



United Community Banks, Inc. Reports Diluted Earnings per Share of 34 Cents for First Quarter 2008

BLAIRSVILLE, GA, Apr 24, 2008 (MARKET WIRE via COMTEX News Network) -- United Community Banks, Inc. (NASDAQ: UCBI) today announced diluted earnings per share of 34 cents for the first quarter of 2008, compared to 44 cents for the first quarter of 2007. Total revenue on a taxable equivalent basis was \$73.0 million for the quarter, compared to \$75.8 million for the first quarter of 2007. Net income was \$16.1 million, compared with \$19.3 million in the first quarter of 2007. Return on tangible equity was 13.16 percent and return on assets was .78 percent for the first quarter of 2008, compared with 17.18 percent and 1.11 percent a year ago, respectively.

"Continued weakness in the residential construction and housing markets and uncertainty in the general economy made for a very challenging quarter," said Jimmy Tallent, president and chief executive officer. "We expect the business environment to remain difficult for 2008. However, we are confident that our business model, strong high-growth markets, and customer service focus will continue to create the foundation for future growth over the longer term."

Loans were up \$566 million, or 10 percent, from the first quarter of 2007 due primarily to the acquisition of First Bank of the South in the second quarter of 2007. "Excluding acquisitions, loans were basically flat year over year," Tallent said. "During the first quarter, total loans were up \$39 million, or 3 percent on an annualized basis. Commercial loans during the quarter saw growth of \$90 million, or 15 percent annualized. This was offset partially by a \$39 million decrease in our residential construction loan portfolio. We are actively pursuing high-quality borrowers in all of our markets, with an emphasis on small business and commercial lending. Through these efforts, we have been able to reduce residential construction loans over the past year from 35 percent to 30 percent of our total loan portfolio."

Total deposits increased \$334 million, or 6 percent, from a year ago due to the acquisition of First Bank of the South. Excluding acquired deposits, total deposits decreased by \$234 million primarily due to the run-off of higher-rate certificates of deposits. We elected not to compete for these high cost deposits without other customer relationships. "While overall account balances are lower, the number of customer relationships has continued to increase and our customer satisfaction scores continue to be at record levels," Tallent said. "This bodes well for us when the economy rebounds."

Taxable equivalent net interest revenue of \$66.3 million reflected an increase of \$1.2 million from the first quarter of 2007. Taxable equivalent net interest margin was 3.55 percent, compared with 3.73 percent for the fourth quarter of 2007 and 3.99 percent for the first quarter of 2007. "Our net interest margin continues to be under pressure on two fronts," Tallent said. "One is competitive deposit pricing that has kept us from lowering rates on our deposits as quickly as we repriced our prime based loans. The second is the increase in the level of non-performing assets this quarter. We expect these conditions to continue to put pressure on our margin as financial institutions compete for liquidity and as we aggressively move non-performing assets off of our books."

The first quarter provision for loan losses was \$7.5 million. Net charge-offs for the first quarter were \$7.1 million compared with \$13.0 million for the fourth quarter of 2007 (excluding the Spruce Pine fraud-related charge-offs), and \$1.5 million for the first quarter of 2007. Annualized net charge-offs to average loans was 48 basis points for the first quarter of 2008 compared to 87 basis points for the fourth quarter of 2007 and 11 basis points for the first quarter of 2007.

"In the fourth quarter, we identified problem credits, aggressively took charge-offs and write-downs, and increased our allowance for loan losses to prepare for the challenges of 2008," Tallent said. "We continued this process in the first quarter and provided \$7.5 million for loan losses. This enables us to maintain our allowance for loan losses at an appropriate level for the current credit environment. We will continue to closely monitor our credit quality and the loan portfolio to ensure that we remain adequately reserved."

At quarter-end, non-performing assets totaled \$89.9 million, compared with \$46.3 million at December 31, 2007 and \$14.3 million at March 31, 2007. The ratio of non-performing assets to total assets at the end of each quarter was 1.07, .56 and .20 percent, respectively.

