

# The Bank That SERVICE Built

United Community Banks, Inc.  
2004 Annual Report

UNITED COMMUNITY BANKS, INC.

## Financial Highlights

(in thousands, except per share data; taxable equivalent)

	2004	2003	Percentage Change	5-year CAGR
<b>Operating Performance*</b>				
Total revenue	\$ 196,531	\$ 170,622	15%	17%
Net operating income	47,156	39,475	19	22
Operating earnings per share:				
Basic	1.31	1.15	14	18
Diluted	1.27	1.12	13	18
Return on tangible equity	19.74%	19.24%		
Return on assets	1.07	1.06		
Efficiency ratio	60.05	60.89		
<b>GAAP Performance</b>				
Net income	\$ 46,591	\$ 38,118	22	24
Earnings per share:				
Basic	1.29	1.11	16	19
Diluted	1.25	1.08	16	19
Cash dividends declared	.24	.20	20	29
Book value per share (year-end)	10.39	8.47	23	21
<b>As of Year-End</b>				
Loans	\$3,734,905	\$ 3,015,997	24	19
Earning assets	4,738,389	3,796,332	25	17
Total assets	5,087,702	4,068,834	25	16
Deposits	3,680,516	2,857,449	29	15
Shareholders' equity	397,088	299,373	33	27
Common shares outstanding (thousands)	38,168	35,289		
Shareholders of record	11,200	8,700		
Full-time equivalent employees	1,475	1,296		
Banking offices	83	72		

\*Amounts and ratios are prepared on an operating basis, which excludes pre-tax merger charges of \$0.9 million recorded in 2004 and \$2.1 million recorded in 2003.

# THE SECRET TO GOOD SERVICE IS SIMPLY THIS:

Treat every person who comes through your door  
exactly as you would want to be treated.

## Shareholders' Letter

Let me begin by recognizing the three cornerstones of another record year: our shareholders, customers and employees. As shareholders, you invest in our vision and success. As customers, you are our lifeblood — the reason we come to work every day. As employees, you provide the unique brand of community banking service for which we are known throughout our markets.

Among the accomplishments you made possible during 2004:

- Net operating income was a record \$47.2 million, a 19% increase compared with \$39.5 million in 2003.
- Diluted operating earnings per share increased 13%, to \$1.27 compared with \$1.12 the previous year.
- Total revenue was \$196.5 million, up 15% from \$170.6 million a year ago.
- Total loans grew to \$3.7 billion, up 24% from \$3.0 billion in 2003.
- Total assets surpassed the \$5 billion mark.

While \$5 billion in assets is a significant milestone, size is not an end in itself — but the result of our community banking strategy and execution. On paper we are a five billion dollar bank, but in reality we are twenty-three \$200 million, close-to-the-customer community banks. This distinction is our difference and it drives our success.

### A Winning Footprint

During 2004 we welcomed three new banks located in metropolitan Atlanta: 1st Community Bank, Eagle National Bank and Liberty National Bank. We now have eight community banks, 27 offices and more than a fourth of our total assets in one of the most dynamic metro areas in the country. With the addition of these three fine banks, we have added four of the fastest growing counties to our footprint. In fact, of the nation's 100 fastest-growing counties, 20 are in Georgia, and United Community Banks has a presence in eleven of those counties.

No other bank has our footprint. We are in north Georgia, metro Atlanta, coastal

Georgia, western North Carolina and east Tennessee — all beautiful country that is attracting a growing population. Increasing numbers of people — baby boomers with ambitions to finance and retirees with money to invest — want to live, work and play in our communities.

For United Community Banks, this has two implications. First, there is tremendous opportunity for internal growth. Our existing markets have \$50 billion in deposits and growing, of which we have \$3.7 billion. With our style of community banking we can increase market share; we have already shown that. Second, there is exciting potential to continue growing through carefully managed expansion. We know how to do this — by partnering with the right community banks and by entering de novo with local banking and community leaders.

As we grow in size, we leverage our resources to grow in service ability as well. Our customers have the best of both worlds — the resources of a larger financial institution and the structure and culture of a local bank that knows and cares for its customers and communities.

### Service and Success

Truly, we are The Bank That SERVICE Built. Service is our brand — it is the promise we make and deliver every day. We measure service by the golden rule of banking: Treating others the way we want to be treated. This is who we are.

We measure success by shareholder return, by satisfied and loyal customers, and by caring, customer-focused employees. By all of these measures, the United Community Banks franchise continues to be successful.

### Rewarding Shareholders

Our goal is to reward loyal shareholders who want to invest soundly and watch their nest egg grow. Over the past ten years, our operating earnings per share has increased at a compounded annual growth rate (CAGR) of 18%. Not many other banks can say that — or many companies of any kind for that matter. Assets have grown at a ten-year CAGR of 23%. When we listed on Nasdaq three years ago, our market capitalization was \$420 million; at year-end it was over \$1 billion.

A shareholder who invested \$10,000 in our company ten years ago would have stock worth eight times that today. Ten years ago, our annual dividend was two cents per share. In 2004 it was 24 cents per share, representing a ten-year CAGR of 34%.

Our goal to our shareholders is to deliver

consistent, sustainable, double-digit growth in operating earnings per share. While we cannot forecast the future, we believe we have the right strategy with the right bankers in the right markets to meet this commitment.

### 1,500 Community Bankers

In the hearts and minds of our more than 1,500 bankers, United Community Banks is more than a bank; it is a positive force in the lives of their customers and communities — and in their own lives. Because of our structure, we do business through 23 community banks and our presidents and their teams have a strong sense of ownership. They know their bank is different, and that they make the difference. They do it in life-changing ways like financing businesses and educations, and also with “a thousand small gestures” such as warm greetings, above-and-beyond service and sincere appreciation.

Exceptional service is not the exception at United Community Banks — it is the rule. Our people aren't about conducting transactions; they are about building relationships. They are experienced bankers who can make decisions quickly and who, in many cases, have known their customers for years. They are friends and neighbors serving friends and neighbors.

The relationships don't stop at the bank door — our bankers are the people you see at PTA meetings, churches and civic clubs. In many communities, we put our banks in schools so kids can learn about saving money, we organize fun activities like coloring contests and celebrate customer appreciation days by serving food and drink and even giving away tomato plants — 200,000 of them this year.

The results are lasting relationships, earned and nurtured by professionals living by the golden rule of banking. The proof is in the numbers: In the banking industry, the average customer satisfaction rating is 75 percent. At United Community Banks, it is over 90 percent.

### Valuing Customers

Every day, in far too many communities, people walk into their banks and don't feel welcome. The atmosphere feels clinical and cold. No one speaks except in a robotic way. The service is indifferent and impersonal. For example, an elderly lady in Ellijay recently received a notification from her large regional bank that she was being charged an “inactivity fee.” On the same day, she received a letter from United Community Bank asking for the honor of

her business. I am proud to say that she is now our customer.

Customers are like gold; you can value and save them or you can take them for granted and spend them frivolously. We cherish ours, and they become more valuable to us as we do to them. They become loyal and refer other business; in fact, 95 percent of our customers say they have referred business to United Community Bank, or would if they had the opportunity.

Putting this willingness to the test, we began a “Refer-A-Friend” initiative during 2004. The results: over \$200 million in core deposits and 36,000 new accounts. This was gratifying but not surprising; while acquisitions get the headlines, about two-thirds of our growth is organic, meaning it comes from attracting new business in existing markets. Our winning model — our winning people — make that happen.

Some banks forget what has made them successful. We have not forgotten, and will never forget, that our success is rooted firmly in community banking service — that personal touch that defines us and for which there is no substitute. We will continue to walk the talk, always honoring what we stand for, treating employees and customers with warmth, dignity and respect. And, we will always focus on growing shareholder value.

### A Welcomed Addition

We are delighted and proud to have retired United States Senator and former Georgia Governor Zell Miller join our holding company board of directors which became effective in the first quarter of 2005.

Senator Miller is a former board member and a native and resident of Young Harris, Georgia, which is in the heart of our roots in the north Georgia Mountains. Welcome back.

I said earlier that we can't forecast the future, but I will say this: The best way to predict your future is to create it. We're excited about creating ours. We have come far, **but we are just beginning!**

Sincerely yours,



Jimmy C. Tallent  
President and Chief Executive Officer



A child is sleeping peacefully in a bed, surrounded by several teddy bears. The child is wearing a pink nightgown and is holding a small white teddy bear. The bed is covered with a pink and white patterned blanket. In the background, a night lamp with a glowing pink and white striped shade is visible. The scene is dimly lit, creating a cozy and intimate atmosphere.

The reputation that service built

Bryan Pritchard of Acworth, Georgia was recently attempting to purchase furniture for his daughter's bedroom. Though Bryan had plenty of funds to cover his purchase, for some unknown reason, the store's check verification service denied his check. Baffled and a bit embarrassed, Bryan called Peggy Pietras, Bank Manager at our Lost Mountain office, and told her about his situation. Peggy quickly verified Bryan's account balance and asked him for the amount of the bill. She said to Bryan, "Give me ten minutes." Without hesitation, Peggy then issued a certified check and immediately drove to meet Bryan at the furniture store. It was a service that not only shocked Bryan, but also the store's employee, who commented, "My bank would never do that."



