long-term debt	120,285	120,225	120,206
Unsettled securities purchases	24,319	10,325	10,585
Accrued expenses and other liabilities	43,309	36,199	31,302
	-----	-----	-----
Total liabilities	6,113,980	6,407,934	6,310,906
	-----	-----	-----

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

178,183

177,092

176,739

Series D; \$1,000 stated value;

16,613 shares issued and

outstanding

16,613

16,613

16,613

Common stock, \$1 par value;

100,000,000 shares authorized;

42,393,319, 41,647,100 and

41,595,692 shares issued and outstanding	42,393	41,647	41,596
Common stock, non-voting, \$1 par value; 30,000,000 shares authorized; 15,316,794, 15,914,209 and 15,914,209 shares issued and outstanding	15,317	15,914	15,914
Common stock issuable; 129,270, 93,681 and 88,501 shares	3,247	3,233	3,590
Capital surplus	1,056,998	1,054,940	1,053,565
Accumulated deficit	(711,369)	(730,861)	(737,736)
Accumulated other comprehensive (loss) income	(16,344)	(3,309)	12,869
	-----	-----	-----
Total shareholders' equity	585,255	575,486	583,367
	-----	-----	-----
Total liabilities and shareholders' equity	\$ 6,699,235	\$ 6,983,420	\$ 6,894,273
	=====	=====	=====

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended September 30,

-----  
2012  
-----

	Average		Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate

-----  
Assets:

Interest-earning assets:

Loans, net of unearned income (1)(2)	\$4,147,220	\$ 53,963	5.18%
Taxable securities (3)	1,947,780	10,481	2.15
Tax-exempt securities (1)(3)	22,895	368	6.43
Federal funds sold and other interest- earning assets	227,950	1,166	2.05

Total interest-earning assets	6,345,845	65,978	4.14
-------------------------------	-----------	--------	------

Non-interest-earning assets:

Allowance for loan losses	(112,034)		
Cash and due from banks	51,705		
Premises and equipment	171,608		
Other assets (3)	190,439		

Total assets	\$6,647,563		
--------------	-------------	--	--

=====

Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$1,176,087	447	.15
Money market	1,157,655	599	.21
Savings	221,186	37	.07
Time less than \$100,000	1,144,103	2,260	.79
Time greater than \$100,000	750,828	1,876	.99
Brokered time deposits	176,114	476	1.08

Total interest-bearing deposits	4,625,973	5,695	.49
	-----	-----	
Federal funds purchased and other			
borrowings	55,994	514	3.65
Federal Home Loan Bank advances	44,473	26	.23
Long-term debt	120,276	2,372	7.85
	-----	-----	
Total borrowed funds	220,743	2,912	5.25
	-----	-----	
Total interest-bearing liabilities	4,846,716	8,607	.71
		-----	
Non-interest-bearing liabilities:			
Non-interest-bearing deposits	1,163,471		
Other liabilities	55,607		
	-----		
Total liabilities	6,065,794		
Shareholders' equity	581,769		
	-----		
Total liabilities and shareholders'			
equity	\$6,647,563		
	=====		
Net interest revenue		\$ 57,371	
		=====	
Net interest-rate spread			3.43%
			=====
Net interest margin (4)			3.60%
			=====

- (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 \$22.9 million in 2012 and \$37.9 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.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended September 30,

	2011		
	Average	Interest	Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
<b>Assets:</b>			
<b>Interest-earning assets:</b>			
Loans, net of unearned income (1)(2)	\$4,193,951	\$ 59,394	5.62%
Taxable securities (3)	2,125,154	14,324	2.70



Tax-exempt securities (1)(3)	24,675	399	6.47
Federal funds sold and other interest-			
earning assets	286,194	426	.60

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Total interest-earning assets	6,629,974	74,543	4.47
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Non-interest-earning assets:

Allowance for loan losses	(128,654)		
Cash and due from banks	53,500		
Premises and equipment	177,798		
Other assets (3)	267,349		

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Total assets	\$6,999,967		
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Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$1,258,929	831	.26
Money market	1,024,559	1,129	.44
Savings	199,793	52	.10
Time less than \$100,000	1,448,024	4,539	1.24
Time greater than \$100,000	940,864	3,456	1.46
Brokered time deposits	260,423	1,091	1.66