"United's credit quality indicators reflected the national trend of rising delinquencies and foreclosures in the housing and residential construction markets," stated Tallent. "We will remain diligent in managing through the challenges, taking whatever steps are necessary to put problem credits behind us. Although we remain guarded in our credit quality outlook, we are cautiously optimistic that the traditionally higher-sales months in the spring and summer will bring buyers back into the housing market, providing some welcome relief."

Fee revenue of \$14.2 million was down slightly from \$14.4 million for the first quarter of 2007, primarily due to nonrecurring revenue in the first quarter of 2007. Service charges and fees on deposit accounts of \$7.8 million increased \$560,000, or 8 percent, from the first quarter of 2007 due to growth in transactions and new accounts as well as higher ATM and debit card usage. Brokerage fees were up \$149,000 to \$1.1 million due to strong retention efforts and new customer outreach. Other fee revenue of \$1.5 million was down \$487,000 due to a gain on the sale of property and a recovery of overpaid brokered deposit interest in the first quarter of 2007.

Operating expenses of \$47.5 million reflected an increase of \$2.7 million, or 6 percent, from the first quarter of 2007. Salaries and employee benefit costs of \$28.8 million were \$437,000, or 2 percent, higher than the first quarter of 2007. The acquisition in the second quarter last year added approximately \$1.4 million, which was more than offset by lower incentive compensation in 2008. Occupancy expense increased \$525,000 to \$3.7 million due to the cost of operating additional banking offices. Professional fees increased \$442,000 to \$1.9 million, reflecting higher fees associated with loan work-outs and foreclosures. Other expenses of \$5.6 million were \$1.8 million higher than a year ago due to \$911,000 of additional write-downs and related costs on foreclosed properties and an increase in FDIC insurance premiums of \$923,000.

"The efficiency ratio for the first quarter of 59.05 percent was above our long-term target range of 56 to 58 percent," Tallent said. "This was driven primarily by higher legal costs and write-downs on foreclosed property. We continue to remain disciplined on expense controls."

The Board of Directors approved the second quarter 2008 dividend of 9 cents per share, which is the same dividend level that was paid in 2007. "At quarter-end, all of our regulatory capital ratios were above the 'well-capitalized' level and our tangible equity-to-assets ratio was 6.73 percent," Tallent said. "Our core earnings have allowed us to build capital, improve ratios and provide strength for current and future challenges. We are intently focused on maintaining capital at a level appropriate for the economic environment.

"With the uncertainty of the economy and the ongoing credit issues in the housing and residential construction market, 2008 will not be an easy year for banks," Tallent concluded. "I want to thank our employees for their dedication and focus: no matter the economic cycle they continue to deliver the highest customer satisfaction scores in the industry. True to form, they are maintaining and enhancing the kind of deep customer relationships that will drive United's growth and success when the economy improves."

Conference Call

United Community Banks will hold a conference call on Thursday, April 24, 2008, at 11 a.m. ET to discuss the contents of this news release, as well as share business highlights for the quarter. The telephone number for the conference call is (877) 660-8922 and the pass code is "UCBI." The conference call will also be available by web cast within the Investor Relations section of the company's web site 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 \$8.4 billion and operates 27 community banks with 109 banking offices located 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 4 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

