



## United Community Banks, Inc. Reports Net Operating Loss of \$142.5 Million for First Quarter 2011

BLAIRSVILLE, GA -- (MARKET WIRE) -- 04/28/11 -- United Community Banks, Inc. (NASDAQ: UCBI)

- Completed strategically significant \$380 million private equity offering
- Executed major elements of our asset disposition plan to de-risk balance sheet:
  - completed \$267 million bulk loan sale on April 18
  - sold \$77.5 million in loans and foreclosed properties
  - aggressively wrote down foreclosed properties to 30 percent of unpaid principal balance
- Nonperforming assets down 57 percent from prior quarter and at lowest level in three years
- Allowance for loan losses remains strong at 3.17 percent of loans
- Core transaction deposits up 13 percent on an annualized basis

United Community Banks, Inc. (NASDAQ: UCBI) today reported a net operating loss from continuing operations of \$142.5 million, or \$1.57 per diluted share, for the first quarter of 2011. The higher net operating loss reflects the board of directors' decision to adopt an aggressive asset disposition plan to quickly sell and write down problem assets following United's private equity offering.

"The asset disposition plan includes bulk sales of classified loans, as well as aggressive write-downs of foreclosed properties to levels significantly less than the appraised values in order to accelerate their sales," stated Jimmy Tallent, president and chief executive officer. "The completion of the \$380 million offering and the execution of our asset disposition plan are key accomplishments toward our goal of achieving sustained profitability beginning in the second quarter of 2011."

The accelerated disposition of classified loans through bulk sales and transfers to foreclosed properties represented \$211.1 million of the \$231.6 million in net charge-offs for the first quarter. The bulk loan sale included performing substandard loans of \$166.1 million and nonperforming loans of \$100.5 million. These classified loans were written down in the first quarter to the expected sales proceeds of \$80.6 million, resulting in loan charge-offs of \$186.0 million. The bulk loan sale transaction was completed on April 18, 2011.

Additionally, United sold \$20.9 million in other classified loans and transferred \$32.6 million in nonperforming loans to foreclosed properties during the first quarter resulting in additional loan charge-offs of \$25.1 million. Remaining net charge-offs of \$20.5 million for the quarter were due to the inflow of nonperforming loans and other activities. These actions reduced nonperforming loans to \$83.8 million at quarter-end, down from \$179.1 million at the end of the fourth quarter of 2010 and from \$280.8 million a year ago.

"The first quarter provision for loan losses and net charge-offs -- \$190 million and \$231.6 million, respectively -- are significantly higher than prior quarters and reflect the execution of our asset disposition plan," said Tallent. "We reduced the allowance for loan losses to \$133.1 million, or 3.17 percent of loans -- which remains at a prudent and conservative level."

Execution of the asset disposition plan also included the sale of \$56.6 million in foreclosed properties during the first quarter at a loss of \$12.0 million, and a \$48.6 million write-down of remaining foreclosed properties to accelerate their dispositions. At March 31, 2011, foreclosed properties were \$54.4 million and were written down well below appraised values to 30 percent of their original unpaid principal balance.

Total non-performing assets were \$138 million at quarter-end, compared with \$321 million at December 31, 2010 and \$417 million at March 31, 2010; reflecting the lowest level since March 31, 2008.

"We made tremendous progress during the first quarter toward our goal of returning to profitability," stated Jimmy Tallent. "With classified assets at a more manageable level, we can turn our focus toward other activities. The economy and the real estate market remain weak so we will move forward cautiously, but with a renewed sense of optimism. I am excited about the opportunities that lie ahead for us."

Total loans were \$4.2 billion at quarter-end, down \$410 million from the prior quarter-end and down \$798 million from a year ago, reflecting the higher level of net charge-offs resulting from the transfer of the bulk sale loans to the loans held-for-sale category. Residential construction loans were \$550 million, or 13 percent of total loans, down \$145 million from the prior quarter-end and down \$410 million from a year ago. The decline during the first quarter was partially offset by \$52.6 million in new customer loans, primarily commercial and small business lending in north Georgia and metropolitan Atlanta.

Taxable equivalent net interest revenue of \$56.4 million was \$4.9 million lower than the first quarter of 2010, primarily due to the \$574 million reduction in average loan balances. Also contributing to lower net interest revenue in the first quarter was the reversal of \$2.0 million in interest on performing classified loans that were included in the bulk sale transaction. The net interest margin was 3.30 percent for the first quarter of 2011, down 19 basis points from a year ago and down 28 basis points from the fourth quarter of 2010. Interest reversals on the performing classified loans that were included in the bulk loan sale accounted for 11 basis points of the decrease. In addition, maintenance of higher levels of liquidity further lowered first quarter net interest margin by 49 basis points. This compares to 30 basis points in the fourth quarter of 2010 and 18 basis points for the first quarter of 2010.

Tallent credited United bankers for their focus on servicing customers and growing the franchise while management worked out the capital transaction and asset disposition plan. "We grew core transaction deposits in the first quarter by \$89 million, or 13 percent on an annualized basis," Tallent said. "This was due in part to a core deposit marketing initiative that we launched in 2009 and that focuses on our strong customer service culture. I have been extremely pleased with the impact it has had on deposit growth and cross-selling activities this past year. Core transaction deposits are the lifeblood of this company, and this was their ninth consecutive quarter of growth. Since the beginning of 2009, we have grown core transaction deposits by \$638 million, and that is nothing short of phenomenal."

Operating fee revenue was \$11.8 million in the first quarter of 2011, compared to \$11.7 million a year ago. Service charges and fees were \$6.7 million, down \$727,000 from a year ago, due primarily to lower overdraft fees resulting from recent regulatory changes that required customers to provide consent before using overdraft services. Other fee revenue of \$2.9 million reflected an increase of \$780,000 from a year ago due to the acceleration of deferred gains relating to the ineffectiveness of terminated cash flow hedges on certain prime-based loans.

First quarter operating expenses were \$115.3 million, up \$60.5 million from a year ago. The increase was due primarily to the asset disposition plan, the \$60.6 million of write-downs and losses on foreclosed properties, and the \$3.6 million in associated costs for property taxes and professional fees related to the bulk loan sale and private equity offering. Excluding these costs from both periods, operating expenses for the first quarter totaled \$51.1 million compared to \$46.7 million a year ago. Salary and benefit costs totaled \$24.9 million and increased \$564,000 from last year due primarily to higher health insurance costs. Professional fees of \$3.3 million were \$1.4 million higher than a year ago, reflecting the \$1.0 million for transaction costs in the first quarter of 2011 and higher credit-related workout costs. FDIC assessments and other regulatory charges of \$5.4 million reflected an increase of \$1.8 million from a year ago as a result of a higher deposit insurance assessment rate and an increase in the level of insured deposits. Other operating expenses of \$6.4 million were \$2.5 million more than a year ago due to the \$2.6 million of property taxes incurred this quarter in connection with the bulk loan sale transaction.

Foreclosed property costs for the first quarter of 2011 were \$64.9 million as compared to \$10.8 million a year ago. For 2011, these costs included \$60.6 million for write-downs and losses on sales and \$4.3 million for maintenance and other foreclosed property costs. For 2010, write-downs and losses on sales were \$8.1 million while maintenance costs were \$2.7 million. Included in write-downs and losses for the first quarter of 2011 were \$48.6 million of mark-downs on foreclosed properties to expedite sales and \$12.0 million of losses related to the \$56.6 million in sales of foreclosed properties during the first quarter.

The effective tax rate for the first quarter of 2011 was 40 percent, equal to the first quarter of 2010. The effective tax rate for the balance of 2011 is expected to return to a normal range of 35 to 36 percent; however, this rate could vary significantly depending on the level of earnings.

As of March 31, 2011, the capital ratios for United were as follows: Tier 1 Risk Based of 7.8 percent; Tier 1 Leverage of 5.1 percent; and, Total Risk Based of 15.6 percent. The quarterly average tangible equity-to-assets ratio was 8.7 percent and the tangible common equity-to-assets ratio was 5.5 percent. The holding company regulatory capital ratios reflect limitations on the inclusion of certain capital elements in Tier 1 Capital which resulted in the exclusion of a significant portion of the cumulative preferred stock issued in the private equity offering. Upon shareholder approval, which is expected at our shareholders meeting in June, the new cumulative preferred stock will convert to common stock and will be fully included in Tier 1 Capital. Assuming conversion of the cumulative preferred stock, United's pro forma capital ratios as of March 31, 2011 would have been as follows: Tier 1 Risk Based of 13.2 percent; Tier 1 Leverage of 8.5 percent; Total Risk Based of 15.7 percent; and, tangible common equity-to-assets of 6.3 percent.

"The first quarter of 2011 marks a significant and dramatic turning point," Tallent said. "We're heading into the remainder of 2011 with strong capital and a healthy, de-risked balance sheet. The weak economy and high unemployment remain, but opportunities are beginning to surpass challenges, and that is something we have not been able to say in quite some time."

#### Conference Call

United Community Banks will hold a conference call today, Thursday, April 28, 2011, at 11 a.m. ET to discuss the contents of this news release and to share business highlights for the quarter. To access the call, dial (877) 380-5665 and use the password '56062275.' The conference call also will be webcast and can be accessed by selecting 'Calendar of Events' within the Investor Relations section of the company's website at [www.ucbi.com](http://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 \$8.0 billion and operates 27 community banks with 106 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina and east Tennessee. The Company specializes in providing personalized community banking services to individuals and small to mid-size businesses. United Community Banks also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United Community Banks common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at the Company's web site at [www.ucbi.com](http://www.ucbi.com).

