



United Community Banks, Inc. Reports Net Operating Loss of \$23.6 Million for Fourth Quarter 2010

BLAIRSVILLE, GA -- (MARKET WIRE) -- 01/28/11 -- United Community Banks, Inc. (NASDAQ: UCBI)

- Net operating loss lowest since second quarter 2009
- Credit measures continue to improve; nonperforming assets lowest since 2008
- Allowance-to-loans ratio increases to 3.79 percent
- Core transaction deposits up 12 percent annualized

United Community Banks, Inc. (NASDAQ: UCBI) today reported a net operating loss from continuing operations of \$23.6 million, or 28 cents per diluted share, for the fourth quarter of 2010. The fourth quarter operating loss excludes a partial recovery of \$11.8 million, or eight cents per diluted share, from a previously incurred fraud loss related to two failed real estate developments in western North Carolina. Including the recovery, the fourth quarter net loss was \$16.4 million, or 20 cents per diluted share.

For 2010 and 2009, United's net operating losses from continuing operations were \$143.4 million and \$139.1 million, or \$1.62 and \$2.47 per diluted share, respectively. In the attached schedules, operating losses from continuing operations for all periods exclude consulting fee revenue and operating expenses of Brintech, Inc. during the periods it was owned by United. Also excluded is the gain from the sale of Brintech in the first quarter of 2010. The net income or loss from Brintech's discontinued operations is reported as a separate line in the consolidated statement of income.

In addition to excluding the fourth quarter partial recovery of the fraud loss from western North Carolina, the net operating loss from continuing operations for the full year 2010 excludes the \$210.6 million non-cash charge for goodwill impairment. Including the partial recovery and goodwill impairment charge, United's net loss for the full year 2010 was \$345.6 million, or \$3.76 per diluted share.

The net operating loss from continuing operations for the full year 2009 excludes \$95 million in non-cash charges for impairment of goodwill and \$1.8 million in severance costs, net of taxes, relating to a reduction in work force. Also excluded is the \$7.1 million gain, net of taxes, on the acquisition of Southern Community Bank in the second quarter 2009. These charges and gains were considered non-operating items and therefore were excluded from operating earnings. Including these non-operating items, United's net loss for 2009 was \$228.3 million, or \$3.95 per diluted share.

"We are encouraged by the improving trends in our credit quality indicators," said Jimmy Tallent, president and chief executive officer. "Credit quality improved from the third quarter in every measure, with nonperforming assets, net charge-offs and provision for loan losses falling to their lowest levels in many quarters. At the same time, the housing market and general economy within our footprint remain weak, so we look toward the future with guarded optimism."

Total loans were \$4.6 billion at quarter-end, down \$156 million from the end of the third quarter and down \$547 million from a year ago. Residential construction loans were \$695 million, or 15 percent of total loans, down \$69 million from the end of the third quarter and down \$355 million from a year ago. The decline in loans was net of new lending that totaled \$78 million during the fourth quarter and \$320 million for the full year, primarily commercial and small business loans in metropolitan Atlanta and north Georgia.

Taxable equivalent net interest revenue of \$60.1 million was \$3.8 million lower than the fourth quarter of 2009 due to the lower level of interest-earning assets. Average loans and securities declined \$589 million and \$175 million, respectively, from the fourth quarter of 2009. The net interest margin was 3.58 percent for the fourth quarter of 2010, up 18 basis points from a year ago and up one basis point from the third quarter.

"While remaining sharply focused on deposit and loan pricing, we've maintained liquidity significantly above historical levels in light of the uncertain times," Tallent said. "This excess liquidity lowered our margin by 30 basis points in the fourth quarter and 19 basis points in the third quarter."

"We grew core transaction deposits for the eighth consecutive quarter," Tallent continued. "The fourth quarter increase was \$77 million, 12 percent on an annualized basis," Tallent continued. "This brought our 2010 core deposit growth to \$291 million, a 12 percent increase."

"We continue to see tremendous core deposit growth opportunities in our markets due to disruption in the banking environment," Tallent said. "We have launched a new core deposit marketing initiative that stresses our strong customer service culture, and is already showing great promise."

The fourth quarter 2010 operating provision for loan losses decreased from \$50.5 million in the third quarter and from \$90 million a year ago, to \$47.8 million in the fourth quarter. Operating net charge-offs continued their downward trend to \$47.7 million in the fourth quarter, \$2.3 million less than the third quarter and \$36.9 million less than the fourth quarter of 2009. The operating provision for loan losses and operating net charge-offs for the fourth quarter of 2010 exclude the partial recovery of \$11.8 million from the fraud loss incurred in 2007 in western North Carolina.

Non-performing assets decreased to \$321 million at quarter-end from \$348 million at September 30 and from \$385 million at December 31, 2009.

Operating fee revenue was \$12.4 million in the fourth quarter of 2010, compared to \$14.4 million a year ago. The fourth quarter of 2009 included \$2.0 million in securities gains which accounts for the decrease. Service charges and fees of \$7.0 million were down \$1.2 million, due primarily to lower overdraft fees resulting from recent regulatory changes that require customers to give consent before using United's overdraft services. Mortgage loan fees were up \$217,000 from a year ago, to \$1.9 million, due to higher refinancing activity resulting from low long-term interest rates. Other fee revenue increased \$676,000 to \$2.8 million, due primarily to the acceleration of deferred gains relating to the ineffectiveness of terminated cash flow hedges on certain prime-based loans.

Fourth quarter operating expenses were \$64.9 million, up \$4.8 million from a year ago due to higher foreclosed property costs. Foreclosed property costs were \$20.6 million, a \$6.2 million increase from the fourth quarter of 2009 reflecting additional losses from declining real estate values. Fourth quarter 2010 foreclosed property costs, including maintenance, property taxes and other related costs were even with last year at \$4.8 million. Losses relating to the sale of properties totaled \$7.8 million and write-downs of other foreclosed properties totaled \$8.0 million. The losses and write-downs increased \$451,000 and \$5.8 million, respectively, compared to fourth quarter 2009, which helped expedite sales of foreclosed properties. Salary and benefit costs totaled \$23.8 million, a decrease of \$284,000 from last year due primarily to lower stock-based compensation expense. Other operating expenses decreased \$530,000 from a year ago, to \$3.9 million, due primarily to lower ATM network costs and appraisal fees.

The effective tax rate for the fourth quarter of 2010 was 43 percent, up slightly from the 40 percent in the third quarter due to the statute expiration of certain state tax returns and resulting release of related reserves. Absent the tax reserve adjustment, the effective tax rate would have been 40 percent, which is the expected effective rate for 2011.

As of December 31, 2010, the capital ratios for United were as follows: Tier 1 Risk Based of 9.7 percent; Leverage of 6.8 percent; and, Total Risk Based of 12.1 percent. The quarterly average tangible equity-to-assets ratio was 8.8 percent and the tangible common equity-to-assets ratio was 6.4 percent.

"The last three years have been difficult, to state the obvious," Tallent said. "We are seeing encouraging signs, however; our credit metrics are moving in the right direction with several approaching their lowest levels since the beginning of the credit cycle in 2008. Core customer deposit growth has been the strongest in our history and we've made great strides increasing the net interest margin with deference to the need to maintain higher-than-normal levels of liquidity. We've rebalanced our loan portfolio by shrinking residential construction loans to 15 percent of the portfolio from a high of 35 percent."

"As to capital, we exceed regulatory well-capitalized levels but continue to evaluate alternatives to further strengthen our position," Tallent said. "We believe this course is prudent in light of the operating and regulatory environment, and are very pleased that these efforts have advanced substantially. We expect to announce a capital plan by the end of the first quarter of 2011."

Conference Call

United Community Banks will hold a conference call today, Friday, January 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 '35075160.' 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.

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 \$7.4 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.

Safe Harbor

This news release contains forward-looking statements, as defined by Federal Securities Laws, including statements about financial outlook and business environment. These statements are provided to assist in the understanding of future financial performance and such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. Any such statements are based on current expectations and involve a number of risks and uncertainties. For a discussion of some factors that may cause such forward-looking statements to differ materially from actual results, please refer to the section entitled "Forward-Looking Statements" on page 3 of United Community Banks, Inc.'s annual report filed on Form 10-K with the Securities and Exchange Commission.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

(in thousands,

except per	2010				2009
share data;	-----				
taxable	Fourth	Third	Second	First	Fourth
equivalent)	Quarter	Quarter	Quarter	Quarter	Quarter
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INCOME SUMMARY

Interest

revenue	\$ 81,215	\$ 84,360	\$ 87,699	\$ 89,849	\$ 97,481
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Interest

expense	21,083	24,346	26,072	28,570	33,552
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Net

interest

revenue	60,132	60,014	61,627	61,279	63,929
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Operating					
provision for					
loan losses					
(1)	47,750	50,500	61,500	75,000	90,000
Operating fee					
revenue (2)	12,442	12,861	11,579	11,666	14,447
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Total					
operating					
revenue					
(1)(2)	24,824	22,375	11,706	(2,055)	(11,624)
Operating					
expenses (3)	64,918	64,906	58,308	54,820	60,126
Loss on sale of					
nonperforming					
assets	-	-	45,349	-	-
	-----	-----	-----	-----	-----
Operating					
loss from					
continuing					
operations					
before taxes	(40,094)	(42,531)	(91,951)	(56,875)	(71,750)
Operating					
income tax					
benefit	(16,520)	(16,706)	(32,419)	(22,417)	(31,687)
	-----	-----	-----	-----	-----
Net operating					
loss from					
continuing					
operations					
(1)(2)(3)	(23,574)	(25,825)	(59,532)	(34,458)	(40,063)