2008

2007

(in thousands, except per share data; taxable equivalent)	First Quarter	Fourth Quarter	Third Quarter
INCOME SUMMARY			
Interest revenue	\$ 129,041	\$ 140,768	\$ 144,884
Interest expense	62,754	71,038	73,203
Net interest revenue	66,287	69,730	71,681
Provision for loan losses (1)	7,500	26,500	3,700
Fee revenue	14,197	16,100	15,615
Total operating revenue	72,984	59,330	83,596
Operating expenses	47,529	49,336	48,182
Income before taxes	25,455	9,994	35,414
Income taxes	9,377	3,960	12,878
Net operating income	16,078	6,034	22,536
Fraud loss provision, net of tax (1)	-	1,833	-
Net income	\$ 16,078	\$ 4,201	\$ 22,536
OPERATING PERFORMANCE (1)			
Earnings per common share:			
Basic	\$.34	\$.13	\$.47
Diluted	.34	.13	.46
Return on tangible equity (2)(3)(4)	13.16%	5.06%	17.54%
Return on assets (4)	.78	.29	1.11
Dividend payout ratio	26.47	69.23	19.15
GAAP PERFORMANCE MEASURES			
Per common share:			
Basic earnings	\$.34	\$.09	\$.47
Diluted earnings	.34	.09	.46
Cash dividends declared	.09	.09	.09
Book value	18.50	17.70	17.51
Tangible book value (3)	11.76	10.92	10.81
Key performance ratios:			
Return on equity (2)(4)	7.85%	2.01%	10.66%
Return on assets	.78	.20	1.11
Net interest margin (4)	3.55	3.73	3.89
Efficiency ratio	59.05	57.67	55.34
Tangible equity to assets (3)	6.73	6.58	6.65
ASSET QUALITY			
Allowance for loan losses	\$ 89,848	\$ 89,423	\$ 90,935
Net charge-offs (1)	7,075	13,012	5,236
Non-performing loans	67,728	28,219	46,783
OREO	22,136	18,039	16,554
Total non-performing assets	89,864	46,258	63,337
Allowance for loan losses to loans (1)	1.51%	1.51%	1.28%
Net charge-offs to average loans (1)(4)	.48	.87	.35
Non-performing assets to loans and OREO	1.50	.78	1.06
Non-performing assets to total assets	1.07	.56	.77
AVERAGE BALANCES			
Loans	\$ 5,958,296	\$ 5,940,230	\$ 5,966,933
Investment securities	1,485,515	1,404,796	1,308,192
Earning assets	7,491,480	7,424,992	7,332,492

Total assets	8,305,621	8,210,120	8,083,739
Deposits	6,051,069	6,151,476	6,246,319
Shareholders' equity	855,659	837,195	834,094
Common shares - basic	46,966	47,203	48,348
Common shares - diluted	47,272	47,652	48,977

AT PERIOD END

Loans	\$ 5,967,839	\$ 5,929,263	\$ 5,952,749
Investment securities	1,508,402	1,356,846	1,296,826
Total assets	8,386,255	8,207,302	8,180,600
Deposits	6,175,769	6,075,951	6,154,308
Shareholders' equity	871,452	831,902	833,761
Common shares outstanding	47,004	46,903	47,542

- (1) Excludes effect of special \$15 million fraud related provision for loan losses recorded in the second quarter of 2007, an additional \$3 million provision in the fourth quarter of 2007, and \$18 million of related loan charge-offs recorded in the fourth quarter of 2007.
- (2) Net income available to common shareholders, which excludes preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).
- (3) Excludes effect of acquisition related intangibles and associated amortization.
- (4) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

(in thousands, except per share data; taxable equivalent)	2007		First Quarter
	Second Quarter	First Quarter	2008-2007 Change
INCOME SUMMARY			
Interest revenue	\$ 136,237	\$ 129,028	
Interest expense	68,270	63,923	
Net interest revenue	67,967	65,105	2%
Provision for loan losses (1)	3,700	3,700	
Fee revenue	16,554	14,382	(1)
Total operating revenue	80,821	75,787	(4)
Operating expenses	47,702	44,841	6
Income before taxes	33,119	30,946	(18)
Income taxes	12,043	11,601	
Net operating income	21,076	19,345	(17)
Fraud loss provision, net of tax (1)	9,165	-	
Net income	\$ 11,911	\$ 19,345	(17)
OPERATING PERFORMANCE (1)			
Earnings per common share:			
Basic	\$.47	\$.45	(24)
Diluted	.46	.44	(23)
Return on tangible equity (2)(3)(4)	17.52%	17.18%	
Return on assets (4)	1.12	1.11	
Dividend payout ratio	19.15	20.00	
GAAP PERFORMANCE MEASURES			
Per common share:			
Basic earnings	\$.26	\$.45	(24)
Diluted earnings	.26	.44	(23)