#### Safe Harbor

This news release contains forward-looking statements, as defined by Federal Securities Laws, including statements about financial United's 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 anticipated 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 "Risk Factors" of United Community Banks, Inc.'s annual report filed on Form 10-K with the Securities and Exchange Commission. 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

2011

2010

(in thousands,

except per share

| data; taxable<br>equivalent)                                    | First<br>Quarter<br>----- | Fourth<br>Quarter<br>----- | Third<br>Quarter<br>----- | Second<br>Quarter<br>----- | First<br>Quarter<br>----- |
|---|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| INCOME SUMMARY  |                           |                            |                           |                            |                           |
| Interest revenue  | \$ 75,965                 | \$ 81,215                  | \$ 84,360                 | \$ 87,699                  | \$ 89,849                 |
| Interest expense  | 19,573                    | 21,083                     | 24,346                    | 26,072                     | 28,570                    |
| -----   |                           |                            |                           |                            |                           |
| Net interest<br>revenue   | 56,392                    | 60,132                     | 60,014                    | 61,627                     | 61,279                    |
| Operating<br>provision for<br>loan losses (1)                   | 190,000                   | 47,750                     | 50,500                    | 61,500                     | 75,000                    |
| Operating fee<br>revenue (2)                                    | 11,838                    | 12,442                     | 12,861                    | 11,579                     | 11,666                    |
| -----   |                           |                            |                           |                            |                           |
| Total operating<br>revenue (1)(2)                               | (121,770)                 | 24,824                     | 22,375                    | 11,706                     | (2,055)                   |
| Operating expenses<br>(3)                                       | 115,271                   | 64,918                     | 64,906                    | 58,308                     | 54,820                    |
| Loss on sale of<br>nonperforming<br>assets                      | -                         | -                          | -                         | 45,349                     | -                         |
| -----   |                           |                            |                           |                            |                           |
| Operating loss<br>from continuing<br>operations<br>before taxes | (237,041)                 | (40,094)                   | (42,531)                  | (91,951)                   | (56,875)                  |
| Operating income<br>tax benefit                                 | (94,555)                  | (16,520)                   | (16,706)                  | (32,419)                   | (22,417)                  |
| -----   |                           |                            |                           |                            |                           |
| Net operating   |                           |                            |                           |                            |                           |

|                    |             |            |             |            |            |
|--------------------|-------------|------------|-------------|------------|------------|
| loss from          |             |            |             |            |            |
| continuing         |             |            |             |            |            |
| operations         |             |            |             |            |            |
| (1)(2)(3)          | (142,486)   | (23,574)   | (25,825)    | (59,532)   | (34,458)   |
| Noncash goodwill   |             |            |             |            |            |
| impairment         |             |            |             |            |            |
| charges            | -           | -          | (210,590)   | -          | -          |
| Partial reversal   |             |            |             |            |            |
| of fraud loss      |             |            |             |            |            |
| provision, net of  |             |            |             |            |            |
| tax expense        | -           | 7,179      | -           | -          | -          |
| Loss from          |             |            |             |            |            |
| discontinued       |             |            |             |            |            |
| operations         | -           | -          | -           | -          | (101)      |
| Gain from sale of  |             |            |             |            |            |
| subsidiary, net    |             |            |             |            |            |
| of income taxes    |             |            |             |            |            |
| and selling costs  | -           | -          | -           | -          | 1,266      |
|                    | -----       | -----      | -----       | -----      | -----      |
| Net loss           | (142,486)   | (16,395)   | (236,415)   | (59,532)   | (33,293)   |
| Preferred          |             |            |             |            |            |
| dividends and      |             |            |             |            |            |
| discount           |             |            |             |            |            |
| accretion          | 2,778       | 2,586      | 2,581       | 2,577      | 2,572      |
|                    | -----       | -----      | -----       | -----      | -----      |
| Net loss available |             |            |             |            |            |
| to common          |             |            |             |            |            |
| shareholders       | \$(145,264) | \$(18,981) | \$(238,996) | \$(62,109) | \$(35,865) |
|                    | =====       | =====      | =====       | =====      | =====      |

PERFORMANCE

MEASURES

Per common share:

Diluted operating

loss from

continuing

operations

(1)(2)(3)     \$   (1.57)   \$   ( .28)   \$   ( .30)   \$   ( .66)   \$   ( .39)

Diluted loss

from

continuing

operations            (1.57)            ( .20)            (2.52)            ( .66)            ( .39)

Diluted loss            (1.57)            ( .20)            (2.52)            ( .66)            ( .38)

Book value              2.96              4.84              5.14              7.71              7.95

Tangible book

value (5)                2.89                4.76                5.05                5.39                5.62

Key performance

ratios:

Return on

equity (4)(6)        (147.11)%        (17.16)%        (148.04)%        (35.89)%        (20.10)%

Return on

assets (6)            (7.61)            ( .89)            (12.47)            (3.10)            (1.70)

Net interest

margin (6)            3.30            3.58            3.57            3.60            3.49

Operating

efficiency

ratio from

continuing

operations

(2)(3)                169.08            89.45            89.38            141.60            75.22

Equity to

assets                8.82            8.85            11.37            11.84            11.90

Tangible

|                 |           |           |            |           |           |
|-----------------|-----------|-----------|------------|-----------|-----------|
| equity to       |           |           |            |           |           |
| assets (5)      | 8.73      | 8.75      | 9.19       | 9.26      | 9.39      |
| Tangible        |           |           |            |           |           |
| common equity   |           |           |            |           |           |
| to assets (5)   | 5.51      | 6.35      | 6.78       | 6.91      | 7.13      |
| Tangible        |           |           |            |           |           |
| common equity   |           |           |            |           |           |
| to              |           |           |            |           |           |
| risk-weighted   |           |           |            |           |           |
| assets (5)      | 6.40      | 9.05      | 9.60       | 9.97      | 10.03     |
| ASSET QUALITY * |           |           |            |           |           |
| Non-performing  |           |           |            |           |           |
| loans           | \$ 83,769 | \$179,094 | \$ 217,766 | \$224,335 | \$280,802 |
| Foreclosed      |           |           |            |           |           |
| properties      | 54,378    | 142,208   | 129,964    | 123,910   | 136,275   |
|                 | -----     | -----     | -----      | -----     | -----     |
| Total non-      |           |           |            |           |           |
| performing      |           |           |            |           |           |
| assets (NPAs)   | 138,147   | 321,302   | 347,730    | 348,245   | 417,077   |
| Allowance for   |           |           |            |           |           |
| loan losses     | 133,121   | 174,695   | 174,613    | 174,111   | 173,934   |
| Operating net   |           |           |            |           |           |
| charge-offs (1) | 231,574   | 47,668    | 49,998     | 61,323    | 56,668    |
| Allowance for   |           |           |            |           |           |
| loan losses to  |           |           |            |           |           |
| loans           | 3.17%     | 3.79%     | 3.67%      | 3.57%     | 3.48%     |
| Operating net   |           |           |            |           |           |
| charge-offs to  |           |           |            |           |           |
| average loans   |           |           |            |           |           |
| (1)(6)          | 20.71     | 4.03      | 4.12       | 4.98      | 4.51      |
| NPAs to loans   |           |           |            |           |           |

|                   |          |          |          |          |          |
|-------------------|----------|----------|----------|----------|----------|
| and foreclosed    |          |          |          |          |          |
| properties        | 3.25     | 6.77     | 7.11     | 6.97     | 8.13     |
| NPAs to total     |          |          |          |          |          |
| assets            | 1.73     | 4.32     | 4.96     | 4.55     | 5.32     |
| AVERAGE BALANCES  |          |          |          |          |          |
| (\$ in millions)  |          |          |          |          |          |
| Loans             | \$ 4,599 | \$ 4,768 | \$ 4,896 | \$ 5,011 | \$ 5,173 |
| Investment        |          |          |          |          |          |
| securities        | 1,625    | 1,354    | 1,411    | 1,532    | 1,518    |
| Earning assets    | 6,902    | 6,680    | 6,676    | 6,854    | 7,085    |
| Total assets      | 7,595    | 7,338    | 7,522    | 7,704    | 7,946    |
| Deposits          | 6,560    | 6,294    | 6,257    | 6,375    | 6,570    |
| Shareholders'     |          |          |          |          |          |
| equity            | 670      | 649      | 855      | 912      | 945      |
| Common shares -   |          |          |          |          |          |
| basic             |          |          |          |          |          |
| (thousands)       | 92,330   | 94,918   | 94,679   | 94,524   | 94,390   |
| Common shares -   |          |          |          |          |          |
| diluted           |          |          |          |          |          |
| (thousands)       | 92,330   | 94,918   | 94,679   | 94,524   | 94,390   |
| AT PERIOD END (\$ |          |          |          |          |          |
| in millions)      |          |          |          |          |          |
| Loans *           | \$ 4,194 | \$ 4,604 | \$ 4,760 | \$ 4,873 | \$ 4,992 |
| Investment        |          |          |          |          |          |
| securities        | 1,884    | 1,490    | 1,310    | 1,488    | 1,527    |
| Total assets      | 7,974    | 7,443    | 7,013    | 7,652    | 7,837    |
| Deposits          | 6,598    | 6,469    | 5,999    | 6,330    | 6,488    |
| Shareholders'     |          |          |          |          |          |
| equity            | 850      | 636      | 662      | 904      | 926      |
| Common shares     |          |          |          |          |          |
| outstanding       |          |          |          |          |          |



|             |         |        |        |        |        |
|-------------|---------|--------|--------|--------|--------|
| (thousands) | 104,516 | 94,685 | 94,433 | 94,281 | 94,176 |
|-------------|---------|--------|--------|--------|--------|

(1) Excludes the partial reversal of a previously established provision for fraud-related loan losses of \$11.8 million, net of tax expense of \$4.6 million in the fourth quarter of 2010. Operating charge-offs also exclude the \$11.8 million related partial recovery of the previously charged off amount. (2) Excludes revenue generated by discontinued operations in the first quarter of 2010. (3) Excludes the goodwill impairment charge of \$211 million in the third quarter of 2010 and expenses relating to discontinued operations in the first quarter of 2010. (4) Net loss available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss). (5) Excludes effect of acquisition related intangibles and associated amortization. (6) Annualized.

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

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

|                                 | 2011    | 2010    | First     |
|---------------------------------|---------|---------|-----------|
|                                 | -----   | -----   | Quarter   |
| (in thousands, except per share | First   | First   | 2011-2010 |
| data; taxable equivalent)       | Quarter | Quarter | Change    |
|                                 | -----   | -----   | -----     |

INCOME SUMMARY

|   |           |           |       |
|---|-----------|-----------|-------|
| Interest revenue  | \$ 75,965 | \$ 89,849 |       |
| Interest expense  | 19,573    | 28,570    |       |
|   | -----     | -----     |       |
| Net interest revenue  | 56,392    | 61,279    | (8)%  |
| Operating provision for loan losses (1)                             | 190,000   | 75,000    |       |
| Operating fee revenue (2)   | 11,838    | 11,666    | 1     |
|   | -----     | -----     |       |
| Total operating revenue (1)(2)                                      | (121,770) | (2,055)   |       |
| Operating expenses (3)  | 115,271   | 54,820    | 110   |
| Loss on sale of nonperforming assets                                | -         | -         |       |
|   | -----     | -----     |       |
| Operating loss from continuing operations before taxes              | (237,041) | (56,875)  | (317) |
| Operating income tax benefit  | (94,555)  | (22,417)  |       |
|   | -----     | -----     |       |
| Net operating loss from continuing operations (1)(2)(3)             | (142,486) | (34,458)  | (314) |
| Noncash goodwill impairment charges                                 | -         | -         |       |
| Partial reversal of fraud loss provision, net of tax expense        | -         | -         |       |
| Loss from discontinued operations                                   | -         | (101)     |       |
| Gain from sale of subsidiary, net of income taxes and selling costs | -         | 1,266     |       |
|   | -----     | -----     |       |
| Net loss  | (142,486) | (33,293)  | (328) |
| Preferred dividends and discount accretion                          | 2,778     | 2,572     |       |
|   | -----     | -----     |       |
| Net loss available to common  |           |           |       |

|              |              |             |  |
|--------------|--------------|-------------|--|
| shareholders | \$ (145,264) | \$ (35,865) |  |
|              | =====        | =====       |  |