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Total interest-bearing deposits	5,132,592	11,098	.86
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Federal funds purchased and other

borrowings	103,850	1,081	4.13
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Federal Home Loan Bank advances	40,625	441	4.31
Long-term debt	138,457	2,642	7.57
	-----	-----	
Total borrowed funds	282,932	4,164	5.84
	-----	-----	
Total interest-bearing liabilities	5,415,524	15,262	1.12
		-----	
Non-interest-bearing liabilities:			
Non-interest-bearing deposits	928,788		
Other liabilities	57,427		
	-----		
Total liabilities	6,401,739		
Shareholders' equity	598,228		
	-----		
Total liabilities and shareholders' equity	\$6,999,967		
	=====		
Net interest revenue		\$ 59,281	
		=====	
Net interest-rate spread			3.35%
			=====
Net interest margin (4)			3.55%
			=====

(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 \$22.9 million in 2012 and \$37.9 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.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Nine Months Ended September 30,

	2012		
	Average	Interest	Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$4,157,057	\$ 164,101	5.27%
Taxable securities (3)	2,065,112	34,035	2.20
Tax-exempt securities (1)(3)	24,187	1,207	6.65
Federal funds sold and other interest-earning assets	322,998	3,636	1.50
	-----	-----	
Total interest-earning assets	6,569,354	202,979	4.13

Non-interest-earning assets:

Allowance for loan losses	(115,252)		
Cash and due from banks	52,755		
Premises and equipment	173,410		
Other assets (3)	214,068		

Total assets \$6,894,335

Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$1,304,159	1,587	.16
Money market	1,120,091	1,901	.23
Savings	214,280	112	.07
Time less than \$100,000	1,199,563	7,806	.87
Time greater than \$100,000	783,370	6,354	1.08
Brokered time deposits	162,682	1,684	1.38

Total interest-bearing deposits 4,784,145 19,444 .54

Federal funds purchased and other

borrowings	85,022	2,463	3.87
Federal Home Loan Bank advances	153,539	882	.77
Long-term debt	120,256	7,119	7.91

Total borrowed funds 358,817 10,464 3.90

Total interest-bearing liabilities	5,142,962	29,908	.78
		-----	
Non-interest-bearing liabilities:			
Non-interest-bearing deposits	1,105,607		
Other liabilities	65,390		
		-----	
Total liabilities	6,313,959		
Shareholders' equity	580,376		
		-----	
Total liabilities and shareholders' equity	\$6,894,335		
		=====	

Net interest revenue \$ 173,071

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Net interest-rate spread 3.35%

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Net interest margin (4) 3.52%

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(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 \$24.1 million in 2012 and \$32.4 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.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Nine Months Ended September 30,

	2011		
	Average		Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
-----			
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$4,351,524	\$ 181,422	5.57%
Taxable securities (3)	1,926,365	42,210	2.92
Tax-exempt securities (1)(3)	25,178	1,234	6.53
Federal funds sold and other interest- earning assets	514,392	2,573	.67
	-----	-----	
Total interest-earning assets	6,817,459	227,439	4.46
		-----	
Non-interest-earning assets:			
Allowance for loan losses	(145,689)		
Cash and due from banks	102,251		
Premises and equipment	178,694		
Other assets (3)	293,386		
	-----		

Total assets \$7,246,101

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Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$1,313,752	3,191	.32
Money market	977,863	4,656	.64
Savings	194,433	193	.13
Time less than \$100,000	1,509,753	14,980	1.33
Time greater than \$100,000	973,335	11,480	1.58
Brokered time deposits	475,687	5,353	1.50

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Total interest-bearing deposits	5,444,823	39,853	.98
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Federal funds purchased and other

borrowings	102,711	3,197	4.16
Federal Home Loan Bank advances	49,442	1,601	4.33
Long-term debt	146,221	8,169	7.47

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Total borrowed funds	298,374	12,967	5.81
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Total interest-bearing liabilities	5,743,197	52,820	1.23
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Non-interest-bearing liabilities:

Non-interest-bearing deposits	884,417		
Other liabilities	69,131		

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Total liabilities	6,696,745		
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Shareholders' equity	549,356	
	-----	
Total liabilities and shareholders' equity	\$7,246,101	
	=====	
Net interest revenue	\$ 174,619	
	=====	
Net interest-rate spread		3.23%
		=====
Net interest margin (4)		3.42%
		=====

Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The

(1) rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.

Included in the average balance of loans outstanding are loans where

(2) the accrual of interest has been discontinued and loans that are held for sale.

Securities available for sale are shown at amortized cost. Pretax

(3) unrealized gains of \$24.1 million in 2012 and \$32.4 million in 2011 are included in other assets for purposes of this presentation.

Net interest margin is taxable equivalent net-interest revenue divided

(4) by average interest-earning assets.

For more information:

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