Bryan Pritchard  
United Customer

The Bank That **SERVICE** Built



## reputation

Service is not a once-in-a-while thing. It's not a whim. It's not a corporate policy. No, service is something more — something real, something genuine. We know, because for over 50 years, we've built our reputation — and our bank — on service. By getting to know our customers, by treating them as the important people they are, we've earned their trust, we've earned their respect — and, not surprisingly, we've earned their business.



## Strong And Getting Stronger

United Community Banks is Georgia's third largest bank holding company with \$5.1 billion in assets. Our 23 banks and 83 banking offices form a unique footprint, encompassing many of the nation's fastest growing markets. It is a vibrant area where people live, work, play and retire. It is a fertile area, of enormous potential, with deposits exceeding \$50 billion.

## Strong Ties, Strong Results

Living and working in this growing, thriving area is a United management team that brings vast experience and deep-rooted relationships. Our 23 bank presidents average over 20 years of experience, with 90 percent of that experience being in-market. They are known, respected and trusted leaders.

## A Reputation For Giving

Not only are we aware of our responsibility to serve our customer - but we are keenly aware of our responsibility to be a good community citizen. United gives to hundreds of civic and charitable organizations — and our employees also share in this commitment — through the gifts of their time and resources. Good fortune merits good deeds and United Community Banks has a long reputation for both.

## The Best Of All Worlds

Within each of our markets, customers enjoy world-class products and services, equal to those of any large bank. But what we're able to do at United that no big bank can do is deliver those products and services in a local, friendly, community bank environment. United is truly the best of all worlds: the financial resources and conveniences of a large bank, but a style of banking, a level of personal service, that only a community bank can provide.

### The Numbers That Service Built

- Two-thirds of United's growth has been internal, organic growth
- United operates in three of the fastest growing states in the country: Georgia, North Carolina and Tennessee
- Of the 100 fastest growing counties in the U.S., we have banking offices in eleven
- In a \$50 billion deposit market, we have 7% — an opportunity for substantial growth

# \$5.1 billion

In just 10 years, assets have grown from less than \$500 million to \$5.1 billion.

Peggy Pietras  
United Employee



A perspective view of a long, dark metal truss bridge over a river. The bridge's structure is composed of a complex network of dark metal beams and cross-braces, creating a series of repeating triangular and diamond shapes that recede into the distance. The bridge deck is made of wooden planks and is supported by a central longitudinal beam. The river below is filled with white water rapids, and the surrounding landscape is hazy and green. The sky is a pale blue with light clouds. The text "The relationships that service built" is overlaid in the center of the image, with the word "relationships" highlighted in a light yellow box.

The relationships that service built

Curtis Doyle, a successful business owner in Rome, Georgia, was in Virginia assisting his brother with purchasing a new business which involves painting large bridges. Curtis urgently needed access to his funds, but it was too late in the day for funds to be wired to him. At a loss, Curtis called Laura Carney, Bank Manager in our Mt. Berry office in Rome. It turned out that Curtis' brother was a customer of a large regional bank with offices in Virginia and in Rome. So, Laura became creative. She accessed Curtis' account, took a cashier's check to the Rome office of the other bank, spoke personally with their managers in Rome and in Virginia — and they agreed to immediately credit the brother's account in Virginia. A lot of caring, a lot of legwork — another need met.

Curtis Doyle  
United Customer



The Bank That **SERVICE** Built



## relationships

United may be a \$5.1 billion bank, but, in every market we serve, we're still the hometown, local bank. These markets are our communities — where we live, go to school, and worship. The customers who enter our bank each day — they are our friends and neighbors and we genuinely care about them. These are relationships, and this is relationship banking. It is what makes our big bank a small bank — and a huge success.

## A Tradition Of Relationship Banking

Since our start in 1950 as Union County Bank, we have cared deeply about our customers and communities. In today's ever-changing, often impersonal banking industry, ours is a stable, relationship-based approach that stands out — and is highly valued.

## Build. Protect. Invest. Preserve.

These are the goals of United Community Advisory Services — our newly renamed brokerage services division. Our United Financial Advisors are committed to building lasting and successful client relationships. Together, with our traditional banking services, we're helping each customer achieve all their financial goals.

## Relationships Into Satisfied Customers

Relationship banking works. That's what our customers told us when asked in a recent independent survey to assess our level of service. Our satisfaction scores exceeded 90 percent — far above the 75 percent average of our peers.

## Satisfied Customers Into New Accounts

In another survey of our customers, 95 percent responded that they "had already or would likely recommend" United Community Bank to others. And so, in 2004, we launched a company-wide initiative, our "Refer-A-Friend" program, which leveraged our high customer satisfaction and helped us grow core deposits by more than \$200 million and 36,000 new accounts.

### The Numbers That Service Built

- United is a 54-year-old, well-established banking institution included in the Nasdaq Financial 100 and the Russel 2000
- Two decades ago, United was a \$40 million bank with one location
- Today, United is a group of 23 community banks with 83 locations and assets over \$5 billion
- Currently, United has relationships with over 200,000 customers

# 90% +

Customer service scores routinely exceed 90%, far above the industry average of 75%.

Laura Carney  
United Employee



A white rocking chair is the central focus, positioned on a balcony. To its left is a wicker table with a plate of fruit (grapes and an orange slice) on top. A newspaper is tucked under the chair's seat. In the foreground, a white mug sits on the ground. The background shows a blurred view of a building and a clear sky.

The markets that service built

Beth Womble is a longtime United customer who owns a bed and breakfast and restaurant in Brevard, North Carolina. Recently, Beth called Pam Marcum, our Bank Manager in downtown Brevard, seeking advice on an interest-bearing account. After identifying that a United Investment Account would be perfect, Beth was eager to open a new account. However, because of a previous commitment that day she was unable to leave her home and come to the bank. "That's not a problem, I'll run the paperwork over to you," said Pam. Immediately, she took the paperwork to Beth where she was able to open her account — and begin earning interest that very day.

Beth Womble  
United Customer



The Bank That **SERVICE** Built



## markets

United Community Banks' footprint is unique — one of exciting growth and great potential. From the mountains of western North Carolina and north Georgia, to the communities of metro Atlanta, coastal Georgia and east Tennessee, ours is a vibrant, rapidly expanding market. This is one of proven growth — and one that is proving to be highly successful and highly profitable.



## Fast-Growing Markets

United is in three of the fastest growing states in the nation. Of the 100 fastest growing counties in America, we have banking offices in eleven of them. In a burgeoning market area representing \$50 billion in deposits, we now have 3.7 billion of those dollars. There is great opportunity in these growing markets — and we're well positioned to take advantage of it.

## Welcome Home

United Community Mortgage Services enables families throughout our markets to realize their dream of home ownership. With continued record low interest rates, we closed 1,900 loans with a value of over \$275 million last year. The demand for primary and secondary homes remains very strong.

## A Focus On Internal Growth

For the past ten years, over two-thirds of our bank's overall growth has been organic. Even with our acquisitions, the majority of our bank's expansion has resulted from growing our existing operations, as well as growth from de novo offices. Our strategy is simple: we focus on internal growth, we expand through de novo offices, and we grow by selective mergers.

## Selective Mergers

When do we partner with another bank? If we find a bank and bankers that share our passion for customer service and our commitment to community banking. If adding that bank strengthens this company, its footprint and its competitiveness and is accretive to earnings in a relatively short period of time. If all that, then we'll use mergers and acquisitions as a component of our balanced growth strategy.

### The Numbers That Service Built

- Grew loans internally by 14%
- Added three de novo offices in Cartersville and Savannah, GA and Athens, TN
- Completed three mergers in metro Atlanta
- Grew assets by over \$1 billion

# 3

The addition of 1st Community Bank, Eagle National Bank and Liberty National Bank add three of the top 100 fastest growing counties in the U.S.

Pam Marcum  
United Employee



I cannot tell you what a pleasure it is to deal with a bank where customer service is such a high priority. Thank you for the wonderful service.

— CAROL SHUMAKER,  
DAWSONVILLE

**Absolutely excellent service** from the most senior person to the person at the door. I thank you for everything you and your staff did for me.

— BRYAN TURBEVILLE, POWDER SPRINGS

I would like to say what a wonderful bank providing such a **wonderful banking** capable and friendliest of employees.

It must be almost impossible to choose an employee or officer of the year, as every employee is worthy and deserving of such an honorable mention. **What a great bunch you have.** It feels like family.

— RANDY AND ALANA ELY, BLAIRSVILLE

I'm constantly amazed at the **quality of service** I always  
receive at United Community Bank —  
**prompt, friendly,** accurate, helpful, and on and on!