PERFORMANCE MEASURES

Per common share:

|                                 |           |          |       |
|---------------------------------|-----------|----------|-------|
| Diluted operating loss from     |           |          |       |
| continuing operations (1)(2)(3) | \$ (1.57) | \$ (.39) | (303) |
| Diluted loss from continuing    |           |          |       |
| operations                      | (1.57)    | (.39)    | (303) |
| Diluted loss                    | (1.57)    | (.38)    | (313) |
| Book value                      | 2.96      | 7.95     | (63)  |
| Tangible book value (5)         | 2.89      | 5.62     | (49)  |

Key performance ratios:

|                                  |           |          |
|----------------------------------|-----------|----------|
| Return on equity (4)(6)          | (147.11)% | (20.10)% |
| Return on assets (6)             | (7.61)    | (1.70)   |
| Net interest margin (6)          | 3.30      | 3.49     |
| Operating efficiency ratio from  |           |          |
| continuing operations (2)(3)     | 169.08    | 75.22    |
| Equity to assets                 | 8.82      | 11.90    |
| Tangible equity to assets (5)    | 8.73      | 9.39     |
| Tangible common equity to assets |           |          |
| (5)                              | 5.51      | 7.13     |
| Tangible common equity to        |           |          |
| risk-weighted assets (5)         | 6.40      | 10.03    |

ASSET QUALITY \*

|                               |           |            |
|-------------------------------|-----------|------------|
| Non-performing loans          | \$ 83,769 | \$ 280,802 |
| Foreclosed properties         | 54,378    | 136,275    |
|                               | -----     | -----      |
| Total non-performing assets   |           |            |
| (NPAs)                        | 138,147   | 417,077    |
| Allowance for loan losses     | 133,121   | 173,934    |
| Operating net charge-offs (1) | 231,574   | 56,668     |

|                                    |          |          |      |
|------------------------------------|----------|----------|------|
| Allowance for loan losses to loans | 3.17%    | 3.48%    |      |
| Operating net charge-offs to       |          |          |      |
| average loans (1)(6)               | 20.71    | 4.51     |      |
| NPAs to loans and foreclosed       |          |          |      |
| properties                         | 3.25     | 8.13     |      |
| NPAs to total assets               | 1.73     | 5.32     |      |
| AVERAGE BALANCES (\$ in millions)  |          |          |      |
| Loans                              | \$ 4,599 | \$ 5,173 | (11) |
| Investment securities              | 1,625    | 1,518    | 7    |
| Earning assets                     | 6,902    | 7,085    | (3)  |
| Total assets                       | 7,595    | 7,946    | (4)  |
| Deposits                           | 6,560    | 6,570    | -    |
| Shareholders' equity               | 670      | 945      | (29) |
| Common shares - basic (thousands)  | 92,330   | 94,390   |      |
| Common shares - diluted            |          |          |      |
| (thousands)                        | 92,330   | 94,390   |      |
| AT PERIOD END (\$ in millions)     |          |          |      |
| Loans *                            | \$ 4,194 | \$ 4,992 | (16) |
| Investment securities              | 1,884    | 1,527    | 23   |
| Total assets                       | 7,974    | 7,837    | 2    |
| Deposits                           | 6,598    | 6,488    | 2    |
| Shareholders' equity               | 850      | 926      | (8)  |
| Common shares outstanding          |          |          |      |
| (thousands)                        | 104,516  | 94,176   |      |

(1) Excludes the partial reversal of a previously established provision for fraud-related loan losses of \$11.8 million, net of tax expense of \$4.6 million in the fourth quarter of 2010. Operating charge-offs also exclude the \$11.8 million related partial recovery of the previously charged off amount. (2) Excludes revenue generated by discontinued operations in the first quarter of 2010. (3) Excludes the goodwill

impairment charge of \$211 million in the third quarter of 2010 and expenses relating to discontinued operations in the first quarter of 2010. (4) Net loss available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).

(5) Excludes effect of acquisition related intangibles and associated amortization. (6) Annualized.

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

UNITED COMMUNITY BANKS, INC.

Operating Earnings to GAAP Earnings Reconciliation

Selected Financial Information

|   | 2011          |                | 2010          |                |               |
|---|---------------|----------------|---------------|----------------|---------------|
|   | -----         |                |               |                |               |
| (in thousands, except per share data; taxable equivalent) | First Quarter | Fourth Quarter | Third Quarter | Second Quarter | First Quarter |
|   | -----         | -----          | -----         | -----          | -----         |
| Interest revenue reconciliation                           |               |                |               |                |               |
| Interest revenue - taxable equivalent                     | \$ 75,965     | \$ 81,215      | \$ 84,360     | \$ 87,699      | \$ 89,849     |
| Taxable equivalent  |               |                |               |                |               |

|                    |            |           |           |           |           |
|--------------------|------------|-----------|-----------|-----------|-----------|
| adjustment         | (435)      | (497)     | (511)     | (500)     | (493)     |
|                    | -----      | -----     | -----     | -----     | -----     |
| Interest           |            |           |           |           |           |
| revenue            |            |           |           |           |           |
| (GAAP)             | \$ 75,530  | \$ 80,718 | \$ 83,849 | \$ 87,199 | \$ 89,356 |
|                    | =====      | =====     | =====     | =====     | =====     |
| Net interest       |            |           |           |           |           |
| revenue            |            |           |           |           |           |
| reconciliation     |            |           |           |           |           |
| Net interest       |            |           |           |           |           |
| revenue - taxable  |            |           |           |           |           |
| equivalent         | \$ 56,392  | \$ 60,132 | \$ 60,014 | \$ 61,627 | \$ 61,279 |
| Taxable equivalent |            |           |           |           |           |
| adjustment         | (435)      | (497)     | (511)     | (500)     | (493)     |
|                    | -----      | -----     | -----     | -----     | -----     |
| Net interest       |            |           |           |           |           |
| revenue            |            |           |           |           |           |
| (GAAP)             | \$ 55,957  | \$ 59,635 | \$ 59,503 | \$ 61,127 | \$ 60,786 |
|                    | =====      | =====     | =====     | =====     | =====     |
| Provision for loan |            |           |           |           |           |
| losses             |            |           |           |           |           |
| reconciliation     |            |           |           |           |           |
| Operating          |            |           |           |           |           |
| provision for      |            |           |           |           |           |
| loan losses        | \$ 190,000 | \$ 47,750 | \$ 50,500 | \$ 61,500 | \$ 75,000 |
| Partial reversal   |            |           |           |           |           |
| of special         |            |           |           |           |           |
| fraud-related      |            |           |           |           |           |
| provision for      |            |           |           |           |           |
| loan loss          | -          | (11,750)  | -         | -         | -         |
|                    | -----      | -----     | -----     | -----     | -----     |

|                    |              |           |            |            |            |
|--------------------|--------------|-----------|------------|------------|------------|
| Provision for      |              |           |            |            |            |
| loan losses        |              |           |            |            |            |
| (GAAP)             | \$ 190,000   | \$ 36,000 | \$ 50,500  | \$ 61,500  | \$ 75,000  |
|                    | =====        | =====     | =====      | =====      | =====      |
| Total revenue      |              |           |            |            |            |
| reconciliation     |              |           |            |            |            |
| Total operating    |              |           |            |            |            |
| revenue            | \$ (121,770) | \$ 24,824 | \$ 22,375  | \$ 11,706  | \$ (2,055) |
| Taxable equivalent |              |           |            |            |            |
| adjustment         | (435)        | (497)     | (511)      | (500)      | (493)      |
| Partial reversal   |              |           |            |            |            |
| of special         |              |           |            |            |            |
| fraud-related      |              |           |            |            |            |
| provision for      |              |           |            |            |            |
| loan loss          | -            | 11,750    | -          | -          | -          |
|                    | -----        | -----     | -----      | -----      | -----      |
| Total revenue      |              |           |            |            |            |
| (GAAP)             | \$ (122,205) | \$ 36,077 | \$ 21,864  | \$ 11,206  | \$ (2,548) |
|                    | =====        | =====     | =====      | =====      | =====      |
| Expense            |              |           |            |            |            |
| reconciliation     |              |           |            |            |            |
| Operating expense  | \$ 115,271   | \$ 64,918 | \$ 64,906  | \$ 103,657 | \$ 54,820  |
| Noncash goodwill   |              |           |            |            |            |
| impairment charge  | -            | -         | 210,590    | -          | -          |
|                    | -----        | -----     | -----      | -----      | -----      |
| Operating          |              |           |            |            |            |
| expense            |              |           |            |            |            |
| (GAAP)             | \$ 115,271   | \$ 64,918 | \$ 275,496 | \$ 103,657 | \$ 54,820  |
|                    | =====        | =====     | =====      | =====      | =====      |
| Loss from          |              |           |            |            |            |
| continuing         |              |           |            |            |            |

|                    |              |             |              |             |             |
|--------------------|--------------|-------------|--------------|-------------|-------------|
| operations before  |              |             |              |             |             |
| taxes              |              |             |              |             |             |
| reconciliation     |              |             |              |             |             |
| Operating loss     |              |             |              |             |             |
| from continuing    |              |             |              |             |             |
| operations before  |              |             |              |             |             |
| taxes              | \$ (237,041) | \$ (40,094) | \$ (42,531)  | \$ (91,951) | \$ (56,875) |
| Taxable equivalent |              |             |              |             |             |
| adjustment         | (435)        | (497)       | (511)        | (500)       | (493)       |
| Noncash goodwill   |              |             |              |             |             |
| impairment charge  | -            | -           | (210,590)    | -           | -           |
| Partial reversal   |              |             |              |             |             |
| of special         |              |             |              |             |             |
| fraud-related      |              |             |              |             |             |
| provision for      |              |             |              |             |             |
| loan loss          | -            | 11,750      | -            | -           | -           |
|                    | -----        | -----       | -----        | -----       | -----       |
| Loss from          |              |             |              |             |             |
| continuing         |              |             |              |             |             |
| operations         |              |             |              |             |             |
| before taxes       |              |             |              |             |             |
| (GAAP)             | \$ (237,476) | \$ (28,841) | \$ (253,632) | \$ (92,451) | \$ (57,368) |
|                    | =====        | =====       | =====        | =====       | =====       |
| Income tax benefit |              |             |              |             |             |
| reconciliation     |              |             |              |             |             |
| Operating income   |              |             |              |             |             |
| tax benefit        | \$ (94,555)  | \$ (16,520) | \$ (16,706)  | \$ (32,419) | \$ (22,417) |
| Taxable equivalent |              |             |              |             |             |
| adjustment         | (435)        | (497)       | (511)        | (500)       | (493)       |
| Partial reversal   |              |             |              |             |             |
| of special         |              |             |              |             |             |