Gain from					
acquisition,					
net of tax					
expense	-	-	-	-	-
Noncash					
goodwill					
impairment					
charges	-	(210,590)	-	-	-
Severance					
costs, net of					
tax benefit	-	-	-	-	-
Partial					
reversal of					
fraud loss					
provision,					
net of tax					
expense	7,179	-	-	-	-
(Loss) income					
from					
discontinued					
operations	-	-	-	(101)	228
Gain from sale of					
subsidiary,					
net of income					
taxes and					
selling costs	-	-	-	1,266	-
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Net loss	(16,395)	(236,415)	(59,532)	(33,293)	(39,835)
Preferred					
dividends and					
discount					

accretion	2,586	2,581	2,577	2,572	2,567
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Net loss

available to

common

shareholders	\$ (18,981)	\$ (238,996)	\$ (62,109)	\$ (35,865)	\$ (42,402)
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PERFORMANCE

MEASURES

Per common

share:

Diluted

operating

loss from

continuing

operations

(1)(2)(3) \$	(.28)	\$ (.30)	\$ (.66)	\$ (.39)	\$ (.45)
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Diluted

loss from

continuing

operations

(.20)	(2.52)	(.66)	(.39)	(.45)
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Diluted

loss

(.20)	(2.52)	(.66)	(.38)	(.45)
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Stock

dividends

declared

(7)	-	-	-	-	-
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Book value

4.84	5.14	7.71	7.95	8.36
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Tangible

book

value (5)	4.76	5.05	5.39	5.62	6.02
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Key

performance

ratios:

Return on

equity

(4)(6) (17.16)% (148.04)% (35.89)% (20.10)% (22.08)%

Return on

assets

(6) (.89) (12.47) (3.10) (1.70) (1.91)

Net

interest

margin

(6) 3.58 3.57 3.60 3.49 3.40

Operating

efficiency

ratio from

continuing

operations

(2)(3) 89.45 89.38 141.60 75.22 78.74

Equity to

assets

8.85 11.37 11.84 11.90 11.94

Tangible

equity to

assets

(5) 8.75 9.19 9.26 9.39 9.53

Tangible

common

equity to

assets

(5) 6.35 6.78 6.91 7.13 7.37

Tangible

common					
equity to					
risk-					
weighted					
assets (5)	9.05	9.60	9.97	10.03	10.39
ASSET QUALITY *					
Non-					
performing					
loans	\$ 179,094	\$ 217,766	\$ 224,335	\$ 280,802	\$ 264,092
Foreclosed					
properties	142,208	129,964	123,910	136,275	120,770
	-----	-----	-----	-----	-----
Total					
non-					
performing					
assets					
(NPAs)	321,302	347,730	348,245	417,077	384,862
Allowance					
for loan					
losses	174,695	174,613	174,111	173,934	155,602
Operating					
net					
charge-offs					
(1)	47,668	49,998	61,323	56,668	84,585
Allowance					
for loan					
losses to					
loans	3.79 %	3.67 %	3.57 %	3.48 %	3.02 %
Operating					
net					
charge-offs					

to average					
loans					
(1)(6)	4.03	4.12	4.98	4.51	6.37
NPAs to					
loans and					
foreclosed					
properties	6.77	7.11	6.97	8.13	7.30
NPAs to					
total					
assets	4.32	4.96	4.55	5.32	4.81
AVERAGE					
BALANCES (\$					
in millions)					
Loans	\$ 4,768	\$ 4,896	\$ 5,011	\$ 5,173	\$ 5,357
Investment					
securities	1,354	1,411	1,532	1,518	1,529
Earning					
assets	6,680	6,676	6,854	7,085	7,487
Total assets	7,338	7,522	7,704	7,946	8,287
Deposits	6,294	6,257	6,375	6,570	6,835
Shareholders'					
equity	649	855	912	945	989
Common					
shares -					
basic					
(thousands)	94,918	94,679	94,524	94,390	94,219
Common					
shares -					
diluted					
(thousands)	94,918	94,679	94,524	94,390	94,219
AT PERIOD END					

(\$ in
millions)

Loans *	\$ 4,604	\$ 4,760	\$ 4,873	\$ 4,992	\$ 5,151
Investment securities	1,490	1,310	1,488	1,527	1,530
Total assets	7,443	7,013	7,652	7,837	8,000
Deposits	6,469	5,999	6,330	6,488	6,628
Shareholders' equity	636	662	904	926	962
Common shares outstanding (thousands)	94,685	94,433	94,281	94,176	94,046

(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 2010. Operating charge-offs also exclude the \$11.8 million related partial recovery of the previously charged off amount. (2) Excludes the gain from acquisition of \$11.4 million, (income tax expense of \$4.3 million) in the second quarter of 2009 and revenue generated by discontinued operations in all periods presented. (3) Excludes goodwill impairment charges of \$211 million in the third quarter of 2010 and \$25 million and \$70 million in the third and first quarters of 2009, respectively, severance costs of \$2.9 million, (income tax benefit of \$1.1 million) in the first quarter of 2009 and expenses relating to discontinued operations for all periods presented. (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. (7) Number of new shares issued for shares currently held.

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

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

	2010	2009	Fourth
	-----	-----	Quarter
(in thousands, except per share data; taxable equivalent)	Fourth	Fourth	2010-2009
	Quarter	Quarter	Change
	-----	-----	-----
INCOME SUMMARY			
Interest revenue	\$ 81,215	\$ 97,481	
Interest expense	21,083	33,552	
	-----	-----	
Net interest revenue	60,132	63,929	(6)%
Operating provision for loan losses (1)	47,750	90,000	
Operating fee revenue (2)	12,442	14,447	(14)
	-----	-----	
Total operating revenue (1)(2)	24,824	(11,624)	
Operating expenses (3)	64,918	60,126	8
Loss on sale of nonperforming assets	-	-	
	-----	-----	
Operating loss from continuing operations before taxes	(40,094)	(71,750)	44
Operating income tax benefit	(16,520)	(31,687)	

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Net operating loss from continuing operations (1)(2)(3)	(23,574)	(40,063)	41
Gain from acquisition, net of tax expense	-	-	
Noncash goodwill impairment charges	-	-	
Severance costs, net of tax benefit	-	-	
Partial reversal of fraud loss provision, net of tax expense	7,179	-	
(Loss) income from discontinued operations	-	228	
Gain from sale of subsidiary, net of income taxes and selling costs	-	-	
	-----	-----	
Net loss	(16,395)	(39,835)	59
Preferred dividends and discount accretion	2,586	2,567	
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Net loss available to common shareholders	\$ (18,981)	\$ (42,402)	
	=====	=====	

PERFORMANCE MEASURES

Per common share:

Diluted operating loss from continuing operations (1)(2)(3)	\$ (.28)	\$ (.45)	38
Diluted loss from continuing operations	(.20)	(.45)	56
Diluted loss	(.20)	(.45)	56
Stock dividends declared (7)	-	-	
Book value	4.84	8.36	(42)
Tangible book value (5)	4.76	6.02	(21)

Key performance ratios:

Return on equity (4)(6)	(17.16)%	(22.08)%
Return on assets (6)	(.89)	(1.91)
Net interest margin (6)	3.58	3.40
Operating efficiency ratio from continuing operations (2)(3)	89.45	78.74
Equity to assets	8.85	11.94
Tangible equity to assets (5)	8.75	9.53
Tangible common equity to assets (5)	6.35	7.37
Tangible common equity to risk-weighted assets (5)	9.05	10.39

ASSET QUALITY *

Non-performing loans	\$ 179,094	\$ 264,092
Foreclosed properties	142,208	120,770
	-----	-----
Total non-performing assets (NPAs)	321,302	384,862
Allowance for loan losses	174,695	155,602
Operating net charge-offs (1)	47,668	84,585
Allowance for loan losses to loans	3.79 %	3.02 %
Operating net charge-offs to average loans (1)(6)	4.03	6.37
NPAs to loans and foreclosed properties	6.77	7.30
NPAs to total assets	4.32	4.81

AVERAGE BALANCES (\$ in millions)

Loans	\$ 4,768	\$ 5,357	(11)
Investment securities	1,354	1,529	(11)

Earning assets	6,680	7,487	(11)
Total assets	7,338	8,287	(11)
Deposits	6,294	6,835	(8)
Shareholders' equity	649	989	(34)
Common shares - basic (thousands)	94,918	94,219	
Common shares - diluted (thousands)	94,918	94,219	

AT PERIOD END (\$ in millions)

Loans *	\$ 4,604	\$ 5,151	(11)
Investment securities	1,490	1,530	(3)
Total assets	7,443	8,000	(7)
Deposits	6,469	6,628	(2)
Shareholders' equity	636	962	(34)
Common shares outstanding (thousands)	94,685	94,046	

(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 2010. Operating charge-offs also exclude the \$11.8 million related partial recovery of the previously charged off amount. (2) Excludes the gain from acquisition of \$11.4 million, (income tax expense of \$4.3 million) in the second quarter of 2009 and revenue generated by discontinued operations in all periods presented. (3) Excludes goodwill impairment charges of \$211 million in the third quarter of 2010 and \$25 million and \$70 million in the third and first quarters of 2009, respectively, severance costs of \$2.9 million, (income tax benefit of \$1.1 million) in the first quarter of 2009 and expenses relating to discontinued operations for all periods presented. (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. (7) Number of new shares issued

for shares currently held.