— JEAN OAKLEY, BLAIRSVILLE

this is. Thank you for  
**institution** and for hiring all the most  
**Keep up the good work.**

— BRENDA ABEE, CLEVELAND

The **loyalty** that service built

The resources that service built



United customer Julie Nelson proudly serves in the U.S. Army and is stationed in Korea. Julie has also been a proud United customer since age 15, starting with a savings account, and later loans for a home, several cars — even a horse. And although she's halfway around the world — Julie still does all her banking with United. Her Army paycheck is direct-deposited into her account and she uses online banking — conveniently to review balances and to pay bills from locations around the world. And recently, when Julie was in quick need of a second checking account and debit card, she again called lender and friend, Gene Sprayberry, Executive Vice President of our Blairsville bank. Thanks to the efforts of many — Julie's debit card arrived in Korea in a matter of days. It is an honor for us at United to serve Julie — as she and so many others across the world are dutifully serving our country.



Julie Nelson  
United Customer

The Bank That SERVICE Built



## resources

There are small banks with great service. There are large banks with great resources. But it is rare to find a bank — of any size — that offers both. At United Community Banks, individually, we are 83 highly service-oriented banking offices. But collectively, we are one, strong, highly resourceful bank. Small-bank service, big-bank resources — we bring, like no one else, the best of both.

## More For Our Customers

Service is about more than treatment — it's also about providing valuable and time-saving products and services. From online banking and bill pay — to the latest in cash management services — United has dedicated the resources that allow our customers all the conveniences and tools necessary to manage their accounts effectively and efficiently.

## Experienced Professionals

Because of our distinctive banking strategy, we have the ability to attract the very best bankers to our team. United's management brings experience, and lots of it, from diverse backgrounds in small, medium and large banks. And just as importantly, they stay with us. They are as passionate about this bank and what it stands for as our customers.

## Strategy Driven. Technology Based.

Brintech, a subsidiary of United, is a management consulting firm specializing in the financial services industry. With over 600 clients to date, the company has evolved into one of the nation's leading consultancy providers, including strategic development, high performance initiatives, technology and infrastructure design and implementation, and risk management services.

## A Proven Success

In a recent company-wide effort, we asked our customers to tell us, in great detail, exactly what products and services they needed. Based on that input, we invigorated our entire line of personal and commercial offerings. This has proven to be a great success. According to an independent research organization, United now outperforms industry average scores in key product attributes, including account options, competitive rates and fees, and much more.

### The Numbers That Service Built

- 44% of our assets are in north Georgia where United enjoys a #1 market share
- 17% of our assets are in western North Carolina where we have a #3 market share
- 7% of our assets are in coastal Georgia where we have a #2 market share in Brunswick and St. Simons
- 4% of our assets are in east Tennessee, a market we have recently entered

# 28%

28% of our assets are in the fast growing metro Atlanta market, where United has a significant opportunity for growth.

Gene Sprayberry  
United Employee





The success that service built



Allan Yau's uncle, Yu Keung Yau — had only dreamed of owning his own business. That dream became a reality a few years ago when he obtained a loan from United to buy property and an existing building to start his new business, the New Hong Kong Restaurant. The business has been very successful and employs many of his extended family members — including Allan. With the success of the restaurant, Elzie Jacobs, Bank Manager of our Altama office, was able to work closely with the Yaus to purchase some additional property that joined the restaurant. Allan and their entire family are thankful that United has helped their business grow through the years. Elzie and his staff appreciate the Yau family and the many bank customers who are employed at the New Hong Kong Restaurant — not to mention the surprise dishes they sometimes bring to the bank staff.

Allan Yau  
United Customer



The Bank That **SERVICE** Built



success

At United Community Banks, we are dedicated to our customers' success. No matter what the transaction — whether it's opening a child's savings account or approving a multimillion-dollar commercial loan — the objective is always the same: serve the customer, and help them to succeed. And you know what happens to a bank that remains focused on its customers' success? Its shareholders enjoy success too.

## A History Of Success

We are very grateful for our company's performance and consistency. It is a testament to our unrelenting focus on serving our customers' needs. Our customers' success has made possible our own.

Over the past ten years, United's compounded asset growth has averaged 23%.

Our loan growth has averaged 24%.

Our earnings per share, which is the real measure of shareholder value, has increased at an average of 18% per year.

## Success On Nasdaq

In March 2002, our company's stock was listed on the Nasdaq National Market.

Since listing, our stock has more than doubled. An average of 35,000 shares of United stock are traded each day on Nasdaq. And our market capitalization, that three years ago was \$420 million, exceeded \$1 billion at the end of 2004.

## Shareholder Success

If you had invested \$10,000 in this company ten years ago, your stock today would be worth over eight times that amount. A decade ago, our annual dividend was two cents per share. For 2004, our annual dividend was 24 cents per share, representing a ten-year compound annual growth rate of 34%.

## Consistent Credit Quality

Even as our number of loans increase dramatically, we continue to maintain extremely high credit quality. When compared to our peers — United's credit quality is top rated — with a very low level of charge-offs, past dues and non-performing assets. This consistent performance ranks our credit quality among the best in the entire country.

### The Numbers That Service Built

- At year-end, United's total loans were \$3.7 billion, up \$719 million, or 24% from the prior year-end
- Total revenue in 2004 grew 15% to \$196 million
- Net operating income of \$47.2 million increased 19% for the year
- Diluted operating earnings per share of \$1.27 rose 13% for the year

# 18%

During 2004, United once again met its long-term goals of achieving sustained double-digit growth in operating earnings per share and a return on tangible equity in excess of 18%.

Elzie Jacobs  
United Employee

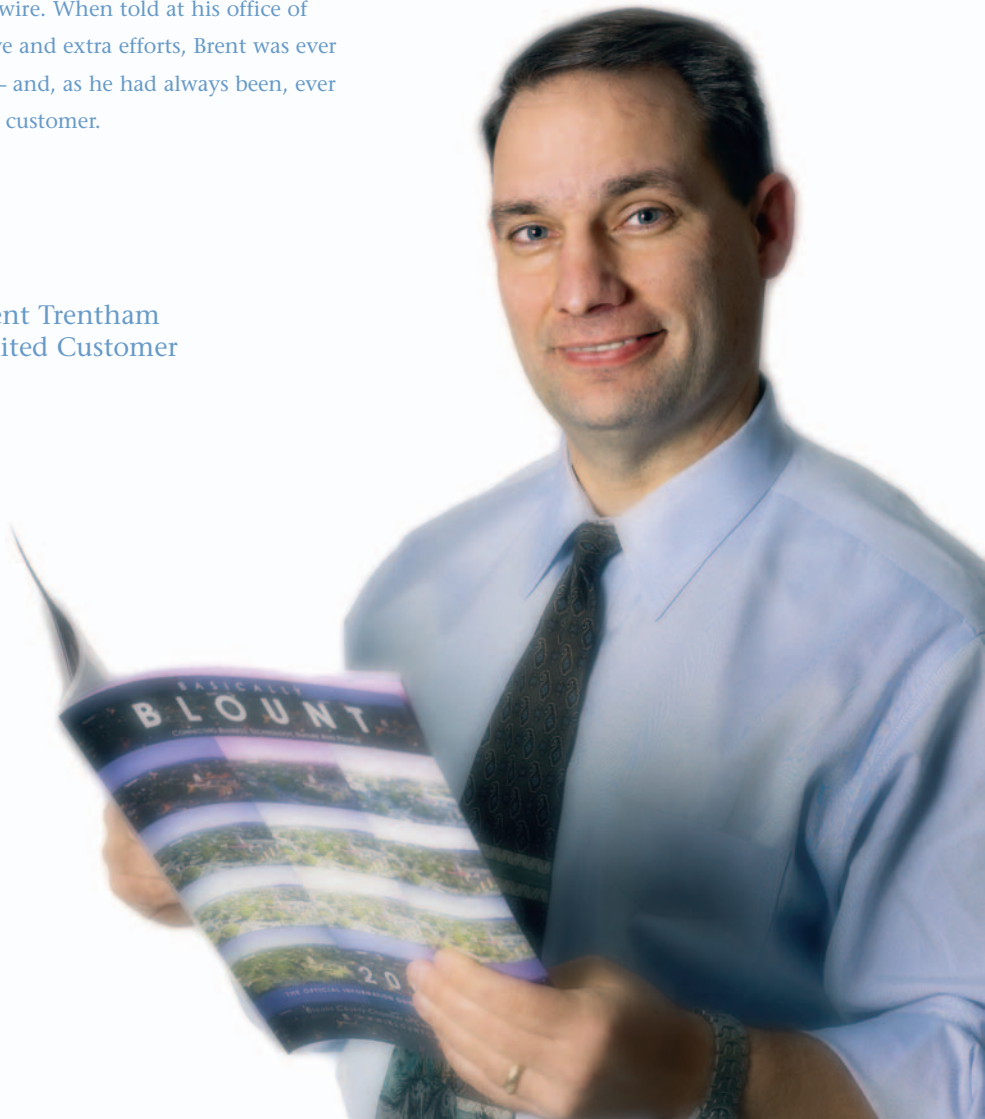




The **vision** that service built

United customer Brent Trentham of Alcoa, Tennessee recently traveled on a mission trip to Mexico. While Brent was away, our Bank Manager Lana Samples was reviewing her office's daily balance and transfer reports and noticed something curious — Brent's account balance was much lower than usual. After some investigation, Lana discovered that Brent's payroll direct deposit had not been made. After being made aware of the mistake, Brent's employer wired the money to his account. Upon returning, Brent noticed on his bank statement that his payroll had not been direct-deposited as normal and appeared as a wire. When told at his office of Lana's keen eye and extra efforts, Brent was ever appreciative — and, as he had always been, ever a loyal United customer.