|                   |             |             |             |             |             |       |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------|
| fraud-related     |             |             |             |             |             |       |
| provision for     |             |             |             |             |             |       |
| loan loss         | -           | 4,571       | -           | -           | -           | -     |
|                   | -----       | -----       | -----       | -----       | -----       | ----- |
| Income tax        |             |             |             |             |             |       |
| benefit           |             |             |             |             |             |       |
| (GAAP)            | \$ (94,990) | \$ (12,446) | \$ (17,217) | \$ (32,919) | \$ (22,910) |       |
|                   | =====       | =====       | =====       | =====       | =====       | ===== |
| Diluted loss from |             |             |             |             |             |       |
| continuing        |             |             |             |             |             |       |
| operations per    |             |             |             |             |             |       |
| common share      |             |             |             |             |             |       |
| reconciliation    |             |             |             |             |             |       |
| Diluted operating |             |             |             |             |             |       |
| loss from         |             |             |             |             |             |       |
| continuing        |             |             |             |             |             |       |
| operations per    |             |             |             |             |             |       |
| common share      | \$ (1.57)   | \$ (.28)    | \$ (.30)    | \$ (.66)    | \$ (.39)    |       |
| Noncash goodwill  |             |             |             |             |             |       |
| impairment charge | -           | -           | (2.22)      | -           | -           |       |
| Partial reversal  |             |             |             |             |             |       |
| of special        |             |             |             |             |             |       |
| fraud-related     |             |             |             |             |             |       |
| provision for     |             |             |             |             |             |       |
| loan loss         | -           | .08         | -           | -           | -           | -     |
|                   | -----       | -----       | -----       | -----       | -----       | ----- |
| Diluted loss      |             |             |             |             |             |       |
| from continuing   |             |             |             |             |             |       |
| operations        |             |             |             |             |             |       |
| per common        |             |             |             |             |             |       |
| share (GAAP)      | \$ (1.57)   | \$ (.20)    | \$ (2.52)   | \$ (.66)    | \$ (.39)    |       |

|   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
|   | =====   | =====   | =====   | =====   | =====   |
| Book value per<br>common share<br>reconciliation                    |         |         |         |         |         |
| Tangible book<br>value per common<br>share                          | \$ 2.89 | \$ 4.76 | \$ 5.05 | \$ 5.39 | \$ 5.62 |
| Effect of goodwill<br>and other<br>intangibles                      | .07     | .08     | .09     | 2.32    | 2.33    |
|   | -----   | -----   | -----   | -----   | -----   |
| Book value per<br>common share<br>(GAAP)                            | \$ 2.96 | \$ 4.84 | \$ 5.14 | \$ 7.71 | \$ 7.95 |
|   | =====   | =====   | =====   | =====   | =====   |
| Efficiency ratio<br>from continuing<br>operations<br>reconciliation |         |         |         |         |         |
| Operating<br>efficiency ratio<br>from continuing<br>operations      | 169.08% | 89.45%  | 89.38%  | 141.60% | 75.22%  |
| Noncash goodwill<br>impairment charge                               | -       | -       | 290.00  | -       | -       |
|   | -----   | -----   | -----   | -----   | -----   |
| Efficiency<br>ratio from<br>continuing<br>operations<br>(GAAP)      | 169.08% | 89.45%  | 379.38% | 141.60% | 75.22%  |

|  |       |       |        |        |        |
|--|-------|-------|--------|--------|--------|
|  | ===== | ===== | =====  | =====  | =====  |
| Average equity to<br>assets<br>reconciliation                                    |       |       |        |        |        |
| Tangible common<br>equity to assets  | 5.51% | 6.35% | 6.78%  | 6.91%  | 7.13%  |
| Effect of<br>preferred equity  | 3.22  | 2.40  | 2.41   | 2.35   | 2.26   |
|  | ----- | ----- | -----  | -----  | -----  |
| Tangible<br>equity to<br>assets  | 8.73  | 8.75  | 9.19   | 9.26   | 9.39   |
| Effect of goodwill<br>and other<br>intangibles                                   | .09   | .10   | 2.18   | 2.58   | 2.51   |
|  | ----- | ----- | -----  | -----  | -----  |
| Equity to<br>assets (GAAP)   | 8.82% | 8.85% | 11.37% | 11.84% | 11.90% |
|  | ===== | ===== | =====  | =====  | =====  |
| Actual tangible<br>common equity to<br>risk-weighted<br>assets<br>reconciliation |       |       |        |        |        |
| Tangible common<br>equity to<br>risk-weighted<br>assets                          | 6.40% | 9.05% | 9.60%  | 9.97%  | 10.03% |
| Effect of other<br>comprehensive<br>income                                       | (.58) | (.62) | (.81)  | (.87)  | (.85)  |

|                    |            |           |           |           |           |
|--------------------|------------|-----------|-----------|-----------|-----------|
| Effect of deferred |            |           |           |           |           |
| tax limitation     | (5.10)     | (3.34)    | (2.94)    | (2.47)    | (1.75)    |
| Effect of trust    |            |           |           |           |           |
| preferred          | 1.12       | 1.06      | 1.06      | 1.03      | 1.00      |
| Effect of          |            |           |           |           |           |
| preferred equity   | 5.97       | 3.52      | 3.51      | 3.41      | 3.29      |
|                    | -----      | -----     | -----     | -----     | -----     |
| Tier I capital     |            |           |           |           |           |
| ratio              |            |           |           |           |           |
| (Regulatory)       | 7.81%      | 9.67%     | 10.42%    | 11.07%    | 11.72%    |
|                    | =====      | =====     | =====     | =====     | =====     |
| Net charge-offs    |            |           |           |           |           |
| reconciliation     |            |           |           |           |           |
| Operating net      |            |           |           |           |           |
| charge-offs        | \$ 231,574 | \$ 47,668 | \$ 49,998 | \$ 61,323 | \$ 56,668 |
| Subsequent partial |            |           |           |           |           |
| recovery of        |            |           |           |           |           |
| fraud-related      |            |           |           |           |           |
| charge-off         | -          | (11,750)  | -         | -         | -         |
|                    | -----      | -----     | -----     | -----     | -----     |
| Net charge-offs    |            |           |           |           |           |
| (GAAP)             | \$ 231,574 | \$ 35,918 | \$ 49,998 | \$ 61,323 | \$ 56,668 |
|                    | =====      | =====     | =====     | =====     | =====     |
| Net charge-offs to |            |           |           |           |           |
| average loans      |            |           |           |           |           |
| reconciliation     |            |           |           |           |           |
| Operating net      |            |           |           |           |           |
| charge-offs to     |            |           |           |           |           |
| average loans      | 20.71%     | 4.03%     | 4.12%     | 4.98%     | 4.51%     |
| Subsequent partial |            |           |           |           |           |
| recovery of        |            |           |           |           |           |

|                 |        |        |       |       |       |
|-----------------|--------|--------|-------|-------|-------|
| fraud-related   |        |        |       |       |       |
| charge-off      | -      | (1.00) | -     | -     | -     |
| -----           |        |        |       |       |       |
| Net charge-offs |        |        |       |       |       |
| to average      |        |        |       |       |       |
| loans (GAAP)    | 20.71% | 3.03%  | 4.12% | 4.98% | 4.51% |
|                 | =====  | =====  | ===== | ===== | ===== |

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End (1)

|                          | 2011     |          | 2010     |          |          |
|--------------------------|----------|----------|----------|----------|----------|
|                          | First    | Fourth   | Third    | Second   | First    |
| (in millions)            | Quarter  | Quarter  | Quarter  | Quarter  | Quarter  |
|                          | -----    |          |          |          |          |
| LOANS BY CATEGORY        |          |          |          |          |          |
| Commercial (sec. by RE)  | \$ 1,692 | \$ 1,761 | \$ 1,781 | \$ 1,780 | \$ 1,765 |
| Commercial construction  | 213      | 297      | 310      | 342      | 357      |
| Commercial & industrial  | 431      | 441      | 456      | 441      | 381      |
|                          | -----    |          |          |          |          |
| Total commercial         | 2,336    | 2,499    | 2,547    | 2,563    | 2,503    |
| Residential construction | 550      | 695      | 764      | 820      | 960      |
| Residential mortgage     | 1,187    | 1,279    | 1,316    | 1,356    | 1,390    |
| Consumer / installment   | 121      | 131      | 133      | 134      | 139      |
|                          | -----    |          |          |          |          |
| Total loans              | \$ 4,194 | \$ 4,604 | \$ 4,760 | \$ 4,873 | \$ 4,992 |
|                          | =====    |          |          |          |          |

LOANS BY MARKET

|                        |          |          |          |          |          |
|------------------------|----------|----------|----------|----------|----------|
| Atlanta MSA            | \$ 1,179 | \$ 1,310 | \$ 1,365 | \$ 1,373 | \$ 1,404 |
| Gainesville MSA        | 282      | 312      | 316      | 343      | 372      |
| North Georgia          | 1,531    | 1,689    | 1,755    | 1,808    | 1,814    |
| Western North Carolina | 640      | 702      | 719      | 738      | 756      |
| Coastal Georgia        | 312      | 335      | 345      | 356      | 388      |
| East Tennessee         | 250      | 256      | 260      | 255      | 258      |
|                        | -----    | -----    | -----    | -----    | -----    |
| Total loans            | \$ 4,194 | \$ 4,604 | \$ 4,760 | \$ 4,873 | \$ 4,992 |
|                        | =====    | =====    | =====    | =====    | =====    |

RESIDENTIAL CONSTRUCTION

Dirt loans

|                           |        |        |        |        |        |
|---------------------------|--------|--------|--------|--------|--------|
| Acquisition & development | \$ 116 | \$ 174 | \$ 190 | \$ 214 | \$ 290 |
| Land loans                | 69     | 99     | 104    | 110    | 124    |
| Lot loans                 | 228    | 275    | 303    | 311    | 321    |
|                           | -----  | -----  | -----  | -----  | -----  |
| Total                     | 413    | 548    | 597    | 635    | 735    |
|                           | -----  | -----  | -----  | -----  | -----  |

House loans

|       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|
| Spec  | 88    | 97    | 109   | 125   | 153   |
| Sold  | 49    | 50    | 58    | 60    | 72    |
|       | ----- | ----- | ----- | ----- | ----- |
| Total | 137   | 147   | 167   | 185   | 225   |
|       | ----- | ----- | ----- | ----- | ----- |

|                                |        |        |        |        |        |
|--------------------------------|--------|--------|--------|--------|--------|
| Total residential construction | \$ 550 | \$ 695 | \$ 764 | \$ 820 | \$ 960 |
|                                | =====  | =====  | =====  | =====  | =====  |

RESIDENTIAL CONSTRUCTION - ATLANTA MSA

Dirt loans

|                           |    |       |    |       |    |       |    |       |    |       |
|---------------------------|----|-------|----|-------|----|-------|----|-------|----|-------|
| Acquisition & development | \$ | 22    | \$ | 30    | \$ | 34    | \$ | 40    | \$ | 66    |
| Land loans                |    | 19    |    | 23    |    | 27    |    | 32    |    | 43    |
| Lot loans                 |    | 24    |    | 32    |    | 45    |    | 39    |    | 47    |
|                           |    | ----- |    | ----- |    | ----- |    | ----- |    | ----- |
| Total                     |    | 65    |    | 85    |    | 106   |    | 111   |    | 156   |
|                           |    | ----- |    | ----- |    | ----- |    | ----- |    | ----- |