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

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

(in thousands, except per share data; taxable equivalent)	For the Twelve		YTD
	Months Ended		2010-2009
	2010	2009	Change
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INCOME SUMMARY			
Interest revenue	\$ 343,123	\$ 404,961	
Interest expense	100,071	159,734	
	-----	-----	
Net interest revenue	243,052	245,227	(1)%
Operating provision for loan losses (1)	234,750	310,000	
Operating fee revenue (2)	48,548	50,964	(5)
	-----	-----	
Total operating revenue (1)(2)	56,850	(13,809)	
Operating expenses (3)	242,952	217,050	12
Loss on sale of nonperforming assets	45,349	-	
	-----	-----	
Operating loss from continuing operations before taxes	(231,451)	(230,859)	

Operating income tax benefit	(88,062)	(91,754)	
	-----	-----	
Net operating loss from continuing operations (1)(2)(3)	(143,389)	(139,105)	(3)
Gain from acquisition, net of tax expense	-	7,062	
Noncash goodwill impairment charges	(210,590)	(95,000)	
Severance costs, net of tax benefit	-	(1,797)	
Partial reversal of fraud loss provision, net of tax expense	7,179	-	
(Loss) income from discontinued operations	(101)	513	
Gain from sale of subsidiary, net of income taxes and selling costs	1,266	-	
	-----	-----	
Net loss	(345,635)	(228,327)	(51)
Preferred dividends and discount accretion	10,316	10,242	
	-----	-----	
Net loss available to common shareholders	\$(355,951)	\$(238,569)	
	=====	=====	

PERFORMANCE MEASURES

Per common share:

Diluted operating loss from continuing operations (1)(2)(3)	\$ (1.62)	\$ (2.47)	34
Diluted loss from continuing operations	(3.77)	(3.96)	5
Diluted loss	(3.76)	(3.95)	5
Stock dividends declared (7)	-	3 for 130	
Book value	4.84	8.36	(42)

Tangible book value (5)	4.76	6.02	(21)
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Key performance ratios:

Return on equity (4)(6)	(57.08)%	(34.40)%
Return on assets (6)	(4.53)	(2.76)
Net interest margin (6)	3.56	3.29
Operating efficiency ratio from continuing operations (2)(3)	98.98	73.97
Equity to assets	11.01	11.12
Tangible equity to assets (5)	9.15	8.33
Tangible common equity to assets (5)	6.80	6.15
Tangible common equity to risk-weighted assets (5)	9.05	10.39

ASSET QUALITY *

Non-performing loans	\$ 179,094	\$ 264,092
Foreclosed properties	142,208	120,770
	-----	-----
Total non-performing assets (NPAs)	321,302	384,862
Allowance for loan losses	174,695	155,602
Operating net charge-offs (1)	215,657	276,669
Allowance for loan losses to loans	3.79 %	3.02 %
Operating net charge-offs to average loans (1)(6)	4.42	5.03
NPAs to loans and foreclosed properties	6.77	7.30
NPAs to total assets	4.32	4.81

AVERAGE BALANCES (\$ in millions)

Loans	\$ 4,961	\$ 5,548	(11)
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Investment securities	1,453	1,656	(12)
Earning assets	6,822	7,465	(9)
Total assets	7,626	8,269	(8)
Deposits	6,373	6,713	(5)
Shareholders' equity	840	920	(9)
Common shares - basic (thousands)	94,624	60,374	
Common shares - diluted (thousands)	94,624	60,374	

AT PERIOD END (\$ in millions)

Loans *	\$ 4,604	\$ 5,151	(11)
Investment securities	1,490	1,530	(3)
Total assets	7,443	8,000	(7)
Deposits	6,469	6,628	(2)
Shareholders' equity	636	962	(34)
Common shares outstanding (thousands)	94,685	94,046	

(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 2010. Operating charge-offs also exclude the \$11.8 million related partial recovery of the previously charged off amount. (2) Excludes the gain from acquisition of \$11.4 million, (income tax expense of \$4.3 million) in the second quarter of 2009 and revenue generated by discontinued operations in all periods presented. (3) Excludes goodwill impairment charges of \$211 million in the third quarter of 2010 and \$25 million and \$70 million in the third and first quarters of 2009, respectively, severance costs of \$2.9 million, (income tax benefit of \$1.1 million) in the first quarter of 2009 and expenses relating to discontinued operations for all periods presented. (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. (7) Number of new shares issued for shares currently held.

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

UNITED COMMUNITY BANKS, INC.

Selected Financial Information

For the Years Ended December 31,

(in thousands, except per share data; taxable equivalent)	2010	2009	2008	2007	2006
INCOME SUMMARY					
Net interest					
revenue	\$ 243,052	\$ 245,227	\$ 238,704	\$274,483	\$237,880
Operating provision					
for loan losses (1)	234,750	310,000	184,000	37,600	14,600
Operating fee					
revenue (2)	48,548	50,964	46,081	53,701	41,671
Total operating					
revenue (1)(2)	56,850	(13,809)	100,785	290,584	264,951
Operating					
expenses (3)	242,952	217,050	200,335	181,730	155,306
Loss on sale of					

nonperforming					
assets	45,349	-	-	-	-
	-----	-----	-----	-----	-----
Operating					
(loss) income					
from continuing					
operations					
before taxes	(231,451)	(230,859)	(99,550)	108,854	109,645
Operating income					
taxes	(88,062)	(91,754)	(35,651)	40,266	41,249
	-----	-----	-----	-----	-----
Net operating					
(loss) income					
from continuing					
operations	(143,389)	(139,105)	(63,899)	68,588	68,396
Gain from acquisition,					
net of tax	-	7,062	-	-	-
Noncash goodwill					
impairment charges	(210,590)	(95,000)	-	-	-
Severance cost, net					
of tax benefit	-	(1,797)	-	-	-
Fraud loss					
provision and					
subsequent					
recovery, net of					
tax benefit	7,179	-	-	(10,998)	-
Net (loss) income					
from discontinued					
operations	(101)	513	449	403	419
Gain from sale of					
subsidiary, net of					

income taxes and					
selling costs	1,266	-	-	-	-
	-----	-----	-----	-----	-----
Net (loss)					
income	(345,635)	(228,327)	(63,450)	57,993	68,815
Preferred dividends					
and discount					
accretion	10,316	10,242	724	18	19
	-----	-----	-----	-----	-----
Net (loss)					
income available					
to common					
shareholders	\$(355,951)	\$(238,569)	\$(64,174)	\$57,975	\$68,796
	=====	=====	=====	=====	=====

PERFORMANCE

MEASURES

Per common share:

Diluted operating

(loss) earnings

from continuing

operations

(1)(2)(3) \$ (1.62) \$ (2.47) \$ (1.36) \$ 1.47 \$ 1.65

Diluted (loss)

earnings from

continuing

operations (3.77) (3.96) (1.36) 1.24 1.65

Diluted (loss)

earnings (3.76) (3.95) (1.35) 1.24 1.66

Cash dividends

declared

(rounded) - - .18 .36 .32

Stock dividends					
declared (6)	-	3 for 130	2 for 130	-	-
Book value	4.84	8.36	16.95	17.73	14.37
Tangible book					
value (5)	4.76	6.02	10.39	10.94	10.57
Key performance					
ratios:					
Return on					
equity (4)	(57.08)%	(34.40)%	(7.82)%	7.79%	13.28%
Return on					
assets	(4.53)	(2.76)	(.76)	.75	1.09
Net interest					
margin	3.56	3.29	3.18	3.88	4.05
Operating					
efficiency					
ratio from					
continuing					
operations					
(2)(3)	98.98	73.97	70.00	55.53	55.30
Equity to assets	11.01	11.12	10.22	9.61	8.06
Tangible equity					
to assets (5)	9.15	8.33	6.67	6.63	6.32
Tangible common					
equity to					
assets (5)	6.80	6.15	6.57	6.63	6.32
Tangible common					
equity to					
risk-weighted					
assets (5)	9.05	10.39	8.34	8.21	8.09