Cash dividends declared	.09	.09	-
Book value	16.96	14.82	25
Tangible book value (3)	10.43	11.05	6
Key performance ratios:			
Return on equity (2)(4)	7.05%	12.47%	
Return on assets	.64	1.11	
Net interest margin (4)	3.94	3.99	
Efficiency ratio	56.59	56.56	
Tangible equity to assets (3)	6.65	6.66	

ASSET QUALITY

Allowance for loan losses	\$ 92,471	\$ 68,804	
Net charge-offs (1)	2,124	1,462	
Non-performing loans	30,849	12,319	
OREO	12,752	1,971	

Total non-performing assets	43,601	14,290	
Allowance for loan losses to loans			
(1)	1.29%	1.27%	
Net charge-offs to average loans			
(1)(4)	.15	.11	
Non-performing assets to loans and			
OREO	.73	.26	
Non-performing assets to total			
assets	.54	.20	

AVERAGE BALANCES

Loans	\$ 5,619,950	\$ 5,402,860	10
Investment securities	1,242,448	1,153,208	29
Earning assets	6,915,134	6,599,035	14
Total assets	7,519,392	7,092,710	17
Deposits	5,945,633	5,764,426	5
Shareholders' equity	672,348	624,100	37
Common shares - basic	44,949	43,000	
Common shares - diluted	45,761	43,912	

AT PERIOD END

Loans	\$ 5,999,093	\$ 5,402,198	10
Investment securities	1,213,659	1,150,424	31
Total assets	8,087,667	7,186,602	17
Deposits	6,361,269	5,841,687	6
Shareholders' equity	828,731	638,456	36
Common shares outstanding	48,781	43,038	

- (1) Excludes effect of special \$15 million fraud related provision for loan losses recorded in the second quarter of 2007, an additional \$3 million provision in the fourth quarter of 2007, and \$18 million of related loan charge-offs recorded in the fourth quarter of 2007.
- (2) Net income available to common shareholders, which excludes preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).
- (3) Excludes effect of acquisition related intangibles and associated amortization.
- (4) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End

(in millions)	2008		2007	
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter(1)

LOANS BY CATEGORY

Commercial (sec. by RE)	\$ 1,526	\$ 1,476	\$ 1,441	\$ 1,461
Commercial construction	548	527	527	509
Commercial & industrial	437	418	408	421

Total commercial	2,511	2,421	2,376	2,391
Residential construction	1,791	1,830	1,939	2,013
Residential mortgage	1,491	1,502	1,459	1,413
Consumer / installment	175	176	179	182
Total loans	\$ 5,968	\$ 5,929	\$ 5,953	\$ 5,999

LOANS BY MARKET

Atlanta Region	\$ 2,393	\$ 2,402	\$ 2,451	\$ 2,518
North Georgia	2,071	2,060	2,026	2,032
Western North Carolina	816	806	834	816
Coastal Georgia	439	416	402	396
East Tennessee	249	245	240	237
Total loans	\$ 5,968	\$ 5,929	\$ 5,953	\$ 5,999

RESIDENTIAL CONSTRUCTION

Dirt loans				
Acquisition & development	\$ 583	\$ 593	\$ 596	\$ 602
Land loans	130	126	125	113
Lot loans	406	407	403	393
Total	1,119	1,126	1,124	1,108
House loans				
Spec	460	473	539	596
Sold	212	231	276	309
Total	672	704	815	905
Total residential construction	\$ 1,791	\$ 1,830	\$ 1,939	\$ 2,013

RESIDENTIAL CONSTRUCTION - ATLANTA REGION

Dirt loans				
Acquisition & development	\$ 305	\$ 311	\$ 312	\$ 336
Land loans	55	54	53	50
Lot loans	129	131	135	140
Total	489	496	500	526
House loans				
Spec	279	286	328	378
Sold	76	82	112	140
Total	355	368	440	518
Total residential construction	\$ 844	\$ 864	\$ 940	\$ 1,044

(1) Acquired Gwinnett Commercial Group on June 1, 2007 with total loans of \$534 million in the Atlanta Region:

(2) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End

(in millions)	2007	Linked Quarter Change(2)	Year over Year Change	
	First Quarter	Actual	Actual	Excluding Acquired