House loans

|       |  |       |  |       |  |       |  |       |  |       |
|-------|--|-------|--|-------|--|-------|--|-------|--|-------|
| Spec  |  | 34    |  | 38    |  | 42    |  | 48    |  | 58    |
| Sold  |  | 11    |  | 10    |  | 11    |  | 10    |  | 14    |
|       |  | ----- |  | ----- |  | ----- |  | ----- |  | ----- |
| Total |  | 45    |  | 48    |  | 53    |  | 58    |  | 72    |
|       |  | ----- |  | ----- |  | ----- |  | ----- |  | ----- |

|                                |    |       |    |       |    |       |    |       |    |       |
|--------------------------------|----|-------|----|-------|----|-------|----|-------|----|-------|
| Total residential construction | \$ | 110   | \$ | 133   | \$ | 159   | \$ | 169   | \$ | 228   |
|                                |    | ===== |    | ===== |    | ===== |    | ===== |    | ===== |

(1) Excludes total loans of \$63.3 million, \$68.2 million, \$75.2 million, \$80.8 million and \$79.5 million as of March 31, 2011, December 31, 2010, September 30, 2010, June 30, 2010 and March 31, 2010, 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)

|                          | 2011     | 2010     |          |         |         |
|--------------------------|----------|----------|----------|---------|---------|
|                          | -----    | -----    |          |         |         |
|                          |          |          |          | Year    |         |
|                          |          |          |          | Linked  | over    |
|                          | First    | Fourth   | First    | Quarter | Year    |
| (in millions)            | Quarter  | Quarter  | Quarter  | Change  | Change  |
|                          | -----    | -----    | -----    | -----   | -----   |
| LOANS BY CATEGORY        |          |          |          |         |         |
| Commercial (sec. by RE)  | \$ 1,692 | \$ 1,761 | \$ 1,765 | \$ (69) | \$ (73) |
| Commercial construction  | 213      | 297      | 357      | (84)    | (144)   |
| Commercial & industrial  | 431      | 441      | 381      | (10)    | 50      |
|                          | -----    | -----    | -----    |         |         |
| Total commercial         | 2,336    | 2,499    | 2,503    | (163)   | (167)   |
| Residential construction | 550      | 695      | 960      | (145)   | (410)   |
| Residential mortgage     | 1,187    | 1,279    | 1,390    | (92)    | (203)   |
| Consumer / installment   | 121      | 131      | 139      | (10)    | (18)    |
|                          | -----    | -----    | -----    |         |         |
| Total loans              | \$ 4,194 | \$ 4,604 | \$ 4,992 | (410)   | (798)   |
|                          | =====    | =====    | =====    |         |         |

LOANS BY MARKET

|                        |          |          |          |       |       |
|------------------------|----------|----------|----------|-------|-------|
| Atlanta MSA            | \$ 1,179 | \$ 1,310 | \$ 1,404 | (131) | (225) |
| Gainesville MSA        | 282      | 312      | 372      | (30)  | (90)  |
| North Georgia          | 1,531    | 1,689    | 1,814    | (158) | (283) |
| Western North Carolina | 640      | 702      | 756      | (62)  | (116) |
| Coastal Georgia        | 312      | 335      | 388      | (23)  | (76)  |
| East Tennessee         | 250      | 256      | 258      | (6)   | (8)   |
|                        | -----    | -----    | -----    |       |       |
| Total loans            | \$ 4,194 | \$ 4,604 | \$ 4,992 | (410) | (798) |



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RESIDENTIAL CONSTRUCTION

Dirt loans

|                           |        |        |        |       |       |
|---------------------------|--------|--------|--------|-------|-------|
| Acquisition & development | \$ 116 | \$ 174 | \$ 290 | (58)  | (174) |
| Land loans                | 69     | 99     | 124    | (30)  | (55)  |
| Lot loans                 | 228    | 275    | 321    | (47)  | (93)  |
|                           | -----  | -----  | -----  |       |       |
| Total                     | 413    | 548    | 735    | (135) | (322) |
|                           | -----  | -----  | -----  |       |       |

House loans

|       |       |       |       |      |      |
|-------|-------|-------|-------|------|------|
| Spec  | 88    | 97    | 153   | (9)  | (65) |
| Sold  | 49    | 50    | 72    | (1)  | (23) |
|       | ----- | ----- | ----- |      |      |
| Total | 137   | 147   | 225   | (10) | (88) |
|       | ----- | ----- | ----- |      |      |

Total residential construction \$ 550 \$ 695 \$ 960 (145) (410)

=====

RESIDENTIAL CONSTRUCTION - ATLANTA MSA

Dirt loans

|                           |       |       |       |      |      |
|---------------------------|-------|-------|-------|------|------|
| Acquisition & development | \$ 22 | \$ 30 | \$ 66 | (8)  | (44) |
| Land loans                | 19    | 23    | 43    | (4)  | (24) |
| Lot loans                 | 24    | 32    | 47    | (8)  | (23) |
|                           | ----- | ----- | ----- |      |      |
| Total                     | 65    | 85    | 156   | (20) | (91) |
|                           | ----- | ----- | ----- |      |      |

House loans

|                                |        |        |        |      |       |
|--------------------------------|--------|--------|--------|------|-------|
| Spec                           | 34     | 38     | 58     | (4)  | (24)  |
| Sold                           | 11     | 10     | 14     | 1    | (3)   |
|                                | -----  | -----  | -----  |      |       |
| Total                          | 45     | 48     | 72     | (3)  | (27)  |
|                                | -----  | -----  | -----  |      |       |
| Total residential construction | \$ 110 | \$ 133 | \$ 228 | (23) | (118) |
|                                | =====  | =====  | =====  |      |       |

(1) Excludes total loans of \$63.3 million, \$68.2 million, \$75.2 million, \$80.8 million and \$79.5 million as of March 31, 2011, December 31, 2010, September 30, 2010, June 30, 2010 and March 31, 2010, 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)

First Quarter 2011 (2)

|                         | -----          |            |           |
|-------------------------|----------------|------------|-----------|
|                         | Non-performing | Foreclosed | Total     |
| (in thousands)          | Loans          | Properties | NPAs      |
|                         | -----          | -----      | -----     |
| NPAs BY CATEGORY        |                |            |           |
| Commercial (sec. by RE) | \$ 20,648      | \$ 7,886   | \$ 28,534 |
| Commercial construction | 3,701          | 11,568     | 15,269    |
| Commercial & industrial | 2,198          | -          | 2,198     |
|                         | -----          | -----      | -----     |
| Total commercial        | 26,547         | 19,454     | 46,001    |

|                          |           |           |            |
|--------------------------|-----------|-----------|------------|
| Residential construction | 32,038    | 25,807    | 57,845     |
| Residential mortgage     | 23,711    | 9,117     | 32,828     |
| Consumer / installment   | 1,473     | -         | 1,473      |
|                          | -----     | -----     | -----      |
| Total NPAs               | \$ 83,769 | \$ 54,378 | \$ 138,147 |
|                          | =====     | =====     | =====      |
| Balance as a % of        |           |           |            |
| Unpaid Principal         | 57.3%     | 30.3%     | 42.4%      |

NPAs BY MARKET

|                        |           |           |            |
|------------------------|-----------|-----------|------------|
| Atlanta MSA            | \$ 21,501 | \$ 16,913 | \$ 38,414  |
| Gainesville MSA        | 4,332     | 2,157     | 6,489      |
| North Georgia          | 30,214    | 23,094    | 53,308     |
| Western North Carolina | 18,849    | 7,802     | 26,651     |
| Coastal Georgia        | 5,847     | 3,781     | 9,628      |
| East Tennessee         | 3,026     | 631       | 3,657      |
|                        | -----     | -----     | -----      |
| Total NPAs             | \$ 83,769 | \$ 54,378 | \$ 138,147 |
|                        | =====     | =====     | =====      |

NPA ACTIVITY

|                             |            |            |            |
|-----------------------------|------------|------------|------------|
| Beginning Balance           | \$ 179,094 | \$ 142,208 | \$ 321,302 |
| Loans placed on non-accrual | 54,730     | -          | 54,730     |
| Payments received           | (3,550)    | -          | (3,550)    |
| Loan charge-offs            | (43,969)   | -          | (43,969)   |
| Foreclosures                | (17,052)   | 17,052     | -          |
| Capitalized costs           | -          | 270        | 270        |
| Note / property sales       | (11,400)   | (44,547)   | (55,947)   |
| Loans held for sale         | (74,084)   | -          | (74,084)   |
| Write downs                 | -          | (48,585)   | (48,585)   |

|                     |           |           |            |
|---------------------|-----------|-----------|------------|
| Net losses on sales | -         | (12,020)  | (12,020)   |
|                     | -----     | -----     | -----      |
| Ending Balance      | \$ 83,769 | \$ 54,378 | \$ 138,147 |
|                     | =====     | =====     | =====      |

- (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) The NPA activity shown for the first quarter of 2011 is presented with all activity related to loans transferred to the loans held for sale classification on one line as if those loans were transferred to held for sale at the beginning of the period.
- (3) Includes charge-offs on loans related to United's previously announced asset disposition plan. Such charge-offs severely distorted charge off rates for the first quarter of 2011. A separate schedule has been included in this earnings release presenting the components of net charge-offs by loan category and geographic market for the first quarter of 2011.
- (4) North Carolina residential construction net charge-offs for the fourth quarter of 2010 exclude a \$11.8 million partial recovery of a 2007 fraud-related charge-off.
- (5) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality (1)

Fourth Quarter 2010

-----

|                          | Non-performing | Foreclosed | Total      |
|--------------------------|----------------|------------|------------|
| (in thousands)           | Loans          | Properties | NPAs       |
|                          | -----          | -----      | -----      |
| NPAs BY CATEGORY         |                |            |            |
| Commercial (sec. by RE)  | \$ 44,927      | \$ 23,659  | \$ 68,586  |
| Commercial construction  | 21,374         | 17,808     | 39,182     |
| Commercial & industrial  | 5,611          | -          | 5,611      |
|                          | -----          | -----      | -----      |
| Total commercial         | 71,912         | 41,467     | 113,379    |
| Residential construction | 54,505         | 78,231     | 132,736    |
| Residential mortgage     | 51,083         | 22,510     | 73,593     |
| Consumer / installment   | 1,594          | -          | 1,594      |
|                          | -----          | -----      | -----      |
| Total NPAs               | \$ 179,094     | \$ 142,208 | \$ 321,302 |
|                          | =====          | =====      | =====      |
| Balance as a % of        |                |            |            |
| Unpaid Principal         | 67.2%          | 64.4%      | 65.9%      |

NPAs BY MARKET

|                        |            |            |            |
|------------------------|------------|------------|------------|
| Atlanta MSA            | \$ 48,289  | \$ 41,154  | \$ 89,443  |
| Gainesville MSA        | 5,171      | 9,273      | 14,444     |
| North Georgia          | 83,551     | 66,211     | 149,762    |
| Western North Carolina | 25,832     | 11,553     | 37,385     |
| Coastal Georgia        | 11,145     | 11,901     | 23,046     |
| East Tennessee         | 5,106      | 2,116      | 7,222      |
|                        | -----      | -----      | -----      |
| Total NPAs             | \$ 179,094 | \$ 142,208 | \$ 321,302 |
|                        | =====      | =====      | =====      |