ASSET QUALITY *

Non-performing

loans	\$ 179,094	\$ 264,092	\$ 190,723	\$ 28,219	\$ 12,458
Foreclosed					
properties	142,208	120,770	59,768	18,039	1,196
	-----	-----	-----	-----	-----
Total					
non-performing					
assets(NPAs)	321,302	384,862	250,491	46,258	13,654
Allowance for					
loan losses	174,695	155,602	122,271	89,423	66,566
Operating net					
charge-offs (1)	215,657	276,669	151,152	21,834	5,524
Allowance for					
loan losses to					
loans	3.79 %	3.02 %	2.14 %	1.51%	1.24%
Operating net					
charge-offs to					
average loans (1)	4.42	5.03	2.57	.38	.12
NPAs to loans					
and foreclosed					
properties	6.77	7.30	4.35	.78	.25
NPAs to total					
assets	4.32	4.81	2.92	.56	.19
AVERAGE BALANCES (\$					
in millions)					
Loans	\$ 4,961	\$ 5,548	\$ 5,891	\$ 5,735	\$ 4,801
Investment					
securities	1,453	1,656	1,489	1,278	1,042
Earning assets	6,822	7,465	7,504	7,071	5,877
Total assets	7,626	8,269	8,319	7,731	6,287
Deposits	6,373	6,713	6,524	6,029	5,017
Shareholders'					

equity	840	920	850	743	507
Common shares -					
Basic					
(thousands)	94,624	60,374	47,369	45,948	40,413
Common shares -					
Diluted					
(thousands)	94,624	60,374	47,369	46,593	41,575
AT YEAR END (\$ in					
millions)					
Loans *	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377
Investment					
securities	1,490	1,530	1,617	1,357	1,107
Total assets	7,443	8,000	8,592	8,207	7,101
Deposits	6,469	6,628	7,004	6,076	5,773
Shareholders'					
equity	636	962	989	832	617
Common shares					
outstanding					
(thousands)	94,685	94,046	48,009	46,903	42,891

(1) Excludes pre-tax provision for fraud-related loan losses and related charge-offs of \$18 million, net of income tax benefit of \$7 million in 2007 and subsequent recovery of \$11.8 million, net of tax expense of \$4.6 million in 2010. (2) Excludes the gain from acquisition of \$11.4 million, net of income tax expense of \$4.3 million in 2009. (3) Excludes the goodwill impairment charges of \$211 million and \$95 million in 2010 and 2009, respectively, and severance costs of \$2.9 million, net of income tax benefit of \$1.1 million in 2009. (4) Net (loss) income 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) Number of new shares issued for shares currently held.

* 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

	2010				2009
	Fourth	Third	Second	First	Fourth
	Quarter	Quarter	Quarter	Quarter	Quarter
(in thousands, except per share data; taxable equivalent)					
Interest revenue reconciliation					
Interest revenue - taxable equivalent	\$ 81,215	\$ 84,360	\$ 87,699	\$ 89,849	\$ 97,481
Taxable equivalent adjustment	(497)	(511)	(500)	(493)	(601)
Interest revenue (GAAP)	\$ 80,718	\$ 83,849	\$ 87,199	\$ 89,356	\$ 96,880
Net interest revenue reconciliation					

Net interest revenue -

taxable equivalent	\$ 60,132	\$ 60,014	\$ 61,627	\$ 61,279	\$ 63,929
--------------------	-----------	-----------	-----------	-----------	-----------

Taxable equivalent

adjustment	(497)	(511)	(500)	(493)	(601)
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Net interest

revenue (GAAP)	\$ 59,635	\$ 59,503	\$ 61,127	\$ 60,786	\$ 63,328
----------------	-----------	-----------	-----------	-----------	-----------

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Provision for loan

losses reconciliation

Operating provision

for loan losses	\$ 47,750	\$ 50,500	\$ 61,500	\$ 75,000	\$ 90,000
-----------------	-----------	-----------	-----------	-----------	-----------

Provision for

special fraud-related

loan loss and partial

recovery	(11,750)	-	-	-	-
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Provision for

loan losses

(GAAP)	\$ 36,000	\$ 50,500	\$ 61,500	\$ 75,000	\$ 90,000
--------	-----------	-----------	-----------	-----------	-----------

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Fee revenue

reconciliation

Operating fee

revenue	\$ 12,442	\$ 12,861	\$ 11,579	\$ 11,666	\$ 14,447
---------	-----------	-----------	-----------	-----------	-----------

Gain from

acquisition	-	-	-	-	-
-------------	---	---	---	---	---

Fee revenue

(GAAP)	\$ 12,442	\$ 12,861	\$ 11,579	\$ 11,666	\$ 14,447
--------	-----------	-----------	-----------	-----------	-----------

=====

Total revenue					
reconciliation					
Total operating					
revenue	\$ 24,824	\$ 22,375	\$ 11,706	\$ (2,055)	\$ (11,624)
Taxable equivalent					
adjustment	(497)	(511)	(500)	(493)	(601)
Gain from					
acquisition	-	-	-	-	-
Provision for					
special					
fraud-related loan					
loss and partial					
recovery	11,750	-	-	-	-
	-----	-----	-----	-----	-----
Total revenue					
(GAAP)	\$ 36,077	\$ 21,864	\$ 11,206	\$ (2,548)	\$ (12,225)
	=====	=====	=====	=====	=====
Expense					
reconciliation					
Operating expense	\$ 64,918	\$ 64,906	\$ 103,657	\$ 54,820	\$ 60,126
Noncash goodwill					
impairment charge	-	210,590	-	-	-
Severance costs	-	-	-	-	-
	-----	-----	-----	-----	-----
Operating					
expense (GAAP)	\$ 64,918	\$ 275,496	\$ 103,657	\$ 54,820	\$ 60,126
	=====	=====	=====	=====	=====
(Loss) income from					
continuing					
operations before					
taxes					

reconciliation					
Operating (loss)					
income from					
continuing					
operations before					
taxes	\$ (40,094)	\$ (42,531)	\$ (91,951)	\$ (56,875)	\$ (71,750)
Taxable equivalent					
adjustment	(497)	(511)	(500)	(493)	(601)
Gain from					
acquisition	-	-	-	-	-
Noncash goodwill					
impairment charge	-	(210,590)	-	-	-
Severance costs	-	-	-	-	-
Provision for					
special					
fraud-related loan					
loss and partial					
recovery	11,750	-	-	-	-
	-----	-----	-----	-----	-----
(Loss) income					
from continuing					
operations					
before taxes					
(GAAP)	\$ (28,841)	\$ (253,632)	\$ (92,451)	\$ (57,368)	\$ (72,351)
	=====	=====	=====	=====	=====
Income tax					
(benefit) expense					
reconciliation					
Operating income					
tax (benefit)					
expense	\$ (16,520)	\$ (16,706)	\$ (32,419)	\$ (22,417)	\$ (31,687)

Taxable equivalent						
adjustment	(497)	(511)	(500)	(493)	(601)	
Gain from						
acquisition, tax						
expense	-	-	-	-	-	
Severance costs,						
tax benefit	-	-	-	-	-	
Provision for						
special						
fraud-related loan						
loss and partial						
recovery, tax	4,571	-	-	-	-	
	-----	-----	-----	-----	-----	
Income tax						
(benefit)						
expense (GAAP)	\$ (12,446)	\$ (17,217)	\$ (32,919)	\$ (22,910)	\$ (32,288)	
	=====	=====	=====	=====	=====	
Diluted (loss)						
income from						
continuing						
operations per						
common share						
reconciliation						
Diluted operating						
(loss) income from						
continuing						
operations per						
common share	\$ (.28)	\$ (.30)	\$ (.66)	\$ (.39)	\$ (.45)	
Gain from						
acquisition	-	-	-	-	-	
Noncash goodwill						

impairment charge	-	(2.22)	-	-	-
Severance costs	-	-	-	-	-
Provision for special fraud-related loan loss and partial recovery	.08	-	-	-	-
	-----	-----	-----	-----	-----
Diluted (loss) income from continuing operations per common share (GAAP)	\$ (.20)	\$ (2.52)	\$ (.66)	\$ (.39)	\$ (.45)
	=====	=====	=====	=====	=====
Book value per common share reconciliation					
Tangible book value per common share	\$ 4.76	\$ 5.05	\$ 5.39	\$ 5.62	\$ 6.02
Effect of goodwill and other intangibles	.08	.09	2.32	2.33	2.34
	-----	-----	-----	-----	-----
Book value per common share (GAAP)	\$ 4.84	\$ 5.14	\$ 7.71	\$ 7.95	\$ 8.36
	=====	=====	=====	=====	=====
Efficiency ratio from continuing operations					

reconciliation					
Operating					
efficiency ratio					
from continuing					
operations	89.45%	89.38%	141.60%	75.22%	78.74%
Gain from					
acquisition	-	-	-	-	-
Noncash goodwill					
impairment charge	-	290.00	-	-	-
Severance costs	-	-	-	-	-
	-----	-----	-----	-----	-----
Efficiency					
ratio from					
continuing					
operations					
(GAAP)	89.45%	379.38%	141.60%	75.22%	78.74%
	=====	=====	=====	=====	=====
Average equity to					
assets					
reconciliation					
Tangible common					
equity to assets	6.35%	6.78%	6.91%	7.13%	7.37%
Effect of preferred					
equity	2.40	2.41	2.35	2.26	2.16
	-----	-----	-----	-----	-----
Tangible equity					
to assets	8.75	9.19	9.26	9.39	9.53
Effect of goodwill					
and other					
intangibles	.10	2.18	2.58	2.51	2.41
	-----	-----	-----	-----	-----

Equity to					
assets (GAAP)	8.85%	11.37%	11.84%	11.90%	11.94%
	=====	=====	=====	=====	=====
Actual tangible					
common equity to					
risk-weighted					
assets					
reconciliation					
Tangible common					
equity to					
risk-weighted					
assets	9.05%	9.60%	9.97%	10.03%	10.39%
Effect of other					
comprehensive					
income	(.62)	(.81)	(.87)	(.85)	(.87)
Effect of deferred					
tax limitation	(3.34)	(2.94)	(2.47)	(1.75)	(1.27)
Effect of trust					
preferred	1.06	1.06	1.03	1.00	.97
Effect of preferred					
equity	3.52	3.51	3.41	3.29	3.19
	-----	-----	-----	-----	-----
Tier I capital					
ratio(Regulatory)	9.67%	10.42%	11.07%	11.72%	12.41%
	=====	=====	=====	=====	=====
Net charge-offs					
reconciliation					
Operating net					
charge-offs	\$ 47,668	\$ 49,998	\$ 61,323	\$ 56,668	\$ 84,585
Fraud related					
charge-offs and					

subsequent partial					
recovery	(11,750)	-	-	-	-
	-----	-----	-----	-----	-----
Net charge-offs					
(GAAP)	\$ 35,918	\$ 49,998	\$ 61,323	\$ 56,668	\$ 84,585
	=====	=====	=====	=====	=====
Net charge-offs to					
average loans					
reconciliation					
Operating net					
charge-offs to					
average loans	4.03%	4.12%	4.98%	4.51%	6.37%
Effect of fraud					
related charge					
offs and					
subsequent partial					
recovery	(1.00)	-	-	-	-
	-----	-----	-----	-----	-----
Net charge-offs					
to average					
loans (GAAP)	3.03%	4.12%	4.98%	4.51%	6.37%
	=====	=====	=====	=====	=====

UNITED COMMUNITY BANKS, INC.