LOANS BY CATEGORY				
Commercial (sec. by RE)	\$ 1,227	14 %	24 %	7 %
Commercial construction	462	16	19	14
Commercial & industrial	315	18	39	4

Total commercial	2,004	15	25	8
Residential construction	1,874	(9)	(4)	(14)
Residential mortgage	1,353	(3)	10	9
Consumer / installment	171	(2)	2	(2)

Total loans	\$ 5,402	3	10	1
=====				

LOANS BY MARKET				
Atlanta Region	\$ 2,015	(1)%	19 %	(8)%
North Georgia	2,010	2	3	3
Western North Carolina	782	5	4	4
Coastal Georgia	372	22	18	18
East Tennessee	223	7	12	12

Total loans	\$ 5,402	3	10	1
=====				

RESIDENTIAL CONSTRUCTION				
Dirt loans				
Acquisition & development	\$ 580	(7)%	1 %	(8)%
Land loans	122	13	7	4
Lot loans	362	(1)	12	5

Total	1,064	(2)	5	(2)

House loans				
Spec	533	(11)%	(14)%	(26)%
Sold	277	(33)	(23)	(35)

Total	810	(18)	(17)	(29)

Total residential construction	\$ 1,874	(9)	(4)	(14)
=====				

RESIDENTIAL CONSTRUCTION - ATLANTA REGION				
Dirt loans				
Acquisition & development	\$ 317	(8)%	(4)%	(19)%
Land loans	52	7	6	-
Lot loans	113	(6)	14	(8)

Total	482	(6)	1	(14)

House loans				
Spec	298	(10)%	(6)%	(28)%
Sold	124	(29)	(39)	(65)

Total	422	(14)	(16)	(38)

Total residential construction	\$ 904	(9)	(7)	(25)
=====				

(1) Acquired Gwinnett Commercial Group on June 1, 2007 with total loans of \$534 million in the Atlanta Region:

(2) Annualized.

UNITED COMMUNITY BANKS, INC.

Operating Earnings to GAAP Earnings Reconciliation
(in thousands, except per share data)

First Fourth

	Quarter 2008	Quarter 2007
	-----	-----
Special provision for fraud related loan losses	\$ -	\$ 3,000
	-----	-----
Income tax effect of special provision	-	1,167
	-----	-----
After-tax effect of special provision	\$ -	\$ 1,833
	=====	=====
Net Income Reconciliation		
Operating net income	\$ 16,078	\$ 6,034
After-tax effect of special provision and merger-related charges	-	(1,833)
	-----	-----
Net income (GAAP)	\$ 16,078	\$ 4,201
	=====	=====
Basic Earnings Per Share Reconciliation		
Basic operating earnings per share	\$.34	\$.13
Per share effect of special provision and merger-related charges	-	(.04)
	-----	-----
Basic earnings per share (GAAP)	\$.34	\$.09
	=====	=====
Diluted Earnings Per Share Reconciliation		
Diluted operating earnings per share	\$.34	\$.13
Per share effect of special provision and merger-related charges	-	(.04)
	-----	-----
Diluted earnings per share (GAAP)	\$.34	\$.09
	=====	=====
Provision for Loan Losses Reconciliation		
Operating provision for loan losses	\$ 7,500	\$ 26,500
Special provision for fraud related loan losses	-	3,000
	-----	-----
Provision for loan losses (GAAP)	\$ 7,500	\$ 29,500
	=====	=====
Nonperforming Assets Reconciliation		
Nonperforming assets excluding fraud-related assets	\$ 85,182	\$ 40,956
Fraud-related loans and OREO included in nonperforming assets	4,682	5,302
	-----	-----
Nonperforming assets (GAAP)	\$ 89,864	\$ 46,258
	=====	=====
Allowance for Loan Losses Reconciliation		
Allowance for loan losses excluding special fraud-related allowance	\$ 89,848	\$ 89,423
Fraud-related allowance for loan losses	-	-
	-----	-----
Allowance for loan losses (GAAP)	\$ 89,848	\$ 89,423
	=====	=====
Net Charge Offs Reconciliation		
Net charge offs excluding charge off of fraud-related loans	\$ 7,075	\$ 13,012
Fraud-related loans charged off	-	18,000
	-----	-----
Net charge offs (GAAP)	\$ 7,075	\$ 31,012
	=====	=====
Allowance for Loan Losses to Loans Ratio Reconciliation		
Allowance for loan losses to loans ratio excluding fraud-related allowance	1.51%	1.51%
Portion of allowance assigned to fraud-related loans	-	-
	-----	-----