Brent Trentham  
United Customer



The Bank That **SERVICE** Built



## vision

At United Community Banks, our vision for the future is clear. We are committed to growing our company, strategically expanding our markets and building long-term shareholder value — while consistently delivering double-digit earnings per share growth year after year. And as always, we will keep our focus on providing the highest level of service to our customers. This is a bank of vision — one with great accomplishments behind it, one with great promise ahead.

## Looking Ahead

Our vision for United in the coming year is clear — and confident. We believe we are on track to achieve our long-term goal of sustained double-digit growth in operating earnings per share — our target for 2005 is 12% to 15%. We anticipate core loan growth will continue in the range of 10% to 14% and that our net interest margin will remain near, or slightly above, the 4% level. Our outlook is based on a continued stable economic environment in our markets, combined with continued strong credit quality.

## Growing Shareholder Value

We remain committed to our balanced growth strategy — by focusing on strong internal growth within our existing markets while expanding in other high-growth markets through selective de novo offices and mergers. This balanced strategy is the foundation for our growth and superior performance that builds long-term shareholder value.

## Employee Perspective

An essential part of our vision is to know what our employees are thinking — and what's important to them. How do we know? We ask them. Several times each year we survey our employees asking questions that help guide the vision of our company. We recently surveyed every United employee, asking what they felt is the most important objective of our company — and the resounding response was, as you might expect, service.

## A Vision Of Service

Service was, is, and always will be, the focus of this bank. It is what makes us strong; it is what sets us apart. We will continue to build on this rock-solid foundation — on the talents, the hard work, and the dedication of our people. It is our vision. It is our strength. And it is why the future appears so bright — at the Bank That SERVICE Built.

### The Numbers That Service Built

In 2005, United's target is to achieve:

- Operating earnings per share growth of 12% to 15%
- Core loan growth of 10% to 14%
- Net interest margin near the 4% level
- Return on tangible equity above 18%

4%

1

United's exceptional customer service has helped us to achieve a goal to be a \$5 billion bank — one full year ahead of schedule.

Lana Samples  
United Employee



# the team

**Left to Right: Row 1:** Carol J. Clark, Senior Vice President, SBA Lending Gary W. Floyd, President, United Community Bank, Bartow County H. Mel Baxter, President, United Community Bank, Brunswick Timothy I. Warren, President, United Community Bank, West Georgia Gary Guthrie, Senior Vice President, Metro Atlanta Commercial Loan Office J. Scott Tucker, President, United Community Bank, Summerville Eugene B. White, President, United Community Bank, White County Susan Fagg, Senior Vice President, Training **Row 2:** Jamie C. Tallent, President, United Community Bank, Gilmer County Larry L. Odom, President, United Community Bank, Lumpkin/Hall County Robert K. Walsh Jr., President, United Community Bank, Metro Michael T. Lee, President, United Community Bank, Savannah Robert A. Robinson, Chairman and Chief Executive Officer, United Community Bank, Fairburn Tim Heard, President, United Community Bank, Forsyth County John W. Chastain, Jr., President, United Community Bank, Blue Ridge David Coxon, President and Chief Operating Officer, United Community Bank, Fairburn Dave Morrissett, Vice President, Operations James Askew, President, United Community Bank, Dawson County James H. Burrell, President, United Community Bank, Habersham County Steve Hurst, President, United Community Bank, Tennessee Andrew M. Williams III, President, United Community Bank, Union County Richard E. Martin, Jr., President, United Community Bank, Towns County **Row 3:** Susie L. Hooper, Senior Vice President, Human Resources Billy Hyde, President, United Community Bank, McCaysville Hal Oswald, President, Brintech, Inc. Greg Hining, President, United Community Bank,





# The management team

# that service built



North Carolina **Christian Zych**, Vice President, Mergers and Acquisitions **Jim Stewart**, Senior Vice President, Technology and Operations **Gene Haskins**, Chief Operating Officer, United Community Bank, Brunswick **Carolyn Jarrard**, Vice President, Account Services **Dale Cable**, Regional Manager, United Community Bank, North Carolina **Jeffrey E. Fulp**, President, United Community Bank, Rabun County **Robert L. Cochran**, Senior Vice President, Treasurer **Steven E. Kemp**, President, United Community Bank, Rome **Dana Litman**, Senior Vice President, Management Reporting and Analysis **P. Shep Calhoun**, Senior Vice President, Chief Credit Officer **Row 4:** **Rick L. King**, Regional Manager, United Community Bank, North Carolina **Carol A. Chastain**, Senior Vice President, General Auditor **Wayne Lowrey**, President, United Community Bank, Stockbridge **William L. Daniel**, President, United Community Bank, Newton /Rockdale County **Lawrence F. DesPres**, Vice President, Technology **Alan H. Kumler**, Senior Vice President, Contoller **Chris Jones**, Senior Vice President, Specialized Lending

# The management team



**From Left to right**

Jimmy C. Tallent – President and  
Chief Executive Officer

Guy W. Freeman – Executive Vice President  
of Banking

Rex S. Schuette – Executive Vice President  
and Chief Financial Officer

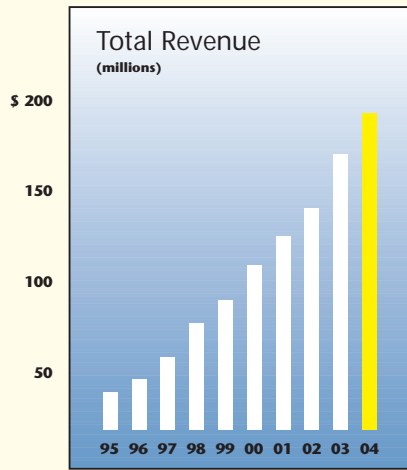
Thomas C. Gilliland – Executive Vice President,  
Secretary and General Counsel

Ray K. Williams – Executive Vice President  
of Risk Management

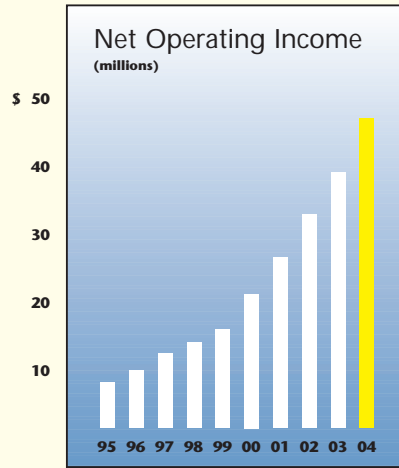
Craig Metz – Executive Vice President  
of Marketing

Bill M. Gilbert – Senior Vice President  
of Retail Banking

# The performance that service built



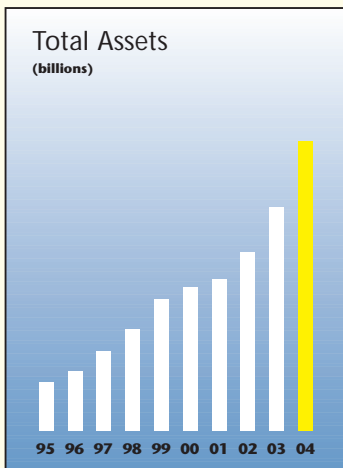
20% - 10 Years CAGR



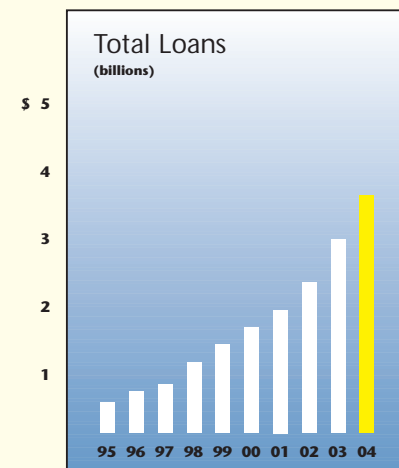
22% - 10 Years CAGR



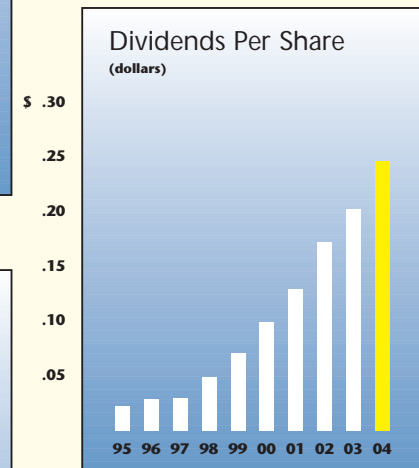
18% - 10 Years CAGR



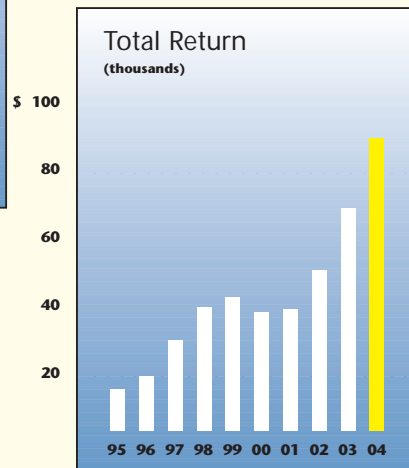
23% - 10 Years CAGR



24% - 10 Years CAGR



34% - 10 Years CAGR



Value of \$10,000 invested in 1994

# Selected Financial Information

For the Years Ended December 31  
(in thousands, except per share data; taxable equivalent)