Operating Earnings to GAAP Earnings Reconciliation

Selected Financial Information

(in thousands,

except per share

For the Twelve Months Ended

data; taxable

equivalent)

2010 2009 2008 2007 2006

Interest revenue

reconciliation

Interest revenue -

taxable equivalent \$ 343,123 \$ 404,961 \$ 466,969 \$550,917 \$446,695

Taxable equivalent

adjustment (2,001) (2,132) (2,261) (1,881) (1,868)

Interest

revenue (GAAP) \$ 341,122 \$ 402,829 \$ 464,708 \$549,036 \$444,827

Net interest

revenue

reconciliation

Net interest

revenue - taxable

equivalent \$ 243,052 \$ 245,227 \$ 238,704 \$274,483 \$237,880

Taxable equivalent

adjustment (2,001) (2,132) (2,261) (1,881) (1,868)

Net interest

revenue (GAAP) \$ 241,051 \$ 243,095 \$ 236,443 \$272,602 \$236,012

Provision for loan

losses

reconciliation					
Operating provision					
for loan losses	\$ 234,750	\$ 310,000	\$ 184,000	\$ 37,600	\$ 14,600
Provision for					
special					
fraud-related loan					
loss and partial					
recovery	(11,750)	-	-	18,000	-
	-----	-----	-----	-----	-----
Provision for					
loan losses					
(GAAP)	\$ 223,000	\$ 310,000	\$ 184,000	\$ 55,600	\$ 14,600
	=====	=====	=====	=====	=====
Fee revenue					
reconciliation					
Operating fee					
revenue	\$ 48,548	\$ 50,964	\$ 46,081	\$ 53,701	\$ 41,671
Gain from					
acquisition	-	11,390	-	-	-
	-----	-----	-----	-----	-----
Fee revenue					
(GAAP)	\$ 48,548	\$ 62,354	\$ 46,081	\$ 53,701	\$ 41,671
	=====	=====	=====	=====	=====
Total revenue					
reconciliation					
Total operating					
revenue	\$ 56,850	\$ (13,809)	\$ 100,785	\$290,584	\$264,951
Taxable equivalent					
adjustment	(2,001)	(2,132)	(2,261)	(1,881)	(1,868)
Gain from					
acquisition	-	11,390	-	-	-

Provision for					
special fraud-					
related loan					
loss and partial					
recovery	11,750	-	-	(18,000)	-
	-----	-----	-----	-----	-----
Total revenue					
(GAAP)	\$ 66,599	\$ (4,551)	\$ 98,524	\$270,703	\$263,083
	=====	=====	=====	=====	=====
Expense					
reconciliation					
Operating expense	\$ 288,301	\$ 217,050	\$ 200,335	\$181,730	\$155,306
Noncash goodwill					
impairment charge	210,590	95,000	-	-	-
Severance costs	-	2,898	-	-	-
	-----	-----	-----	-----	-----
Operating					
expense (GAAP)	\$ 498,891	\$ 314,948	\$ 200,335	\$181,730	\$155,306
	=====	=====	=====	=====	=====
(Loss) income from					
continuing					
operations before					
taxes reconciliation					
Operating (loss)					
income from					
continuing					
operations before					
taxes	\$ (231,451)	\$ (230,859)	\$ (99,550)	\$108,854	\$109,645
Taxable equivalent					
adjustment	(2,001)	(2,132)	(2,261)	(1,881)	(1,868)
Gain from					

acquisition	-	11,390	-	-	-
Noncash goodwill					
impairment charge	(210,590)	(95,000)	-	-	-
Severance costs	-	(2,898)	-	-	-
Provision for					
special					
fraud-related loan					
loss and partial					
recovery	11,750	-	-	(18,000)	-
	-----	-----	-----	-----	-----
(Loss) income					
from continuing					
operations					
before taxes					
(GAAP)	\$ (432,292)	\$ (319,499)	\$ (101,811)	\$ 88,973	\$107,777
	=====	=====	=====	=====	=====
Income tax					
(benefit) expense					
reconciliation					
Operating income					
tax (benefit)					
expense	\$ (88,062)	\$ (91,754)	\$ (35,651)	\$ 40,266	\$ 41,249
Taxable equivalent					
adjustment	(2,001)	(2,132)	(2,261)	(1,881)	(1,868)
Gain from					
acquisition, tax					
expense	-	4,328	-	-	-
Severance costs,					
tax benefit	-	(1,101)	-	-	-
Provision for					
special					

fraud-related loan						
loss and partial						
recovery, tax	4,571	-	-	(7,002)	-	
	-----	-----	-----	-----	-----	
Income tax						
(benefit)						
expense (GAAP) \$	(85,492)	\$ (90,659)	\$ (37,912)	\$ 31,383	\$ 39,381	
	=====	=====	=====	=====	=====	
Diluted (loss)						
income from						
continuing						
operations per						
common share						
reconciliation						
Diluted operating						
(loss) income from						
continuing						
operations per						
common share	\$ (1.62)	\$ (2.47)	\$ (1.36)	\$ 1.47	\$ 1.65	
Gain from						
acquisition	-	.12	-	-	-	
Noncash goodwill						
impairment charge	(2.23)	(1.58)	-	-	-	
Severance costs	-	(.03)	-	-	-	
Provision for						
special						
fraud-related loan						
loss and partial						
recovery	.08	-	-	(.23)	-	
	-----	-----	-----	-----	-----	
Diluted (loss)						

income from						
continuing						
operations per						
common share						
(GAAP)	\$	(3.77)	\$	(3.96)	\$	(1.36)
	\$	1.24	\$	1.65		
	=====		=====		=====	
Book value per						
common share						
reconciliation						
Tangible book value						
per common share	\$	4.76	\$	6.02	\$	10.39
	\$	10.94	\$	10.57		
Effect of goodwill						
and other						
intangibles		.08		2.34		6.56
						6.79
						3.80
	-----		-----		-----	
Book value per						
common share						
(GAAP)	\$	4.84	\$	8.36	\$	16.95
	\$	17.73	\$	14.37		
	=====		=====		=====	
Efficiency ratio						
from continuing						
operations						
reconciliation						
Operating						
efficiency ratio						
from continuing						
operations		98.98%		73.97%		70.00%
						55.53%
						55.30%
Gain from						
acquisition		-		(2.77)		-
						-
Noncash goodwill						
impairment charge		72.29		31.17		-
						-

Severance costs	-	.95	-	-	-
	-----	-----	-----	-----	-----
Efficiency					
ratio from					
continuing					
operations					
(GAAP)	171.27%	103.32%	70.00%	55.53%	55.30%
	=====	=====	=====	=====	=====
Average equity to					
assets					
reconciliation					
Tangible common					
equity to assets	6.80%	6.15%	6.57%	6.63%	6.32%
Effect of preferred					
equity	2.35	2.18	.10	-	-
	-----	-----	-----	-----	-----
Tangible equity					
to assets	9.15	8.33	6.67	6.63	6.32
Effect of goodwill					
and other					
intangibles	1.86	2.79	3.55	2.98	1.74
	-----	-----	-----	-----	-----
Equity to					
assets (GAAP)	11.01%	11.12%	10.22%	9.61%	8.06%
	=====	=====	=====	=====	=====
Actual tangible					
common equity to					
risk-weighted					
assets					
reconciliation					
Tangible common					

equity to					
risk-weighted					
assets	9.05%	10.39%	8.34%	8.21%	8.09%
Effect of other					
comprehensive					
income	(.62)	(.87)	(.91)	(.23)	.07
Effect of deferred					
tax limitation	(3.34)	(1.27)	-	-	-
Effect of trust					
preferred	1.06	.97	.88	.65	.81
Effect of preferred					
equity	3.52	3.19	2.90	-	.01
	-----	-----	-----	-----	-----
Tier I capital					
ratio					
(Regulatory)	9.67%	12.41%	11.21%	8.63%	8.98%
	=====	=====	=====	=====	=====
Net charge-offs					
reconciliation					
Operating net					
charge-offs	\$ 215,657	\$ 276,669	\$ 151,152	\$ 21,834	\$ 5,524
Fraud related					
charge-offs and					
subsequent partial					
recovery	(11,750)	-	-	18,000	-
	-----	-----	-----	-----	-----
Net charge-offs					
(GAAP)	\$ 203,907	\$ 276,669	\$ 151,152	\$ 39,834	\$ 5,524
	=====	=====	=====	=====	=====
Net charge-offs to					
average loans					

reconciliation					
Operating net					
charge-offs to					
average loans	4.42%	5.03%	2.57%	.38%	.12%
Effect of fraud					
related charge					
offs and					
subsequent partial					
recovery	(.25)	-	-	.31	-
	-----	-----	-----	-----	-----
Net charge-offs					
to average					
loans (GAAP)	4.17%	5.03%	2.57%	.69%	.12%
	=====	=====	=====	=====	=====