Allowance for loan losses to loans ratio (GAAP)	1.51%	1.51%
	=====	=====
Nonperforming Assets to Total Assets Ratio Reconciliation		
Nonperforming assets to total assets ratio excluding fraud-related assets	1.02%	.50%
Fraud-related nonperforming assets	.05	.06
	-----	-----
Nonperforming assets to total assets ratio (GAAP)	1.07%	.56%
	=====	=====
Net Charge Offs to Average Loans Ratio Reconciliation		
Net charge offs to average loans ratio excluding fraud-related loans	.48%	.87%
Charge offs of fraud-related loans	-	1.20
	-----	-----
Net charge offs to average loans ratio (GAAP)	.48%	2.07%
	=====	=====
UNITED COMMUNITY BANKS, INC.		
Operating Earnings to GAAP Earnings Reconciliation		
(in thousands, except per share data)		
	Third	Second
	Quarter	Quarter
	2007	2007
	-----	-----
Special provision for fraud related loan losses	\$ -	\$ 15,000
	-----	-----
Income tax effect of special provision	-	5,835
	-----	-----
After-tax effect of special provision	\$ -	\$ 9,165
	=====	=====
Net Income Reconciliation		
Operating net income	\$ 22,536	\$ 21,076
After-tax effect of special provision and merger-related charges	-	(9,165)
	-----	-----
Net income (GAAP)	\$ 22,536	\$ 11,911
	=====	=====
Basic Earnings Per Share Reconciliation		
Basic operating earnings per share	\$.47	\$.47
Per share effect of special provision and merger-related charges	-	(.21)
	-----	-----
Basic earnings per share (GAAP)	\$.47	\$.26
	=====	=====
Diluted Earnings Per Share Reconciliation		
Diluted operating earnings per share	\$.46	\$.46
Per share effect of special provision and merger-related charges	-	(.20)
	-----	-----
Diluted earnings per share (GAAP)	\$.46	\$.26
	=====	=====
Provision for Loan Losses Reconciliation		
Operating provision for loan losses	\$ 3,700	\$ 3,700
Special provision for fraud related loan losses	-	15,000
	-----	-----
Provision for loan losses (GAAP)	\$ 3,700	\$ 18,700
	=====	=====
Nonperforming Assets Reconciliation		
Nonperforming assets excluding fraud-related assets	\$ 39,761	\$ 19,968
Fraud-related loans and OREO included in nonperforming assets	23,576	23,633
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Nonperforming assets (GAAP)	\$ 63,337	\$ 43,601
	=====	=====
Allowance for Loan Losses Reconciliation		
Allowance for loan losses excluding special fraud-related allowance	\$ 75,935	\$ 77,471
Fraud-related allowance for loan losses	15,000	15,000
	-----	-----
Allowance for loan losses (GAAP)	\$ 90,935	\$ 92,471
	=====	=====
Net Charge Offs Reconciliation		
Net charge offs excluding charge off of fraud-related loans	\$ 5,236	\$ 2,124
Fraud-related loans charged off	-	-
	-----	-----
Net charge offs (GAAP)	\$ 5,236	\$ 2,124
	=====	=====
Allowance for Loan Losses to Loans Ratio Reconciliation		
Allowance for loan losses to loans ratio excluding fraud-related allowance	1.28%	1.29%
Portion of allowance assigned to fraud-related loans	.25	.25
	-----	-----
Allowance for loan losses to loans ratio (GAAP)	1.53%	1.54%
	=====	=====
Nonperforming Assets to Total Assets Ratio Reconciliation		
Nonperforming assets to total assets ratio excluding fraud-related assets	.49%	.25%
Fraud-related nonperforming assets	.28	.29
	-----	-----
Nonperforming assets to total assets ratio (GAAP)	.77%	.54%
	=====	=====
Net Charge Offs to Average Loans Ratio Reconciliation		
Net charge offs to average loans ratio excluding fraud-related loans	.35%	.15%
Charge offs of fraud-related loans	-	-
	-----	-----
Net charge offs to average loans ratio (GAAP)	.35%	.15%
	=====	=====