	2004	2003
<b>INCOME SUMMARY</b>		
Interest revenue	\$ 239,386	\$ 209,338
Interest expense	74,794	70,600
Net interest revenue	164,592	138,738
Provision for loan losses	7,600	6,300
Fee revenue	39,539	38,184
Total revenue	196,531	170,622
Operating expenses (1)	122,568	107,900
Income before taxes	73,963	62,722
Income taxes	26,807	23,247
Net operating income	47,156	39,475
Merger-related charges, net of tax	565	1,357
Net income	\$ 46,591	\$ 38,118
<b>OPERATING PERFORMANCE (1)</b>		
Earnings per common share:		
Basic	\$ 1.31	\$ 1.15
Diluted	1.27	1.12
Return on tangible equity (3)	19.74 %	19.24 %
Return on assets	1.07	1.06
Efficiency ratio	60.05	60.89
Dividend payout ratio	18.32	17.39
<b>GAAP PERFORMANCE</b>		
Per common share:		
Basic earnings	\$ 1.29	\$ 1.11
Diluted earnings	1.25	1.08
Cash dividends declared (rounded)	.24	.20
Book value	10.39	8.47
Tangible book value (3)	7.34	6.52
Key performance ratios:		
Return on equity (2)	14.39 %	14.79 %
Return on assets	1.05	1.02
Net interest margin	4.00	3.99
Dividend payout ratio	18.60	18.02
Equity to assets (average)	7.45	7.21
Tangible equity to assets (average) (3)	5.78	6.02
<b>ASSET QUALITY</b>		
Allowance for loan losses	\$ 47,196	\$ 38,655
Non-performing assets	8,725	7,589
Net charge-offs	3,617	4,097
Allowance for loan losses to loans	1.26 %	1.28 %
Non-performing assets to total assets	.17	.19
Net charge-offs to average loans	.11	.15
<b>AVERAGE BALANCES</b>		
Loans	\$ 3,322,916	\$ 2,753,451
Investment securities	734,577	667,211
Earning assets	4,119,327	3,476,030
Total assets	4,416,835	3,721,284
Deposits	3,247,612	2,743,087
Shareholders' equity	329,225	268,446
Common shares outstanding:		
Basic	36,071	34,132
Diluted	37,273	35,252
<b>AS OF YEAR-END</b>		
Loans	\$ 3,734,905	\$ 3,015,997
Investment securities	879,978	659,891
Earning assets	4,738,389	3,796,332
Total assets	5,087,702	4,068,834
Deposits	3,680,516	2,857,449
Shareholders' equity	397,088	299,373
Common shares outstanding	38,168	35,289

(1) Excludes pre-tax merger-related and restructuring charges totaling \$.9 million, or \$.02 per diluted common share, recorded in 2004; \$.2 million, or \$.04 per diluted common share, recorded in 2003; \$1.6 million, or \$.03 per diluted common share, recorded in 2001; \$10.6 million, or \$.23 per diluted common share, recorded in 2000; and \$1.8 million, or \$.04 per diluted common share, recorded in 1999.

2002	2001	2000	1999	5-Year CAGR
\$ 195,932	\$ 210,036	\$ 213,115	\$ 171,211	
76,357	100,874	116,591	90,242	
<u>119,575</u>	<u>109,162</u>	<u>96,524</u>	<u>80,969</u>	15 %
6,900	6,000	7,264	5,966	
30,734	25,267	18,867	15,693	20
<u>143,409</u>	<u>128,429</u>	<u>108,127</u>	<u>90,696</u>	17
91,124	83,906	74,043	63,505	14
52,285	44,523	34,084	27,191	22
19,505	16,208	12,337	9,938	
<u>32,780</u>	<u>28,315</u>	<u>21,747</u>	<u>17,253</u>	22
-	1,084	7,230	1,155	
<u>\$ 32,780</u>	<u>\$ 27,231</u>	<u>\$ 14,517</u>	<u>\$ 16,098</u>	24
\$ 1.02	\$ .89	\$ .70	\$ .57	18
.99	.87	.69	.56	18
17.88 %	18.19 %	16.74 %	16.37 %	
1.11	1.10	.89	.81	
60.66	62.52	64.15	66.07	
16.34	14.98	14.29	11.70	
\$ 1.02	\$ .86	\$ .47	\$ .53	19
.99	.84	.46	.52	19
.17	.13	.10	.07	29
6.89	5.98	4.93	3.94	21
6.49	5.40	4.49	3.93	13
16.54 %	16.08 %	10.04 %	13.46 %	
1.11	1.05	.59	.75	
4.33	4.51	4.16	4.07	
16.34	15.50	21.28	12.58	
7.01	6.81	5.58	5.47	
6.60	6.18	5.49	5.19	
\$ 30,914	\$ 27,124	\$ 24,698	\$ 20,043	
8,019	9,670	6,716	3,652	
3,111	4,578	2,976	2,147	
1.30 %	1.35 %	1.38 %	1.28 %	
.25	.35	.27	.15	
.14	.25	.18	.15	
\$ 2,239,875	\$ 1,854,968	\$ 1,683,403	\$ 1,391,858	19
464,468	489,332	586,222	555,832	6
2,761,265	2,419,080	2,319,389	1,987,825	16
2,959,295	2,585,290	2,453,250	2,139,594	16
2,311,717	2,010,105	1,941,496	1,659,534	14
207,312	176,144	136,810	117,064	23
32,062	31,691	30,900	30,237	
33,241	32,624	31,791	31,236	
\$ 2,381,798	\$ 2,007,990	\$ 1,792,055	\$ 1,564,148	19
559,390	470,176	508,266	589,697	8
3,029,409	2,554,530	2,352,475	2,195,712	17
3,211,344	2,749,257	2,528,879	2,384,678	16
2,385,239	2,116,499	1,995,865	1,869,379	15
221,579	194,665	158,388	119,312	27
31,895	32,266	31,542	30,284	

(2) Net income available to common shareholders, which excludes preferred stock dividends, divided by average realized common equity which excludes accumulated other comprehensive income.

(3) Excludes effect of acquisition related intangibles and associated amortization.

# Consolidated Statement of Income

For the Years Ended December 31  
(in thousands, except per share data)

	2004	2003	2002
<b>Interest revenue:</b>			
Loans, including fees	\$ 207,571	\$ 180,035	\$ 168,192
Investment securities:			
Taxable	27,431	23,944	21,578
Tax exempt	2,161	2,819	3,207
Federal funds sold and deposits in banks	618	391	576
Total interest revenue	<u>237,781</u>	<u>207,189</u>	<u>193,553</u>
<b>Interest expense:</b>			
Deposits:			
Demand	8,554	7,831	11,515
Savings	403	369	508
Time	<u>41,202</u>	<u>39,752</u>	<u>45,206</u>
	50,159	47,952	57,229
Federal funds purchased	2,053	640	796
Other borrowings	<u>22,582</u>	<u>22,008</u>	<u>18,332</u>
Total interest expense	<u>74,794</u>	<u>70,600</u>	<u>76,357</u>
<b>Net interest revenue</b>	<u>162,987</u>	<u>136,589</u>	<u>117,196</u>
Provision for loan losses	<u>7,600</u>	<u>6,300</u>	<u>6,900</u>
Net interest revenue after provision for loan losses	<u>155,387</u>	<u>130,289</u>	<u>110,296</u>
<b>Fee revenue:</b>			
Service charges and fees	21,540	18,288	13,465
Mortgage loan and other related fees	6,324	10,515	7,751
Consulting fees	5,749	4,399	4,612
Brokerage fees	2,027	1,921	1,875
Securities gains, net	428	497	637
Losses on prepayments of borrowing	(391)	(787)	(552)
Other	<u>3,862</u>	<u>3,351</u>	<u>2,946</u>
Total fee revenue	<u>39,539</u>	<u>38,184</u>	<u>30,734</u>
<b>Total revenue</b>	<u>194,926</u>	<u>168,473</u>	<u>141,030</u>
<b>Operating expenses:</b>			
Salaries and employee benefits	77,995	68,044	57,735
Communications and equipment	10,945	8,601	6,555
Occupancy	9,271	8,783	8,261
Postage, printing, and supplies	4,451	4,439	3,731
Professional fees	3,724	3,910	3,368
Advertising and public relations	4,403	3,068	2,994
Amortization of intangibles	1,674	1,065	340
Merger-related charges	870	2,088	-
Other	<u>10,105</u>	<u>9,990</u>	<u>8,140</u>
Total operating expenses	<u>123,148</u>	<u>109,988</u>	<u>91,124</u>
Income before income taxes	<u>71,488</u>	<u>58,485</u>	<u>49,906</u>
Income taxes	<u>24,897</u>	<u>20,367</u>	<u>17,126</u>
<b>Net income</b>	<u>\$ 46,591</u>	<u>\$ 38,118</u>	<u>\$ 32,780</u>
Net income available to common shareholders	\$ 46,582	\$ 38,052	\$ 32,676
<b>Earnings per common share:</b>			
Basic	1.29	1.11	1.02
Diluted	1.25	1.08	.99
Weighted average common shares outstanding (in thousands):			
Basic	36,071	34,132	32,062
Diluted	37,273	35,252	33,241