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End (1)

	2010				2009
	Fourth	Third	Second	First	Fourth
(in millions)	Quarter	Quarter	Quarter	Quarter	Quarter
	-----	-----	-----	-----	-----
LOANS BY CATEGORY					
Commercial (sec. by RE)	\$ 1,761	\$ 1,781	\$ 1,780	\$ 1,765	\$ 1,779
Commercial construction	297	310	342	357	363
Commercial & industrial	441	456	441	381	390

	-----	-----	-----	-----	-----
Total commercial	2,499	2,547	2,563	2,503	2,532
Residential construction	695	764	820	960	1,050
Residential mortgage	1,279	1,316	1,356	1,390	1,427
Consumer / installment	131	133	134	139	142
	-----	-----	-----	-----	-----
Total loans	\$ 4,604	\$ 4,760	\$ 4,873	\$ 4,992	\$ 5,151
	=====	=====	=====	=====	=====

LOANS BY MARKET

Atlanta MSA	\$ 1,310	\$ 1,365	\$ 1,373	\$ 1,404	\$ 1,435
Gainesville MSA	312	316	343	372	390
North Georgia	1,689	1,755	1,808	1,814	1,884
Western North Carolina	702	719	738	756	772
Coastal Georgia	335	345	356	388	405
East Tennessee	256	260	255	258	265
	-----	-----	-----	-----	-----
Total loans	\$ 4,604	\$ 4,760	\$ 4,873	\$ 4,992	\$ 5,151
	=====	=====	=====	=====	=====

RESIDENTIAL CONSTRUCTION

Dirt loans

Acquisition & development	\$ 174	\$ 190	\$ 214	\$ 290	\$ 332
Land loans	99	104	110	124	127
Lot loans	275	303	311	321	336
	-----	-----	-----	-----	-----
Total	548	597	635	735	795
	-----	-----	-----	-----	-----

House loans					
Spec	97	109	125	153	178
Sold	50	58	60	72	77
	-----	-----	-----	-----	-----
Total	147	167	185	225	255
	-----	-----	-----	-----	-----
Total residential construction	\$ 695	\$ 764	\$ 820	\$ 960	\$ 1,050
	=====	=====	=====	=====	=====

RESIDENTIAL CONSTRUCTION -

ATLANTA MSA

Dirt loans					
Acquisition & development	\$ 30	\$ 34	\$ 40	\$ 66	76
Land loans	23	27	32	43	43
Lot loans	32	45	39	47	52
	-----	-----	-----	-----	-----
Total	85	106	111	156	171
	-----	-----	-----	-----	-----
House loans					
Spec	38	42	48	58	68
Sold	10	11	10	14	16
	-----	-----	-----	-----	-----
Total	48	53	58	72	84
	-----	-----	-----	-----	-----
Total residential construction	\$ 133	\$ 159	\$ 169	\$ 228	\$ 255
	=====	=====	=====	=====	=====

(1) Excludes total loans of \$68.2 million, \$75.2 million, \$80.8 million, \$79.5 million and \$85.1 million as of December 31, 2010, September 30,

2010, June 30, 2010, March 31, 2010 and December 31, 2009, 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)

	2010		2009		Year over Year Change
	Fourth Quarter	Third Quarter	Fourth Quarter	Quarter Change	
(in millions)					
LOANS BY CATEGORY					
Commercial (sec. by RE)	\$ 1,761	\$ 1,781	\$ 1,779	\$ (20)	\$ (18)
Commercial construction	297	310	363	(13)	(66)
Commercial & industrial	441	456	390	(15)	51
	-----	-----	-----		
Total commercial	2,499	2,547	2,532	(48)	(33)
Residential construction	695	764	1,050	(69)	(355)
Residential mortgage	1,279	1,316	1,427	(37)	(148)
Consumer / installment	131	133	142	(2)	(11)
	-----	-----	-----		
Total loans	\$ 4,604	\$ 4,760	\$ 5,151	(156)	(547)
	=====	=====	=====		

LOANS BY MARKET

Atlanta MSA	\$ 1,310	\$ 1,365	\$ 1,435	(55)	(125)
Gainesville MSA	312	316	390	(4)	(78)
North Georgia	1,689	1,755	1,884	(66)	(195)
Western North Carolina	702	719	772	(17)	(70)
Coastal Georgia	335	345	405	(10)	(70)
East Tennessee	256	260	265	(4)	(9)

Total loans	\$ 4,604	\$ 4,760	\$ 5,151	(156)	(547)
-------------	----------	----------	----------	-------	-------

=====

RESIDENTIAL CONSTRUCTION

Dirt loans

Acquisition & development	\$ 174	\$ 190	\$ 332	(16)	(158)
Land loans	99	104	127	(5)	(28)
Lot loans	275	303	336	(28)	(61)

Total	548	597	795	(49)	(247)
-------	-----	-----	-----	------	-------

House loans

Spec	97	109	178	(12)	(81)
Sold	50	58	77	(8)	(27)

Total	147	167	255	(20)	(108)
-------	-----	-----	-----	------	-------

Total residential construction	\$ 695	\$ 764	\$ 1,050	(69)	(355)
--------------------------------	--------	--------	----------	------	-------

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ATLANTA MSA

Dirt loans

Acquisition & development	\$	30	\$	34	\$	76	(4)	(46)
Land loans		23		27		43	(4)	(20)
Lot loans		32		45		52	(13)	(20)
		-----		-----		-----		
Total		85		106		171	(21)	(86)
		-----		-----		-----		

House loans

Spec		38		42		68	(4)	(30)
Sold		10		11		16	(1)	(6)
		-----		-----		-----		
Total		48		53		84	(5)	(36)
		-----		-----		-----		

Total residential construction	\$	133	\$	159	\$	255	(26)	(122)
		=====		=====		=====		

(1) Excludes total loans of \$68.2 million, \$75.2 million, \$80.8 million, \$79.5 million and \$85.1 million as of December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively, that are covered by the loss-sharing

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Year-End (1)

(in millions)	2010	2009	2008	2007	2006
---------------	------	------	------	------	------

LOANS BY CATEGORY

Commercial (sec. by RE)	\$ 1,761	\$ 1,779	\$ 1,627	\$ 1,476	\$ 1,230
Commercial construction	297	363	500	527	469
Commercial & industrial	441	390	410	418	296
Total commercial	2,499	2,532	2,537	2,421	1,995
Residential construction	695	1,050	1,479	1,829	1,864
Residential mortgage	1,279	1,427	1,526	1,502	1,338
Consumer / installment	131	142	163	177	180
Total loans	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377

LOANS BY MARKET

Atlanta MSA	\$ 1,310	\$ 1,435	\$ 1,706	\$ 2,002	\$ 1,651
Gainesville MSA	312	390	420	399	354
North Georgia	1,689	1,884	2,040	2,060	2,034
Western North Carolina	702	772	810	806	773
Coastal Georgia	335	405	464	416	358
East Tennessee	256	265	265	246	207
Total loans	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377

(1) Excludes total loans of \$68.2 million and \$85.1 million as of December 31, 2010 and 2009, 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)

Fourth Quarter 2010

(in thousands)	Non-		
	performing Loans	Foreclosed Properties	Total 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)
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.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality (1)

Third Quarter 2010

	Non-		
(in thousands)	performing Loans	Foreclosed Properties	Total 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
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=====

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)
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.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality (1)

Second Quarter 2010

Non-

performing Foreclosed Total

(in thousands)

Loans Properties NPAs

NPAs BY CATEGORY

Commercial (sec. by RE) \$ 56,013 \$ 13,297 \$ 69,310

Commercial construction 17,872 11,339 29,211

Commercial & industrial 7,245 - 7,245

Total commercial 81,130 24,636 105,766

Residential construction 88,375 74,444 162,819

Residential mortgage 53,175 24,830 78,005

Consumer / installment 1,655 - 1,655

Total NPAs \$ 224,335 \$ 123,910 \$ 348,245

=====

Balance as a % of

Unpaid Principal 69.4% 71.9% 70.3%

NPAs BY MARKET

Atlanta MSA \$ 74,031 \$ 30,605 \$ 104,636

Gainesville MSA 10,730 2,750 13,480

North Georgia 102,198 60,597 162,795

Western North Carolina 22,776 11,473 34,249

Coastal Georgia 8,341 16,548 24,889

East Tennessee 6,259 1,937 8,196

Total NPAs \$ 224,335 \$ 123,910 \$ 348,245

=====

NPA ACTIVITY

Beginning Balance	\$ 280,802	\$ 136,275	\$ 417,077
Loans placed on non-accrual	155,007	-	155,007
Payments received	(12,189)	-	(12,189)
Loan charge-offs	(62,693)	-	(62,693)
Foreclosures	(66,994)	66,994	-
Capitalized costs	-	305	305
Note / property sales	(69,598)	(68,472)	(138,070)
Write downs	-	(6,094)	(6,094)
Net losses on sales	-	(5,098)	(5,098)
	-----	-----	-----
Ending Balance	\$ 224,335	\$ 123,910	\$ 348,245
	=====	=====	=====