NPA ACTIVITY

|                             |    |          |    |          |    |          |
|-----------------------------|----|----------|----|----------|----|----------|
| Beginning Balance           | \$ | 217,766  | \$ | 129,964  | \$ | 347,730  |
| Loans placed on non-accrual |    | 81,023   |    | -        |    | 81,023   |
| Payments received           |    | (7,250)  |    | -        |    | (7,250)  |
| Loan charge-offs            |    | (47,913) |    | -        |    | (47,913) |
| Foreclosures                |    | (61,432) |    | 61,432   |    | -        |
| Capitalized costs           |    | -        |    | 170      |    | 170      |
| Note / property sales       |    | (3,100)  |    | (33,509) |    | (36,609) |
| Loans held for sale         |    | -        |    | -        |    | -        |
| Write downs                 |    | -        |    | (8,031)  |    | (8,031)  |
| Net losses on sales         |    | -        |    | (7,818)  |    | (7,818)  |
|                             |    | -----    |    | -----    |    | -----    |
| Ending Balance              | \$ | 179,094  | \$ | 142,208  | \$ | 321,302  |
|                             |    | =====    |    | =====    |    | =====    |

- (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) The NPA activity shown for the first quarter of 2011 is presented with all activity related to loans transferred to the loans held for sale classification on one line as if those loans were transferred to held for sale at the beginning of the period.
- (3) Includes charge-offs on loans related to United's previously announced asset disposition plan. Such charge-offs severely distorted charge off rates for the first quarter of 2011. A separate schedule has been included in this earnings release presenting the components of net charge-offs by loan category and geographic market for the first quarter of 2011.
- (4) North Carolina residential construction net charge-offs for the fourth quarter of 2010 exclude a \$11.8 million partial recovery of a 2007 fraud-related charge-off.
- (5) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality (1)

Third Quarter 2010

| (in thousands)           | Non-performing | Foreclosed | Total      |
|--------------------------|----------------|------------|------------|
|                          | Loans          | Properties | NPAs       |
| -----                    |                |            |            |
| NPAs BY CATEGORY         |                |            |            |
| Commercial (sec. by RE)  | \$ 53,646      | \$ 14,838  | \$ 68,484  |
| Commercial construction  | 17,279         | 15,125     | 32,404     |
| Commercial & industrial  | 7,670          | -          | 7,670      |
| -----                    |                |            |            |
| Total commercial         | 78,595         | 29,963     | 108,558    |
| Residential construction | 79,321         | 73,206     | 152,527    |
| Residential mortgage     | 58,107         | 26,795     | 84,902     |
| Consumer / installment   | 1,743          | -          | 1,743      |
| -----                    |                |            |            |
| Total NPAs               | \$ 217,766     | \$ 129,964 | \$ 347,730 |
| =====                    |                |            |            |
| Balance as a % of        |                |            |            |
| Unpaid Principal         | 70.0%          | 65.9%      | 68.4%      |
| NPAs BY MARKET           |                |            |            |
| Atlanta MSA              | \$ 65,304      | \$ 32,785  | \$ 98,089  |
| Gainesville MSA          | 11,905         | 5,685      | 17,590     |
| North Georgia            | 92,295         | 67,439     | 159,734    |

|                        |            |            |            |
|------------------------|------------|------------|------------|
| Western North Carolina | 31,545     | 11,559     | 43,104     |
| Coastal Georgia        | 10,611     | 10,951     | 21,562     |
| East Tennessee         | 6,106      | 1,545      | 7,651      |
|                        | -----      | -----      | -----      |
| Total NPAs             | \$ 217,766 | \$ 129,964 | \$ 347,730 |
|                        | =====      | =====      | =====      |

NPA ACTIVITY

|                             |            |            |            |
|-----------------------------|------------|------------|------------|
| Beginning Balance           | \$ 224,335 | \$ 123,910 | \$ 348,245 |
| Loans placed on non-accrual | 119,783    | -          | 119,783    |
| Payments received           | (11,469)   | -          | (11,469)   |
| Loan charge-offs            | (52,647)   | -          | (52,647)   |
| Foreclosures                | (59,844)   | 59,844     | -          |
| Capitalized costs           | -          | 601        | 601        |
| Note / property sales       | (2,392)    | (40,203)   | (42,595)   |
| Loans held for sale         | -          | -          | -          |
| Write downs                 | -          | (7,051)    | (7,051)    |
| Net losses on sales         | -          | (7,137)    | (7,137)    |
|                             | -----      | -----      | -----      |
| Ending Balance              | \$ 217,766 | \$ 129,964 | \$ 347,730 |
|                             | =====      | =====      | =====      |

(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) The NPA activity shown for the first quarter of 2011 is presented with all activity related to loans transferred to the loans held for sale classification on one line as if those loans were transferred to held for sale at the beginning of the period.

(3) Includes charge-offs on loans related to United's previously announced



asset disposition plan. Such charge-offs severely distorted charge off rates for the first quarter of 2011. A separate schedule has been included in this earnings release presenting the components of net charge-offs by loan category and geographic market for the first quarter of 2011.

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

(5) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality (1)

|                | First Quarter<br>2011 (3)           |  | Fourth Quarter<br>2010 (4)          |  | Third Quarter<br>2010               |  |
|----------------|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|
|                | Net Charge-Offs to Average Loans(5) |  | Net Charge-Offs to Average Loans(5) |  | Net Charge-Offs to Average Loans(5) |  |
| (in thousands) |                                     |  |                                     |  |                                     |  |

NET CHARGE-OFFS BY

CATEGORY

Commercial (sec. by

RE) \$ 48,607 11.07% \$ 6,493 1.45% \$ 14,212 3.16%

|                      |           |       |           |       |           |       |
|----------------------|-----------|-------|-----------|-------|-----------|-------|
| Commercial           |           |       |           |       |           |       |
| construction         | 49,715    | 76.95 | 3,924     | 5.12  | 1,972     | 2.40  |
| Commercial &         |           |       |           |       |           |       |
| industrial           | 4,040     | 3.64  | 2,891     | 2.54  | 1,207     | 1.07  |
|                      | -----     |       | -----     |       | -----     |       |
| Total commercial     | 102,362   | 16.66 | 13,308    | 2.09  | 17,391    | 2.70  |
| Residential          |           |       |           |       |           |       |
| construction         | 92,138    | 58.20 | 24,497    | 13.28 | 23,934    | 11.99 |
| Residential mortgage | 36,383    | 11.62 | 9,176     | 2.80  | 7,695     | 2.29  |
| Consumer /           |           |       |           |       |           |       |
| installment          | 691       | 2.16  | 687       | 2.06  | 978       | 2.90  |
|                      | -----     |       | -----     |       | -----     |       |
| Total                | \$231,574 | 20.71 | \$ 47,668 | 4.03  | \$ 49,998 | 4.12  |
|                      | =====     |       | =====     |       | =====     |       |

NET CHARGE-OFFS BY

MARKET

|                 |           |        |           |       |           |       |
|-----------------|-----------|--------|-----------|-------|-----------|-------|
| Atlanta MSA     | \$ 56,489 | 17.86% | \$ 15,222 | 4.48% | \$ 13,753 | 3.97% |
| Gainesville MSA | 8,616     | 11.93  | 3,434     | 4.37  | 1,143     | 1.40  |
| North Georgia   | 123,305   | 29.66  | 18,537    | 4.26  | 26,554    | 5.92  |
| Western North   |           |        |           |       |           |       |
| Carolina        | 26,447    | 15.61  | 5,154     | 2.87  | 5,509     | 2.99  |
| Coastal Georgia | 12,003    | 14.80  | 3,670     | 4.27  | 2,702     | 3.05  |
| East Tennessee  | 4,714     | 7.47   | 1,651     | 2.53  | 337       | .52   |
|                 | -----     |        | -----     |       | -----     |       |
| Total           | \$231,574 | 20.71  | \$ 47,668 | 4.03  | \$ 49,998 | 4.12  |
|                 | =====     |        | =====     |       | =====     |       |

(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) The NPA activity shown for the first quarter of 2011 is presented with all activity related to loans transferred to the loans held for sale classification on one line as if those loans were transferred to held for sale at the beginning of the period.

(3) Includes charge-offs on loans related to United's previously announced asset disposition plan. Such charge-offs severely distorted charge off rates for the first quarter of 2011. A separate schedule has been included in this earnings release presenting the components of net charge-offs by loan category and geographic market for the first quarter of 2011.

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

(5) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

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

Asset Disposition Plan

|                | Asset Disposition Plan |            |          |         |          |
|----------------|------------------------|------------|----------|---------|----------|
|                | -----                  |            |          |         |          |
|                | Bulk Loan Sale (2)     |            |          | First   |          |
|                | -----                  | Other      | Fore-    | Other   | Quarter  |
|                | Perform-               | Non-       | Bulk     | closure | 2011 Net |
|                | ing                    | performing | Loan     | Charge- | Charge-  |
|                |                        |            | Sales(3) | Offs(4) | Charge-  |
| (in thousands) | Loans                  | Loans      |          | Offs    | Offs     |
|                | -----                  | -----      | -----    | -----   | -----    |

## NET CHARGE-OFFS BY

## CATEGORY

Commercial (sec. by

RE) \$ 29,451 \$ 11,091 \$ 3,318 \$ 1,905 \$ 2,842 \$ 48,607

Commercial

construction 32,530 15,328 292 419 1,146 49,715

Commercial &amp;

industrial 365 2,303 859 - 513 4,040

-----

Total commercial 62,346 28,722 4,469 2,324 4,501 102,362

Residential

construction 43,018 23,459 3,325 11,693 10,643 92,138

Residential mortgage 13,917 14,263 1,676 1,538 4,989 36,383

Consumer /

installment 86 168 30 24 383 691

-----

Total \$119,367 \$ 66,612 \$ 9,500 \$ 15,579 \$ 20,516 \$231,574

=====

## NET CHARGE-OFFS BY

## MARKET

Atlanta MSA \$ 37,186 \$ 8,545 \$ 1,428 \$ 6,034 \$ 3,296 \$ 56,489

Gainesville MSA 3,563 2,442 957 700 954 8,616

North Georgia 57,969 47,699 2,508 6,585 8,544 123,305

Western North

Carolina 11,138 4,743 2,415 1,402 6,749 26,447

Coastal Georgia 6,835 2,180 2,013 634 341 12,003

East Tennessee 2,676 1,003 179 224 632 4,714

-----

Total \$119,367 \$ 66,612 \$ 9,500 \$ 15,579 \$ 20,516 \$231,574

=====

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

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

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

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

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality - Bulk Loan Sale Summary (1)