## Consolidated Balance Sheet

As of December 31  
(in thousands, except share data)

	<b>2004</b>	<b>2003</b>
<b>Assets</b>		
Cash and due from banks	\$ 99,742	\$ 91,819
Interest-bearing deposits in banks	35,098	68,374
Cash and cash equivalents	<u>134,840</u>	<u>160,193</u>
Securities available for sale	879,978	659,891
Mortgage loans held for sale	37,094	10,756
Loans, net of allowance of \$47,196 and \$38,655	3,687,709	2,977,342
Premises and equipment, net	103,679	87,439
Accrued interest receivable	27,923	20,962
Intangible assets	121,207	72,182
Other assets	95,272	80,069
<b>Total assets</b>	<u><u>\$ 5,087,702</u></u>	<u><u>\$ 4,068,834</u></u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities:</b>		
Deposits:		
Demand	\$ 532,879	\$ 412,309
Interest-bearing demand	1,055,192	846,022
Savings	171,898	140,619
Time	1,920,547	1,458,499
Total deposits	<u>3,680,516</u>	<u>2,857,449</u>
Federal funds purchased and repurchase agreements	130,921	102,849
Federal Home Loan Bank advances	737,947	635,420
Other borrowings	113,879	152,596
Accrued expenses and other liabilities	27,351	21,147
<b>Total liabilities</b>	<u>4,690,614</u>	<u>3,769,461</u>
<b>Shareholders' equity:</b>		
Preferred stock, \$1 par value; \$10 stated value; 10,000,000 shares authorized; issued and outstanding 44,800 and 55,900 shares	448	559
Common stock, \$1 par value; 100,000,000 shares authorized; issued 38,407,874 and 35,706,573 shares	38,408	35,707
Capital surplus	155,076	95,951
Retained earnings	204,709	166,887
Treasury stock; at cost; 240,346 and 417,525 shares, at cost	(4,413)	(7,120)
Accumulated other comprehensive income	2,860	7,389
<b>Total shareholders' equity</b>	<u>397,088</u>	<u>299,373</u>
<b>Total liabilities and shareholders' equity</b>	<u><u>\$ 5,087,702</u></u>	<u><u>\$ 4,068,834</u></u>

## BOARD OF DIRECTORS

Robert L. Head, Jr.  
Chairman  
Owner, Head Westgate Corporation

W.C. Nelson, Jr.  
Vice Chairman  
Owner, Nelson Tractor Company

Jimmy C. Tallent  
President and Chief Executive Officer of United

A. William Bennett  
Partner  
Bennett, Davidson & Associates, LLP

Robert H. Blalock  
Owner, Blalock Insurance Agency, Inc.

Guy W. Freeman  
Executive Vice President of Banking of United

Thomas C. Gilliland  
Executive Vice President, Secretary and General Counsel of United

Charles E. Hill  
Real Estate Investor

Hoyt O. Holloway  
Owner, H and H Farms

Clarence W. Mason, Sr.  
Owner, Mason Lawn and Garden

Tim Wallis  
President and Chief Executive Officer  
Wallis Printing Company

Zell B. Miller  
Director Emeritus  
Retired U.S. Senator

## DIRECTORY AND AFFILIATE BOARDS

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59 Highway 515  
Blairsville, Georgia 30512  
(706) 745-2151  
Andrew M. Williams III,  
President

#### Board

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Billy M. Decker  
Dr. G. David Gowder, III  
Robert L. Head, Jr.  
Charles E. Hill  
Jack C. Lance, Sr.  
W.C. Nelson, Jr.  
Paul B. Owenby

43B Highway 515  
Blairsville, Georgia 30512  
(706) 745-5545

391 Brackett's Way  
Blairsville, Georgia 30512  
(706) 745-2231

### Metro Atlanta Commercial Loan Offices

635 Whitlock Avenue  
Marietta, Georgia 30064  
(678) 581-0198  
Gary Guthrie,  
Senior Vice President

2810-C Peachtree Industrial Blvd.  
Duluth, Georgia 30096  
(770) 495-7517

628 Eagles Landing Parkway,  
Suite 4  
Stockbridge, Georgia 30281  
(770) 507-6322  
Tommy Hough, Manager

### United Community Bank - Bartow County

7400 Highway 140 N.W.  
Adairsville, Georgia 30103  
(770) 773-7716  
Gary W. Floyd, President

#### Board

Bill M. Gilbert, Chairman  
Robert Dudley Barton, IV  
William Shepard Helton  
Ernest L. Holcomb  
Robert M. Painter

1320 Joe Frank Harris Parkway  
Cartersville, Georgia 30120  
(770) 607-8004

### United Community Bank - Blue Ridge

4000 Appalachian Highway  
Blue Ridge, Georgia 30513  
(706) 632-6000  
John W. Chastain, President

#### Board

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Chairman  
Hoyt O. Holloway,  
Vice Chairman  
Charles E. Chance  
Don C. Clement  
Harold W. O'Dell  
Norman E. Kaye  
Larry Lance  
Clarence W. Mason, Sr.  
William L. Prather

5679 Appalachian Highway  
Blue Ridge, Georgia 30513  
(706) 632-6001

### United Community Bank - Brunswick

1703 Gloucester Street  
Brunswick, Georgia 31520  
(912) 267-7283  
H. Mel Baxter, President

#### Board

Henry S. Bishop, Chairman  
Bob Bowie  
Pat H. Cooper  
Guy W. Freeman  
Raymond Mock  
Russell Mentzer  
Lamont Shell  
Rick Smith  
William Stembler

4510 Altama Avenue  
Brunswick, Georgia 31520  
(912) 267-0010

109 Scranton Connector  
Brunswick, Georgia 31525  
(912) 262-0936

2001 Commercial Drive S.  
Brunswick, Georgia 31520  
(912) 262-1500

2461 Demere Road  
St. Simons Island, Georgia 31522  
(912) 638-7118

1010 Plant Avenue  
Waycross, Georgia 31501  
(912) 287-2265

### United Community Bank - Dawson County

6372 Highway 53 East  
Dawsonville, Georgia 30534  
(706) 265-3232  
James Askew, President

#### Board

Herb Burnsed, Chairman  
Clayton Bartlett  
Dwight Gilleland  
Deborah Pelfrey  
Robert Polatty  
Jimmy C. Tallent  
Jackie Townley

109 Highway 53 West  
Dawsonville, Georgia 30534  
(706) 265-3232

### United Community Bank - Fairburn

65 Washington Street  
Fairburn, Georgia 30213  
(770) 964-1551  
David Coxon, President

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Chairman  
Robert W. Fuller, Jr.,  
Vice Chairman  
Dr. Ben Amoss  
Edward Dodson  
Douglas Fields  
Guy W. Freeman  
Nina Ray  
Dr. Howard Turner, Sr.  
Howard Turner, Jr.  
Ed Wyatt



# The directory and affiliate boards

71 Bullsboro Drive  
Newnan, Georgia 30263  
(770) 252-1699

9165 Highway 29  
Palmetto, Georgia 30268  
(770) 463-2022

307 North Highway 74  
Peachtree City, Georgia 30269  
(770) 486-5522

6789 Shannon Parkway  
Union City, Georgia 30291  
(770) 964-0631

## **United Community Bank - Forsyth County**

4365 Browns Bridge Road  
Cumming, Georgia 30041  
(770) 888-1880  
Tim Heard, President

*Board*  
Bill H. Barnett  
Paula H. Gault  
William E. Lipscomb, III

## **United Community Bank - Gilmer County**

558 Industrial Blvd.  
Ellijay, Georgia 30540  
(706) 635-5411  
Jamie C. Tallent, President

*Board*  
Mitchell Morgan, Chairman  
Mark E. Chastain  
Thomas C. Gilliland  
Harold W. O'Dell  
Sam O. Penland  
Dennis E. Stover  
John W. Thomas  
Ronnie F. Thompson  
Joe Wells