(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.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality (1)

Fourth Quarter	Third Quarter	Second Quarter
2010 (3)	2010	2010
-----	-----	-----
Net	Net	Net
Charge-	Charge-	Charge-

(in thousands)	Offs to		Offs to		Offs to	
	Net	Average	Net	Average	Net	Average
	Charge-	Loans	Charge-	Loans	Charge-	Loans
	Offs	(2)	Offs	(2)	Offs	(2)
	-----	-----	-----	-----	-----	-----
NET CHARGE-OFFS BY						
CATEGORY						
Commercial (sec. by						
RE)	\$ 6,493	1.45%	\$ 14,212	3.16%	\$ 9,757	2.21%
Commercial						
construction	3,924	5.12	1,972	2.40	1,460	1.67
Commercial &						
industrial	2,891	2.54	1,207	1.07	867	.85
	-----		-----		-----	
Total commercial	13,308	2.09	17,391	2.70	12,084	1.91
Residential						
construction	24,497	13.28	23,934	11.99	41,515	18.71
Residential mortgage	9,176	2.80	7,695	2.29	6,517	1.90
Consumer /						
installment	687	2.06	978	2.90	1,207	3.53
	-----		-----		-----	
Total	\$ 47,668	4.03	\$ 49,998	4.12	\$ 61,323	4.98
	=====		=====		=====	

NET CHARGE-OFFS BY

MARKET

Atlanta MSA	\$ 15,222	4.48%	\$ 13,753	3.97%	\$ 16,926	4.85%
Gainesville MSA	3,434	4.37	1,143	1.40	2,547	3.01
North Georgia	18,537	4.26	26,554	5.92	28,100	6.19
Western North						

Carolina	5,154	2.87	5,509	2.99	7,194	3.86
Coastal Georgia	3,670	4.27	2,702	3.05	5,581	6.07
East Tennessee	1,651	2.53	337	.52	975	1.53
	-----		-----		-----	
Total	\$ 47,668	4.03	\$ 49,998	4.12	\$ 61,323	4.98
	=====		=====		=====	

- (1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.
- (2) Annualized.
- (3) 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.

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Income (Unaudited)

	Three Months Ended	
	December 31,	
	2010	2009
(in thousands, except per share data)	-----	-----
Interest revenue:		
Loans, including fees	\$ 66,659	\$ 78,064
Investment securities, including tax exempt of \$251 and \$336	13,215	17,313
Federal funds sold, commercial paper and deposits		

in banks	844	1,503
	-----	-----
Total interest revenue	80,718	96,880
	-----	-----
Interest expense:		
Deposits:		
NOW	1,662	2,315
Money market	2,036	2,328
Savings	81	105
Time	12,868	24,026
	-----	-----
Total deposit interest expense	16,647	28,774
Federal funds purchased, repurchase agreements and other short-term borrowings	1,073	1,081
Federal Home Loan Bank advances	608	1,045
Long-term debt	2,755	2,652
	-----	-----
Total interest expense	21,083	33,552
	-----	-----
Net interest revenue	59,635	63,328
Provision for loan losses	36,000	90,000
	-----	-----
Net interest revenue after provision for loan losses	23,635	(26,672)
	-----	-----
Fee revenue:		
Service charges and fees	7,039	8,257
Mortgage loan and other related fees	1,868	1,651
Brokerage fees	778	443
Securities gains, net	-	2,015
Gain from acquisition	-	-

Losses from prepayment of borrowings	-	-
Other	2,757	2,081
	-----	-----
Total fee revenue	12,442	14,447
	-----	-----
Total revenue	36,077	(12,225)
	-----	-----
Operating expenses:		
Salaries and employee benefits	23,777	24,061
Communications and equipment	3,377	3,819
Occupancy	4,024	4,003
Advertising and public relations	1,102	958
Postage, printing and supplies	1,063	1,307
Professional fees	3,016	2,646
Foreclosed property	20,602	14,391
FDIC assessments and other regulatory charges	3,299	3,711
Amortization of intangibles	771	813
Other	3,887	4,417
Loss on sale of nonperforming assets	-	-
Goodwill impairment	-	-
Severance costs	-	-
	-----	-----
Total operating expenses	64,918	60,126
	-----	-----
Loss from continuing operations before income		
taxes	(28,841)	(72,351)
Income tax benefit	(12,446)	(32,288)
	-----	-----
Net loss from continuing operations	(16,395)	(40,063)
(Loss) income from discontinued operations, net of		
income taxes	-	228

Gain from sale of subsidiary, net of income taxes and selling costs	-	-
	-----	-----
Net loss	(16,395)	(39,835)
Preferred stock dividends and discount accretion	2,586	2,567
	-----	-----
Net loss available to common shareholders	\$ (18,981)	\$ (42,402)
	=====	=====
Loss from continuing operations per common share - Basic / Diluted	\$ (.20)	\$ (.45)
Loss per common share - Basic / Diluted	(.20)	(.45)
Weighted average common shares outstanding - Basic / Diluted	94,918	94,219

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Income (Unaudited)

	Twelve Months Ended	
	December 31,	
	-----	-----
(in thousands, except per share data)	2010	2009
	-----	-----
Interest revenue:		
Loans, including fees	\$ 277,904	\$ 322,509
Investment securities, including tax exempt of \$1,137 and \$1,322	59,958	77,370
Federal funds sold, commercial paper and deposits in banks	3,260	2,950
	-----	-----

Total interest revenue	341,122	402,829
	-----	-----
Interest expense:		
Deposits:		
NOW	6,966	11,023
Money market	7,552	9,545
Savings	331	483
Time	66,883	120,326
	-----	-----
Total deposit interest expense	81,732	141,377
Federal funds purchased, repurchase agreements and other short-term borrowings	4,235	2,842
Federal Home Loan Bank advances	3,355	4,622
Long-term debt	10,749	10,893
	-----	-----
Total interest expense	100,071	159,734
	-----	-----
Net interest revenue	241,051	243,095
Provision for loan losses	223,000	310,000
	-----	-----
Net interest revenue after provision for loan losses	18,051	(66,905)
	-----	-----
Fee revenue:		
Service charges and fees	30,127	30,986
Mortgage loan and other related fees	7,019	8,959
Brokerage fees	2,662	2,085
Securities gains, net	2,552	2,756
Gain from acquisition	-	11,390
Losses from prepayment of borrowings	(2,233)	-
Other	8,421	6,178

	-----	-----
Total fee revenue	48,548	62,354
	-----	-----
Total revenue	66,599	(4,551)
	-----	-----
Operating expenses:		
Salaries and employee benefits	96,618	101,568
Communications and equipment	13,781	14,676
Occupancy	15,394	15,653
Advertising and public relations	4,625	3,950
Postage, printing and supplies	4,072	5,040
Professional fees	9,254	11,480
Foreclosed property	65,707	32,365
FDIC assessments and other regulatory charges	13,747	16,004
Amortization of intangibles	3,160	3,104
Other	16,594	13,210
Loss on sale of nonperforming assets	45,349	-
Goodwill impairment	210,590	95,000
Severance costs	-	2,898
	-----	-----
Total operating expenses	498,891	314,948
	-----	-----
Loss from continuing operations before income		
taxes	(432,292)	(319,499)
Income tax benefit	(85,492)	(90,659)
	-----	-----
Net loss from continuing operations	(346,800)	(228,840)
(Loss) income from discontinued operations, net		
of income taxes	(101)	513
Gain from sale of subsidiary, net of income		
taxes and selling costs	1,266	-

	-----	-----
Net loss	(345,635)	(228,327)
Preferred stock dividends and discount		
accretion	10,316	10,242
	-----	-----
Net loss available to common shareholders	\$ (355,951)	\$ (238,569)
	=====	=====
Loss from continuing operations per common share		
- Basic / Diluted	\$ (3.77)	\$ (3.96)
Loss per common share - Basic / Diluted	(3.76)	(3.95)
Weighted average common shares outstanding -		
Basic / Diluted	94,624	60,374

UNITED COMMUNITY BANKS, INC.