Performing Loans

|                | Carrying   | Charge-Offs | Loans Held  |
|----------------|------------|-------------|-------------|
| (in thousands) | Amount (2) | (3)         | for Sale(4) |

BY CATEGORY

|                          |            |            |           |
|--------------------------|------------|------------|-----------|
| Commercial (sec. by RE)  | \$ 40,902  | \$ 29,451  | \$ 11,451 |
| Commercial construction  | 45,490     | 32,530     | 12,960    |
| Commercial & industrial  | 504        | 365        | 139       |
| -----                    |            |            |           |
| Total commercial         | 86,896     | 62,346     | 24,550    |
| Residential construction | 59,747     | 43,018     | 16,729    |
| Residential mortgage     | 19,342     | 13,917     | 5,425     |
| Consumer / installment   | 120        | 86         | 34        |
| -----                    |            |            |           |
| Total                    | \$ 166,105 | \$ 119,367 | \$ 46,738 |

=====

BY MARKET

|                        |            |            |           |
|------------------------|------------|------------|-----------|
| Atlanta MSA            | \$ 51,647  | \$ 37,186  | \$ 14,461 |
| Gainesville MSA        | 4,949      | 3,563      | 1,386     |
| North Georgia          | 80,831     | 57,969     | 22,862    |
| Western North Carolina | 15,468     | 11,138     | 4,330     |
| Coastal Georgia        | 9,493      | 6,835      | 2,658     |
| East Tennessee         | 3,717      | 2,676      | 1,041     |
| -----                  |            |            |           |
| Total                  | \$ 166,105 | \$ 119,367 | \$ 46,738 |

=====

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

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

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

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

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality - Bulk Loan Sale Summary (1)

Nonperforming Loans

| (in thousands)           | Carrying<br>Amount (2) | Charge-Offs<br>(3) | Loans Held<br>for Sale(4) |
|--------------------------|------------------------|--------------------|---------------------------|
| -----                    |                        |                    |                           |
| BY CATEGORY              |                        |                    |                           |
| Commercial (sec. by RE)  | \$ 17,202              | \$ 11,091          | \$ 6,111                  |
| Commercial construction  | 22,440                 | 15,328             | 7,112                     |
| Commercial & industrial  | 3,398                  | 2,303              | 1,095                     |
| -----                    |                        |                    |                           |
| Total commercial         | 43,040                 | 28,722             | 14,318                    |
| Residential construction | 35,509                 | 23,459             | 12,050                    |
| Residential mortgage     | 21,717                 | 14,263             | 7,454                     |
| Consumer / installment   | 237                    | 168                | 69                        |
| -----                    |                        |                    |                           |
| Total                    | \$ 100,503             | \$ 66,612          | \$ 33,891                 |
| =====                    |                        |                    |                           |

BY MARKET

|             |           |          |          |
|-------------|-----------|----------|----------|
| Atlanta MSA | \$ 13,755 | \$ 8,545 | \$ 5,210 |
|-------------|-----------|----------|----------|

|                        |            |           |           |
|------------------------|------------|-----------|-----------|
| Gainesville MSA        | 3,695      | 2,442     | 1,253     |
| North Georgia          | 70,901     | 47,699    | 23,202    |
| Western North Carolina | 7,228      | 4,743     | 2,485     |
| Coastal Georgia        | 3,528      | 2,180     | 1,348     |
| East Tennessee         | 1,396      | 1,003     | 393       |
|                        | -----      | -----     | -----     |
| Total                  | \$ 100,503 | \$ 66,612 | \$ 33,891 |
|                        | =====      | =====     | =====     |

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

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

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

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

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality - Bulk Loan Sale Summary (1)

Total Loans



| (in thousands)           | Carrying<br>Amount (2) | Charge-Offs<br>(3) | Loans Held<br>for Sale(4) |
|--------------------------|------------------------|--------------------|---------------------------|
| BY CATEGORY              |                        |                    |                           |
| Commercial (sec. by RE)  | \$ 58,104              | \$ 40,542          | \$ 17,562                 |
| Commercial construction  | 67,930                 | 47,858             | 20,072                    |
| Commercial & industrial  | 3,902                  | 2,668              | 1,234                     |
| -----                    |                        |                    |                           |
| Total commercial         | 129,936                | 91,068             | 38,868                    |
| Residential construction | 95,256                 | 66,477             | 28,779                    |
| Residential mortgage     | 41,059                 | 28,180             | 12,879                    |
| Consumer / installment   | 357                    | 254                | 103                       |
| -----                    |                        |                    |                           |
| Total                    | \$ 266,608             | \$ 185,979         | \$ 80,629                 |
| =====                    |                        |                    |                           |
| BY MARKET                |                        |                    |                           |
| Atlanta MSA              | \$ 65,402              | \$ 45,731          | \$ 19,671                 |
| Gainesville MSA          | 8,644                  | 6,005              | 2,639                     |
| North Georgia            | 151,732                | 105,668            | 46,064                    |
| Western North Carolina   | 22,696                 | 15,881             | 6,815                     |
| Coastal Georgia          | 13,021                 | 9,015              | 4,006                     |
| East Tennessee           | 5,113                  | 3,679              | 1,434                     |
| -----                    |                        |                    |                           |
| Total                    | \$ 266,608             | \$ 185,979         | \$ 80,629                 |
| =====                    |                        |                    |                           |

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

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

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

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

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Income (Unaudited)

|   | Three Months Ended |           |
|---|--------------------|-----------|
|   | March 31,          |           |
|   | 2011               | 2010      |
| (in thousands, except per share data)                             |                    |           |
| Interest revenue:   |                    |           |
| Loans, including fees   | \$ 61,107          | \$ 72,215 |
| Investment securities, including tax exempt of \$259<br>and \$311 | 13,604             | 16,203    |
| Federal funds sold, commercial paper and deposits in<br>banks     | 819                | 938       |
| Total interest revenue  | 75,530             | 89,356    |
| Interest expense:   |                    |           |

Deposits:

|              |        |        |
|--------------|--------|--------|
| NOW          | 1,324  | 1,854  |
| Money market | 2,028  | 1,757  |
| Savings      | 77     | 84     |
| Time         | 11,732 | 20,198 |

-----

|                                |        |        |
|--------------------------------|--------|--------|
| Total deposit interest expense | 15,161 | 23,893 |
|--------------------------------|--------|--------|

Federal funds purchased, repurchase agreements and

|                             |       |       |
|-----------------------------|-------|-------|
| other short-term borrowings | 1,042 | 1,038 |
|-----------------------------|-------|-------|

|                                 |     |     |
|---------------------------------|-----|-----|
| Federal Home Loan Bank advances | 590 | 977 |
|---------------------------------|-----|-----|

|                |       |       |
|----------------|-------|-------|
| Long-term debt | 2,780 | 2,662 |
|----------------|-------|-------|

-----

|                        |        |        |
|------------------------|--------|--------|
| Total interest expense | 19,573 | 28,570 |
|------------------------|--------|--------|

-----

|                      |        |        |
|----------------------|--------|--------|
| Net interest revenue | 55,957 | 60,786 |
|----------------------|--------|--------|

|                           |         |        |
|---------------------------|---------|--------|
| Provision for loan losses | 190,000 | 75,000 |
|---------------------------|---------|--------|

-----

|  |           |          |
|--|-----------|----------|
| Net interest revenue after provision for loan losses | (134,043) | (14,214) |
|--|-----------|----------|

-----

Fee revenue:

|                          |       |       |
|--------------------------|-------|-------|
| Service charges and fees | 6,720 | 7,447 |
|--------------------------|-------|-------|

|                                      |       |       |
|--------------------------------------|-------|-------|
| Mortgage loan and other related fees | 1,494 | 1,479 |
|--------------------------------------|-------|-------|

|                |     |     |
|----------------|-----|-----|
| Brokerage fees | 677 | 567 |
|----------------|-----|-----|

|                       |    |    |
|-----------------------|----|----|
| Securities gains, net | 55 | 61 |
|-----------------------|----|----|

|       |       |       |
|-------|-------|-------|
| Other | 2,892 | 2,112 |
|-------|-------|-------|

-----

|                   |        |        |
|-------------------|--------|--------|
| Total fee revenue | 11,838 | 11,666 |
|-------------------|--------|--------|

-----

|               |           |         |
|---------------|-----------|---------|
| Total revenue | (122,205) | (2,548) |
|---------------|-----------|---------|

-----

Operating expenses:

|  |             |             |
|--|-------------|-------------|
| Salaries and employee benefits   | 24,924      | 24,360      |
| Communications and equipment   | 3,344       | 3,273       |
| Occupancy  | 4,074       | 3,814       |
| Advertising and public relations                                       | 978         | 1,043       |
| Postage, printing and supplies   | 1,118       | 1,225       |
| Professional fees  | 3,330       | 1,943       |
| Foreclosed property  | 64,899      | 10,813      |
| FDIC assessments and other regulatory charges                          | 5,413       | 3,626       |
| Amortization of intangibles  | 762         | 802         |
| Other  | 6,429       | 3,921       |
|  | -----       | -----       |
| Total operating expenses   | 115,271     | 54,820      |
|  | -----       | -----       |
| Loss from continuing operations before income taxes                    | (237,476)   | (57,368)    |
| Income tax benefit   | (94,990)    | (22,910)    |
|  | -----       | -----       |
| Net loss from continuing operations                                    | (142,486)   | (34,458)    |
| (Loss) income from discontinued operations, net<br>of income taxes     | -           | (101)       |
| Gain from sale of subsidiary, net of income taxes<br>and selling costs | -           | 1,266       |
|  | -----       | -----       |
| Net loss   | (142,486)   | (33,293)    |
| Preferred stock dividends and discount accretion                       | 2,778       | 2,572       |
|  | -----       | -----       |
| Net loss available to common shareholders                              | \$(145,264) | \$ (35,865) |
|  | =====       | =====       |
| Loss from continuing operations per common share -<br>Basic / Diluted  | \$ (1.57)   | \$ (.39)    |
| Loss per common share - Basic / Diluted                                | (1.57)      | (.38)       |
| Weighted average common shares outstanding - Basic /                   |             |             |

Diluted 92,330 94,390

UNITED COMMUNITY BANKS, INC.