## **United Community Bank - Habersham County**

1472 441 Bypass  
Cornelia, Georgia 30531  
(706) 776-3114  
James H. Burrell, President

*Board*  
James L. Bruce, Jr., Chairman  
Jefferson D. Hames  
John Lovell  
Dr. Robert M. Miller  
Jimmy C. Tallent

468 West Louise Street  
Clarksville, Georgia 30523  
(706) 754-2233

255 N. Main Street  
Cornelia, Georgia 30531  
(706) 776-3114

## **United Community Bank - Lumpkin/Hall County**

206 Morrison Moore Parkway  
Dahlonega, Georgia 30533  
(706) 864-8223  
Larry L. Odom, President

*Board*  
Dr. John H. Owen, Chairman  
Mike Cottrell  
W. Leon Davis  
Bill T. Hardman  
Charles Steven Parks  
Joe B. Sartain, Jr.  
Jimmy C. Tallent

104 Memorial Drive  
Dahlonega, Georgia 30533  
(706) 864-8223

5504 Thompson Bridge Road  
Murrayville, Georgia 30564  
(770) 535-8642

## **United Community Bank - McCaysville**

182 Blue Ridge Drive  
McCaysville, Georgia 30555  
(706) 492-5900  
Billy Hyde, President

*Board*  
Don Clement, Chairman  
Doug Akins  
Jane Callihan  
John W. Chastain  
Johnny Farmer  
Thomas C. Gilliland  
David Haight  
Roy Tipton  
Edward Vest

## **United Community Bank - Metro**

1001 Polk Street  
Marietta, Georgia 30064  
(770) 424-4844  
Robert K. Walsh Jr., President

*Board*  
Jimmy C. Tallent, Chairman  
Guy W. Freeman  
Jack D. Hall  
Bill Hutson  
G. Conley Ingram  
Jimmy W. Jones  
Timothy S. Mescon  
Joseph Mykytyn, Sr.  
Bob M. Prillaman  
Henry P. Wilson

3781 Sixes Road  
Canton, Georgia 30114  
(770) 704-4949

226 Douglasville Highway  
Hiram, Georgia 30141  
(770) 943-4111

5100 Dallas Highway  
Powder Springs, Georgia 30127  
(770) 428-0590

4484 Marietta Street  
Powder Springs, Georgia 30127  
(770) 943-5000

## **United Community Bank - Newton/Rockdale County**

1000 Georgia Highway 138, SW  
Conyers, Georgia 30013  
(770) 785-7880  
William L. Daniel, President

*Board*  
Troy A. Athon, Chairman  
Julia W. Morgan, Vice Chairman  
C. Dean Alford  
Hazel E. Durden  
John A. Fountain  
Frances G. Jones  
R. Flynn Nance  
William R. Walker, II

1600 Georgia Highway 20  
Conyers, Georgia 30012  
(770) 761-9209

9100 Covington Bypass  
Covington, Georgia 30014  
(678) 342-7242

## **United Community Bank - Rabun County**

516 US 441 S.  
Clayton, Georgia 30525  
(706) 782-7100  
Jeffrey E. Fulp, President

*Board*  
T. Lamar Edwards, Chairman  
Robert H. Blalock  
Elizabeth B. Fowler  
Bill M. Gilbert  
John R. Martin  
Ronald Vandiver

## **United Community Bank - Rome**

307 East 2nd Avenue  
Rome, Georgia 30161  
(706) 234-5800  
Steven E. Kemp, President

*Board*  
Tim Wallis, Chairman  
Dr. A. Parke Avery  
F. Lynn Dempsey  
Guy W. Freeman  
W. Danny Harbin  
Phylis Hill  
David Johnson  
Jarrett Shadday  
Dr. Frank D. Stegall  
Stephen A. Stutts  
Charles S. Williams, Jr.  
Delos H. Yancey, III

15 Cedartown Street  
Cave Spring, Georgia 30124  
(706) 777-3367

2760 Martha Berry Highway  
Rome, Georgia 30165  
(706) 378-2225

2436 Shorter Avenue  
Rome, Georgia 30165  
(706) 234-2371

# The directory and affiliate boards

## **United Community Bank - Savannah**

24 Drayton Street, Suite 1000  
Savannah, Georgia 31401  
(912) 234-6565  
Michael T. Lee, President

### *Board*

Michael Wakely, Chairman  
Charles M. Aimone  
Marvin A. Fentress  
Martin E. Melaver  
D. Rhett Mouchet  
Jack Wardlaw III

## **United Community Bank - Stockbridge**

850 Eagles Landing Parkway  
Stockbridge, Georgia 30281  
(770) 507-5855  
Wayne Lowrey, President

### *Board*

Samuel K. Parrish, Chairman  
Guy W. Freeman  
Priscilla A. Parrish  
William N. Strawn  
Marcia G. Taylor  
Ronald K. Williamson  
James D. Windham

865 Highway 20/81 West  
McDonough, Georgia 30253  
(770) 898-1988

## **United Community Bank - Summerville**

9699 Rome Blvd.  
Summerville, Georgia 30747  
(706) 857-9245  
J. Scott Tucker, President

### *Board*

Bill M. Gilbert, Chairman  
Allen W. Eleam  
Robert L. Himes  
James R. Jackson, III  
Paul Meredith

## **United Community Bank - Towns County**

214 North Main Street  
Hiawassee, Georgia 30546  
(706) 896-4186  
Richard E. Martin, Jr., President

### *Board*

Jimmy C. Tallent, Chairman  
Sheila T. Chapman  
Beverly T. Messer  
Edward W. Reynolds  
David Shook  
Dr. Thomas S. Yow, III

## **United Community Bank - West Georgia**

119 Maple Street  
Carrollton, Georgia 30117  
(770) 838-9608  
Timothy I. Warren, President

### *Board*

Phillip Kauffman, Chairman  
Ann C. Carter  
J. Wayne Garner  
Thomas C. Gilliland  
Lester Harmon  
Jeff R. Matthews  
Charles J. Puckett  
William C. Seaton  
M. S. "Buck" Swindle

485 W. Bankhead Highway  
Villa Rica, Georgia 30180  
(770) 459-3100

## **West Georgia - Douglasville**

6670 Church Street  
Douglasville, Georgia 30134  
(770) 942-5681  
Timothy I. Warren, President

### *Board*

J. Wayne Garner, Chairman  
John Carson  
Randy Daniel  
Gerald Vansant

Commercial Loan Office  
101 Devant Street, Suite 303  
Fayetteville, Georgia 30214  
(770) 461-4488  
Lee Greeson, Manager

## **United Community Bank - White County**

153 East Kytle Street  
Cleveland, Georgia 30528  
(706) 865-3151  
Eugene B. White, President

### *Board*

Dr. Donald E. Stanley, Chairman  
Roy Ash, Jr.  
Keith Brady  
W. Richard Clarke  
Louise S. Nix  
Jimmy C. Tallent  
Lamar Turner  
David Wilkins

8460 Highway 75 North  
Helen, Georgia 30545  
(706) 878-2121

## **United Community Bank - North Carolina**

1225 Asheville Highway  
Brevard, North Carolina 28712  
(828) 884-2600  
Greg Hining, President  
Dale Cable, Regional Manager  
Rick L. King, Regional Manager

### *Board*

Guy W. Freeman, Chairman  
Ronald C. Burch  
Billy M. Decker  
Lloyd G. Fisher  
J. Phillip Jerome  
Larry Kernea  
R. Maurice Sherrill  
Jimmy C. Tallent

732 Main Street  
Andrews, North Carolina 28901  
(828) 321-2050

54 North Mitchell Avenue  
Bakersville, North Carolina 28705  
(828) 688-5800

206 West Main Street  
Brevard, North Carolina 28712  
(828) 884-3649

145 Slope Street  
Bryson City, North Carolina 28713  
(828) 488-1168

291 East U.S. Highway 19E  
Burnsville, North Carolina 28714  
(828) 682-9992

60 U.S. Highway 64 East  
Cashiers, North Carolina 28717  
(828) 743-6600

3273 U.S. Highway 441 N  
Cherokee, North Carolina 28719  
(828) 497-3734

77 Etowah Center Drive  
Etowah, North Carolina 28729  
(828) 890-3600

257 East Main Street  
Franklin, North Carolina 28744  
(828) 369-6197

95 Highway 64 West  
Hayesville, North Carolina 28904  
(828) 389-6363

230 Highway 64 East, Suite 2  
Hayesville, North Carolina 28904  
(828) 389-3711

116 Peachtree Street  
Murphy, North Carolina 28906  
(828) 837-9291

200 Linville Street  
Newland, North Carolina 28657  
(828) 733-9281

132 Rodney Orr Bypass  
Robbinsville, North Carolina  
28771  
(828) 479-3037

12300 South Highway 26  
South  
Spruce Pine, North Carolina 28777  
(828) 766-8880

1640 East Main Street  
Sylva, North Carolina 28779  
(828) 631-9166

165 North Main Street  
Waynesville, North Carolina 28786  
(828) 452-0307

## **United Community Bank - Tennessee**

725 Highway 321 N.  
Lenoir City, Tennessee 37771  
(865) 986-1300  
Steve Hurst, President

### *Board*

Ed Bell, Chairman  
William Crisp  
Barry Gordon

Bryan Jackson  
 Gary Kimsey  
 Bruce Martin  
 Heath Shuler  
 Peter Stimpson, MD  
 Ted Wampler, Jr.  
 James W. Wilburn, III