Consolidated Balance Sheet

(in thousands, except share and per share data)

	December 31,	December 31,
	2010	2009

	-----	-----
	(unaudited)	(unaudited)

ASSETS

Cash and due from banks	\$ 95,994	\$ 126,265
Interest-bearing deposits in banks	111,901	120,382
Federal funds sold, commercial paper and		
short-term investments	441,562	129,720
	-----	-----
Cash and cash equivalents	649,457	376,367
Securities available for sale	1,224,417	1,530,047

Securities held to maturity (fair value \$267,988)	265,807	-
Mortgage loans held for sale	35,908	30,226
Loans, net of unearned income	4,604,126	5,151,476
Less allowance for loan losses	174,695	155,602
	-----	-----
Loans, net	4,429,431	4,995,874
Assets covered by loss sharing agreements with the FDIC	131,887	185,938
Premises and equipment, net	178,239	182,038
Accrued interest receivable	24,299	33,867
Goodwill and other intangible assets	11,446	225,196
Foreclosed property	142,208	120,770
Other assets	350,097	319,591
	-----	-----
Total assets	\$ 7,443,196	\$ 7,999,914
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Demand	\$ 793,414	\$ 707,826
NOW	1,424,781	1,335,790
Money market	891,252	713,901
Savings	183,894	177,427

Time:

Less than \$100,000	1,496,700	1,746,511
Greater than \$100,000	1,002,359	1,187,499
Brokered	676,772	758,880
	-----	-----

Total deposits	6,469,172	6,627,834
----------------	-----------	-----------

Federal funds purchased, repurchase

agreements, and other short-term		
borrowings	101,067	101,389
Federal Home Loan Bank advances	55,125	114,501
Long-term debt	150,146	150,066
Accrued expenses and other liabilities	32,171	43,803
	-----	-----
Total liabilities	6,807,681	7,037,593
	-----	-----
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
Series B; \$1,000 stated value; 180,000		
shares issued and outstanding	175,711	174,408
Common stock, \$1 par value; 200,000,000		
shares authorized; 94,685,003 and 94,045,603		
shares issued and outstanding	94,685	94,046
Common stock issuable; 336,437 and 221,906		
shares	3,894	3,597
Capital surplus	665,496	622,034
(Accumulated deficit) retained earnings	(335,567)	20,384
Accumulated other comprehensive income	31,079	47,635
	-----	-----
Total shareholders' equity	635,515	962,321
	-----	-----
Total liabilities and shareholders'		
equity	\$ 7,443,196	\$ 7,999,914
	=====	=====

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended December 31,

	2010		
	Average		Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
	-----	-----	-----
Assets:			
Interest-earning assets:			
Loans, net of unearned income			
(1)(2)	\$ 4,768,120	\$ 66,750	5.55%
Taxable securities (3)	1,327,999	12,964	3.90
Tax-exempt securities (1)(3)	25,917	410	6.33
Federal funds sold and other interest-earning assets	558,143	1,091	.78
	-----	-----	
Total interest-earning assets	6,680,179	81,215	4.83
	-----	-----	
Non-interest-earning assets:			
Allowance for loan losses	(185,300)		
Cash and due from banks	112,923		
Premises and equipment	178,729		
Other assets (3)	551,340		

Total assets	\$ 7,337,871		
	=====		

Liabilities and Shareholders'

Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$ 1,436,976	\$ 1,662	.46
Money market	870,884	2,036	.93
Savings	184,651	81	.17
Time less than \$100,000	1,489,933	6,292	1.68
Time greater than \$100,000	1,010,104	4,736	1.86
Brokered	491,477	1,840	1.49

Total interest-bearing

deposits	5,484,025	16,647	1.20
----------	-----------	--------	------

Federal funds purchased and

other borrowings	102,830	1,073	4.14
Federal Home Loan Bank advances	58,712	608	4.11
Long-term debt	150,137	2,755	7.28

Total borrowed funds

311,679	4,436	5.65
---------	-------	------

Total interest-bearing

liabilities	5,795,704	21,083	1.44
-------------	-----------	--------	------

Non-interest-bearing liabilities:

Non-interest-bearing deposits	809,604
Other liabilities	83,452

Total liabilities

6,688,760

Shareholders' equity

649,111

Total liabilities and
shareholders' equity \$ 7,337,871

=====

Net interest revenue \$ 60,132

=====

Net interest-rate spread 3.39%

=====

Net interest margin (4) 3.58%

=====

- (1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.
- (2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued.
- (3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$40.8 million in 2010 and \$22.1 million in 2009 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 December 31,

	Average		Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
	-----	-----	-----
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$5,357,150	\$ 78,088	5.78%
Taxable securities (3)	1,496,251	16,947	4.53
Tax-exempt securities (1)(3)	32,554	599	7.36
Federal funds sold and other interest-earning assets	600,835	1,847	1.23
	-----	-----	
Total interest-earning assets	7,486,790	97,481	5.17
	-----	-----	
Non-interest-earning assets:			
Allowance for loan losses	(162,203)		
Cash and due from banks	107,153		
Premises and equipment	182,790		
Other assets (3)	672,014		

Total assets	\$8,286,544		
	=====		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$1,334,578	\$ 2,315	.69
Money market	726,680	2,328	1.27
Savings	178,191	105	.23
Time less than \$100,000	1,812,823	10,952	2.40
Time greater than \$100,000	1,215,579	8,074	2.64
Brokered	844,462	5,000	2.35
	-----	-----	

Total interest-bearing deposits	6,112,313	28,774	1.87
	-----	-----	
Federal funds purchased and other borrowings	105,130	1,081	4.08
Federal Home Loan Bank advances	156,979	1,045	2.64
Long-term debt	150,060	2,652	7.01
	-----	-----	
Total borrowed funds	412,169	4,778	4.60
	-----	-----	
Total interest-bearing liabilities	6,524,482	33,552	2.04

Non-interest-bearing liabilities:			
Non-interest-bearing deposits	722,739		
Other liabilities	50,044		

Total liabilities	7,297,265		
Shareholders' equity	989,279		

Total liabilities and shareholders' equity	\$8,286,544		
	=====		
Net interest revenue		\$ 63,929	
		=====	
Net interest-rate spread			3.13%
			=====
Net interest margin (4)			3.40%
			=====

(1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate

and the federal tax adjusted state income tax rate.

- (2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued.
- (3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$40.8 million in 2010 and \$22.1 million in 2009 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 Twelve Months Ended December 31,

	2010		
	Average	Avg.	
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$4,960,805	\$ 278,149	5.61%
Taxable securities (3)	1,425,322	58,821	4.13
Tax-exempt securities (1)(3)	27,827	1,860	6.68
Federal funds sold and other			
interest-earning assets	408,359	4,293	1.05
	-----	-----	
Total interest-earning assets	6,822,313	343,123	5.03
	-----	-----	

Non-interest-earning assets:

Allowance for loan losses	(190,227)
Cash and due from banks	106,582
Premises and equipment	180,379
Other assets (3)	706,586

Total assets \$7,625,633

=====

Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$1,360,729	\$	6,966	.51
Money market	780,982		7,552	.97
Savings	184,479		331	.18
Time less than \$100,000	1,581,750		30,260	1.91
Time greater than \$100,000	1,084,967		23,114	2.13
Brokered	610,483		13,509	2.21

Total interest-bearing deposits 5,603,390 81,732 1.46

Federal funds purchased and other

borrowings	103,479		4,235	4.09
Federal Home Loan Bank advances	90,137		3,355	3.72
Long-term debt	150,107		10,749	7.16

Total borrowed funds 343,723 18,339 5.34

Total interest-bearing liabilities 5,947,113 100,071 1.68

Non-interest-bearing liabilities:

Non-interest-bearing deposits	769,395
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Other liabilities	69,367	

Total liabilities	6,785,875	
Shareholders' equity	839,758	

Total liabilities and shareholders'		
equity	\$7,625,633	
	=====	
Net interest revenue	\$ 243,052	
	=====	
Net interest-rate spread		3.35%
		=====
Net interest margin (4)		3.56%
		=====

- (1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.
- (2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued.
- (3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$43.2 million in 2010 and \$15.3 million in 2009 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.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Twelve Months Ended December 31,

	2009		
	Average		Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$5,547,915	\$ 322,284	5.81%
Taxable securities (3)	1,626,032	76,048	4.68
Tax-exempt securities (1)(3)	30,460	2,164	7.10
Federal funds sold and other interest-earning assets	260,232	4,465	1.72
Total interest-earning assets	7,464,639	404,961	5.43
Non-interest-earning assets:			
Allowance for loan losses	(146,535)		
Cash and due from banks	105,127		
Premises and equipment	180,381		
Other assets (3)	665,775		
Total assets	\$8,269,387		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$1,297,139	\$ 11,023	.85
Money market	589,389	9,545	1.62

Savings	177,410	483	.27
Time less than \$100,000	1,891,774	56,811	3.00
Time greater than \$100,000	1,306,302	42,518	3.25
Brokered	756,122	20,997	2.78
	-----	-----	
Total interest-bearing deposits	6,018,136	141,377	2.35
	-----	-----	
Federal funds purchased and other borrowings	177,589	2,842	1.60
Federal Home Loan Bank advances	220,468	4,622	2.10
Long-term debt	150,604	10,893	7.23
	-----	-----	
Total borrowed funds	548,661	18,357	3.35
	-----	-----	
Total interest-bearing liabilities	6,566,797	159,734	2.43

Non-interest-bearing liabilities:			
Non-interest-bearing deposits	694,469		
Other liabilities	88,490		

Total liabilities	7,349,756		
Shareholders' equity	919,631		

Total liabilities and shareholders' equity	\$8,269,387		
	=====		
Net interest revenue		\$ 245,227	
		=====	
Net interest-rate spread			3.00%
			=====
Net interest margin (4)			3.29%

=====

- (1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.
- (2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued.
- (3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$43.2 million in 2010 and \$15.3 million in 2009 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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