Consolidated Balance Sheet

(in thousands, except share and per share data)

|   | March 31,<br>2011<br>-----<br>(unaudited) | December 31,<br>2010<br>-----<br>(audited) | March 31,<br>2010<br>-----<br>(unaudited) |
|---|---|--|---|
| <b>ASSETS</b>   |   |  |   |
| Cash and due from banks   | \$ 153,891                                | \$ 95,994                                  | \$ 105,613                                |
| Interest-bearing deposits in<br>banks                               | 465,656                                   | 111,901                                    | 99,893                                    |
| Federal funds sold, commercial<br>paper and short-term investments  | 470,087                                   | 441,562                                    | 183,049                                   |
|   | -----                                     | -----                                      | -----                                     |
| Cash and cash equivalents   | 1,089,634                                 | 649,457                                    | 388,555                                   |
| Securities available for sale                                       | 1,638,494                                 | 1,224,417                                  | 1,526,589                                 |
| Securities held to maturity (fair<br>value \$248,361 and \$267,988) | 245,430                                   | 265,807                                    | -   |
| Loans held for sale   | 80,629                                    | -  | -   |
| Mortgage loans held for sale  | 25,364                                    | 35,908                                     | 21,998                                    |
| Loans, net of unearned income                                       | 4,194,372                                 | 4,604,126                                  | 4,992,045                                 |
| Less allowance for loan<br>losses                                   | 133,121                                   | 174,695                                    | 173,934                                   |

|                                |              |              |              |
|--------------------------------|--------------|--------------|--------------|
|                                | -----        | -----        | -----        |
| Loans, net                     | 4,061,251    | 4,429,431    | 4,818,111    |
| Assets covered by loss sharing |              |              |              |
| agreements with the FDIC       | 125,789      | 131,887      | 169,287      |
| Premises and equipment, net    | 179,143      | 178,239      | 181,217      |
| Accrued interest receivable    | 21,687       | 24,299       | 30,492       |
| Goodwill and other intangible  |              |              |              |
| assets                         | 10,684       | 11,446       | 224,394      |
| Foreclosed property            | 54,378       | 142,208      | 136,275      |
| Net deferred tax asset         | 266,367      | 166,937      | 92,986       |
| Other assets                   | 174,742      | 183,160      | 247,114      |
|                                | -----        | -----        | -----        |
| Total assets                   | \$ 7,973,592 | \$ 7,443,196 | \$ 7,837,018 |
|                                | =====        | =====        | =====        |

LIABILITIES AND SHAREHOLDERS'

EQUITY

Liabilities:

Deposits:

|                        |            |            |            |
|------------------------|------------|------------|------------|
| Demand                 | \$ 864,708 | \$ 793,414 | \$ 740,727 |
| NOW                    | 1,320,136  | 1,424,781  | 1,344,973  |
| Money market           | 967,938    | 891,252    | 729,283    |
| Savings                | 193,591    | 183,894    | 186,699    |
| Time:                  |            |            |            |
| Less than \$100,000    | 1,576,505  | 1,496,700  | 1,643,059  |
| Greater than \$100,000 | 990,289    | 1,002,359  | 1,132,034  |
| Brokered               | 684,581    | 676,772    | 710,813    |
|                        | -----      | -----      | -----      |
| Total deposits         | 6,597,748  | 6,469,172  | 6,487,588  |

Federal funds purchased,

repurchase agreements, and

|                             |         |         |         |
|-----------------------------|---------|---------|---------|
| other short-term borrowings | 102,107 | 101,067 | 102,480 |
|-----------------------------|---------|---------|---------|

|  |           |           |           |
|--|-----------|-----------|-----------|
| Federal Home Loan Bank advances        | 55,125    | 55,125    | 114,303   |
| Long-term debt                         | 150,166   | 150,146   | 150,086   |
| Unsettled securities purchases         | 177,532   | -         | 17,588    |
| Accrued expenses and other liabilities | 40,766    | 32,171    | 39,078    |
|  | -----     | -----     | -----     |
| Total liabilities                      | 7,123,444 | 6,807,681 | 6,911,123 |
|  | -----     | -----     | -----     |

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 176,049 175,711 174,727

Series D; \$1,000 stated

value; 16,613 shares

issued and outstanding 16,613 - -

Series F; \$1,000 stated

value; 195,872 shares

issued and outstanding 195,872 - -

Series G; \$1,000 stated

value; 151,185 shares

issued and outstanding 151,185 - -

Common stock, \$1 par value;

200,000,000 shares authorized;

104,515,553, 94,685,003 and

94,175,857 shares issued

and outstanding 104,516 94,685 94,176

|   |              |              |              |
|---|--------------|--------------|--------------|
| Common stock issuable; 397,138,<br>336,437 and 262,002 shares | 3,681        | 3,894        | 4,127        |
| Capital surplus   | 655,350      | 665,496      | 622,803      |
| Accumulated deficit   | (480,831)    | (335,567)    | (15,481)     |
| Accumulated other comprehensive<br>income                     | 27,496       | 31,079       | 45,326       |
|   | -----        | -----        | -----        |
| Total shareholders' equity                                    | 850,148      | 635,515      | 925,895      |
|   | -----        | -----        | -----        |
| Total liabilities and<br>shareholders' equity                 | \$ 7,973,592 | \$ 7,443,196 | \$ 7,837,018 |
|   | =====        | =====        | =====        |

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended March 31,

|   | 2011        |               |       |
|---|-------------|---------------|-------|
|   | -----       |               |       |
|   | Average     |               | Avg.  |
| (dollars in thousands, taxable equivalent)    | Balance     | Interest Rate |       |
|   | -----       | -----         | ----  |
| Assets:                                       |             |               |       |
| Interest-earning assets:                      |             |               |       |
| Loans, net of unearned income (1)(2)          | \$4,598,860 | \$ 61,070     | 5.39% |
| Taxable securities (3)                        | 1,599,481   | 13,345        | 3.34  |
| Tax-exempt securities (1)(3)                  | 25,827      | 424           | 6.57  |
| Federal funds sold and other interest-earning |             |               |       |



|  |             |          |      |
|--|-------------|----------|------|
| assets                                       | 677,453     | 1,126    | .66  |
|  | -----       | -----    |      |
| Total interest-earning assets                | 6,901,621   | 75,965   | 4.45 |
|  | -----       | -----    |      |
| Non-interest-earning assets:                 |             |          |      |
| Allowance for loan losses                    | (169,113)   |          |      |
| Cash and due from banks                      | 134,341     |          |      |
| Premises and equipment                       | 179,353     |          |      |
| Other assets (3)                             | 548,348     |          |      |
|  | -----       |          |      |
| Total assets                                 | \$7,594,550 |          |      |
|  | =====       |          |      |
| Liabilities and Shareholders' Equity:        |             |          |      |
| Interest-bearing liabilities:                |             |          |      |
| Interest-bearing deposits:                   |             |          |      |
| NOW  | \$1,373,142 | \$ 1,324 | .39  |
| Money market                                 | 928,542     | 2,028    | .89  |
| Savings                                      | 187,423     | 77       | .17  |
| Time less than \$100,000                     | 1,540,342   | 5,451    | 1.44 |
| Time greater than \$100,000                  | 990,881     | 4,151    | 1.70 |
| Brokered                                     | 698,288     | 2,130    | 1.24 |
|  | -----       | -----    |      |
| Total interest-bearing deposits              | 5,718,618   | 15,161   | 1.08 |
|  | -----       | -----    |      |
| Federal funds purchased and other borrowings | 101,097     | 1,042    | 4.18 |
| Federal Home Loan Bank advances              | 55,125      | 590      | 4.34 |
| Long-term debt                               | 150,157     | 2,780    | 7.51 |
|  | -----       | -----    |      |
| Total borrowed funds                         | 306,379     | 4,412    | 5.84 |
|  | -----       | -----    |      |
| Total interest-bearing liabilities           | 6,024,997   | 19,573   | 1.32 |

-----  
Non-interest-bearing liabilities:

|  |             |       |
|--|-------------|-------|
| Non-interest-bearing deposits              | 841,351     |       |
| Other liabilities                          | 58,634      |       |
|  | -----       |       |
| Total liabilities                          | 6,924,982   |       |
| Shareholders' equity                       | 669,568     |       |
|  | -----       |       |
| Total liabilities and shareholders' equity | \$7,594,550 |       |
|  | =====       |       |
| Net interest revenue                       | \$ 56,392   |       |
|  | =====       |       |
| Net interest-rate spread                   |             | 3.13% |
|  |             | ===== |
| Net interest margin (4)                    |             | 3.30% |
|  |             | ===== |

(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 \$27.2 million in 2011 and \$43.2 million in 2010 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 March 31,

|   | 2010        |           |       |
|---|-------------|-----------|-------|
|   | Average     | Avg.      |       |
| (dollars in thousands, taxable equivalent)              | Balance     | Interest  | Rate  |
|   | -----       | -----     | ----- |
| <b>Assets:</b>  |             |           |       |
| Interest-earning assets:                                |             |           |       |
| Loans, net of unearned income (1)(2)                    | \$5,172,847 | \$ 72,219 | 5.66% |
| Taxable securities (3)                                  | 1,487,646   | 15,892    | 4.27  |
| Tax-exempt securities (1)(3)                            | 30,050      | 509       | 6.78  |
| Federal funds sold and other interest-earning<br>assets | 394,348     | 1,229     | 1.25  |
|   | -----       | -----     |       |
| Total interest-earning assets                           | 7,084,891   | 89,849    | 5.13  |
|   | -----       | -----     |       |
| Non-interest-earning assets:                            |             |           |       |
| Allowance for loan losses                               | (187,288)   |           |       |
| Cash and due from banks                                 | 104,545     |           |       |
| Premises and equipment                                  | 181,927     |           |       |
| Other assets (3)  | 762,228     |           |       |
|   | -----       |           |       |
| Total assets  | \$7,946,303 |           |       |
|   | =====       |           |       |

Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

|  |             |           |       |
|--|-------------|-----------|-------|
| NOW  | \$1,361,696 | \$ 1,854  | .55   |
| Money market                                 | 723,470     | 1,757     | .98   |
| Savings                                      | 180,448     | 84        | .19   |
| Time less than \$100,000                     | 1,692,652   | 8,891     | 2.13  |
| Time greater than \$100,000                  | 1,155,776   | 6,770     | 2.38  |
| Brokered                                     | 736,999     | 4,537     | 2.50  |
|  | -----       | -----     |       |
| Total interest-bearing deposits              | 5,851,041   | 23,893    | 1.66  |
|  | -----       | -----     |       |
| Federal funds purchased and other borrowings | 102,058     | 1,038     | 4.12  |
| Federal Home Loan Bank advances              | 114,388     | 977       | 3.46  |
| Long-term debt                               | 150,078     | 2,662     | 7.19  |
|  | -----       | -----     |       |
| Total borrowed funds                         | 366,524     | 4,677     | 5.18  |
|  | -----       | -----     |       |
| Total interest-bearing liabilities           | 6,217,565   | 28,570    | 1.86  |
|  |             | -----     |       |
| Non-interest-bearing liabilities:            |             |           |       |
| Non-interest-bearing deposits                | 718,975     |           |       |
| Other liabilities                            | 64,337      |           |       |
|  | -----       |           |       |
| Total liabilities                            | 7,000,877   |           |       |
| Shareholders' equity                         | 945,426     |           |       |
|  | -----       |           |       |
| Total liabilities and shareholders' equity   | \$7,946,303 |           |       |
|  | =====       |           |       |
| Net interest revenue                         |             | \$ 61,279 |       |
|  |             | =====     |       |
| Net interest-rate spread                     |             |           | 3.27% |
|  |             |           | ===== |

Net interest margin (4) 3.49%

====

- (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 \$27.2 million in 2011 and \$43.2 million in 2010 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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Source: United Community Banks, Inc.

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