211 Gill Street  
 Alcoa, Tennessee 37701  
 (865) 980-0300

1087 Hunters Crossing  
 Alcoa, Tennessee 37701  
 (865) 982-4400

123 Washington Ave. W.  
 Athens, Tennessee 37303  
 (423) 745-2442

223 N. Third Street  
 Kingston, Tennessee 37763  
 (865) 717-1400

11134 Kingston Pike  
 Knoxville, Tennessee 37922  
 (865) 671-1600

1366 Hwy 72 N.  
 Loudon, Tennessee 37774  
 (865) 458-1300

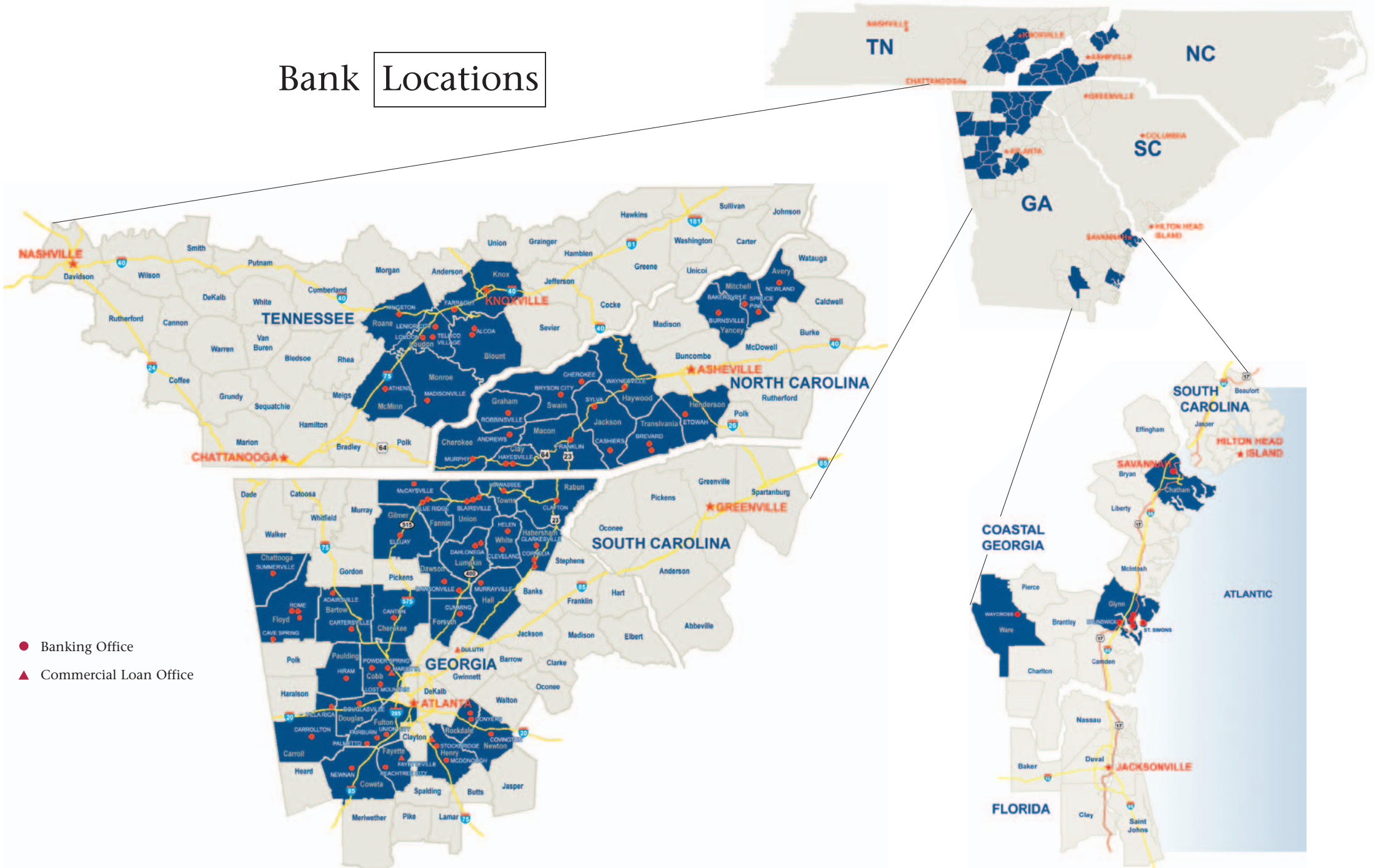
202 Chota Road  
 Tellico Village  
 Loudon, Tennessee 37774  
 (865) 458-1600

4930 New Highway 68 Unit C  
 Madisonville,  
 Tennessee 37354  
 (423) 442-5484

**Brintech, Inc.**  
 124 Canal Street  
 New Smyrna Beach,  
 Florida 32168  
 (386) 427-6772  
 Hal Oswald, President

*Board*  
 Rex S. Schuette, Chairman  
 Roger Bishop  
 Geri R. Forehand  
 Thomas C. Gilliland  
 Craig Metz  
 Ken Proctor

# Bank Locations



# Corporate Information

## Corporate Headquarters

United Community Banks, Inc.  
63 Highway 515  
Blairsville, Georgia 30512  
Phone: (706) 781-2265  
ucbi.com

## Financial Information

Analysts and investors seeking financial information about United Community Banks, Inc. should contact:

Rex S. Schuette  
Executive Vice President and  
Chief Financial Officer  
(866) 270-5900  
rex\_schuette@ucbi.com

Copies of United's Annual Report filed with the Securities and Exchange Commission on Form 10-K and supplemental quarterly information are available at no cost on United's web site at [ucbi.com](http://ucbi.com) or by contacting Investor Relations:  
Ms. Lois Rich  
(866) 270-5900  
[investor\\_relations@ucbi.com](mailto:investor_relations@ucbi.com)

This Annual Report contains forward-looking statements that involve risk and uncertainty and actual results could differ materially from the anticipated results or other expectations expressed in the forward-looking statements. A discussion of factors that could cause actual results to differ materially from those expressed in the forward-looking statements is included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission.

## Stock Price

United Community Banks, Inc.'s common stock is traded on the Nasdaq National Stock Market under the symbol UCBI. Quarterly stock prices for 2004 and 2003 are provided in the following table.

	2004			2003		
	High	Low	Close	High	Low	Close
First quarter . . . . .	\$24.62	\$21.37	\$23.73	\$18.00	\$14.67	\$15.37
Second quarter . . . . .	25.36	21.89	25.18	18.00	15.37	16.65
Third quarter . . . . .	25.45	21.75	24.27	20.02	16.34	18.47
Fourth quarter . . . . .	29.60	23.17	26.93	23.93	18.51	21.91

## Dividend Payment Dates

Subject to the approval of the Board of Directors, quarterly dividend payments are made on the first business day of January, April, July and October.

## Electronic Deposit of Dividends

Stockholders may request dividends to be deposited electronically to a designated financial institution and credited to their account on the dividend payment date, free of charge. To request this service, contact Investor Relations.

## Account Consolidation and Elimination of Duplicate Mailings

If you receive duplicate quarterly statements from United and wish to discontinue such mailings, or would like to consolidate your accounts, contact Investor Relations. This will enable United to avoid unnecessary cost for duplication and mailing.

Stockholders seeking information on stock-transfer requirements, lost certificates, dividends and other stockholder matters, contact Investor Relations.

## Annual Meeting

The Annual Meeting of Stockholders will be held: Wednesday, April 27, 2005 2:00 p.m.  
Brasstown Valley Resort  
Young Harris, Georgia

## Transfer Agent and Registrar

SunTrust Bank  
P.O. Box 4625  
58 Edgewood Avenue  
Suite 225-A  
Atlanta, Georgia 30302  
Ms. Sandra Benefield  
(800) 568-3476

## Independent Registered Public Accountants

Porter Keadle Moore, LLP  
Atlanta, Georgia

## Legal Counsel

Kilpatrick Stockton, LLP  
Atlanta, Georgia

## Equal Opportunity Employer

United is an equal opportunity employer. All matters regarding recruiting, hiring, training, compensation, benefits, promotions, transfers and other personnel policies will remain free from discriminatory practices.



 **United**  
Community Bank®