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Income (unaudited)

Three Months Ended
March 31,

	2008	2007
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(in thousands, except per share data)		
Interest revenue:		
Loans, including fees	\$ 109,266	\$ 114,073
Investment securities:		
Taxable	18,628	13,968
Tax exempt	394	447
Federal funds sold and deposits in banks	222	58
	-----	-----
Total interest revenue	128,510	128,546
	-----	-----
Interest expense:		
Deposits:		
NOW	8,587	10,627
Money market	2,913	2,540
Savings	227	309
Time	38,884	41,625
	-----	-----
Total deposit interest expense	50,611	55,101

Federal funds purchased, repurchase agreements, and other short-term borrowings	4,318	1,817
Federal Home Loan Bank advances	5,745	4,801
Long-term debt	2,080	2,204
	-----	-----
Total interest expense	62,754	63,923
	-----	-----
Net interest revenue	65,756	64,623
Provision for loan losses	7,500	3,700
	-----	-----
Net interest revenue after provision for loan losses	58,256	60,923
	-----	-----
Fee revenue:		
Service charges and fees	7,813	7,253
Mortgage loan and other related fees	1,963	2,223
Consulting fees	1,807	1,747
Brokerage fees	1,093	944
Securities gains, net	-	207
Other	1,521	2,008
	-----	-----
Total fee revenue	14,197	14,382
	-----	-----
Total revenue	72,453	75,305
	-----	-----
Operating expenses:		
Salaries and employee benefits	28,754	28,317
Communications and equipment	3,832	3,812
Occupancy	3,716	3,191
Advertising and public relations	1,351	2,016
Postage, printing and supplies	1,592	1,660
Professional fees	1,921	1,479
Amortization of intangibles	767	564
Other	5,596	3,802
	-----	-----
Total operating expenses	47,529	44,841
	-----	-----
Income before income taxes	24,924	30,464
Income taxes	8,846	11,119
	-----	-----
Net income	\$ 16,078	\$ 19,345
	=====	=====
Earnings per common share:		
Basic	\$.34	\$.45
Diluted	.34	.44
Dividends per common share	.09	.09
Weighted average common shares outstanding:		
Basic	46,966	43,000
Diluted	47,272	43,912

UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet

(in thousands, except share and per share data)	March 31, 2008	December	
		31, 2007	March 31, 2007
	-----	-----	-----
	(unaudited)	(audited)	(unaudited)
ASSETS			
Cash and due from banks	\$ 169,538	\$ 157,549	\$ 159,543
Interest-bearing deposits in banks	13,417	62,074	22,644
	-----	-----	-----
Cash and cash equivalents	182,955	219,623	182,187
Securities available for sale	1,508,402	1,356,846	1,150,424

Mortgage loans held for sale	28,451	28,004	31,633
Loans, net of unearned income	5,967,839	5,929,263	5,402,198
Less allowance for loan losses	89,848	89,423	68,804
	-----	-----	-----
Loans, net	5,877,991	5,839,840	5,333,394
Premises and equipment, net	180,746	180,088	150,332
Accrued interest receivable	59,585	62,828	60,677
Goodwill and other intangible assets	324,041	325,305	166,073
Other assets	224,084	194,768	111,882
	-----	-----	-----
Total assets	\$ 8,386,255	\$ 8,207,302	\$ 7,186,602
	=====	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Demand	\$ 690,028	\$ 700,941	\$ 675,969
NOW	1,523,942	1,474,818	1,406,287
Money market	431,623	452,917	277,184
Savings	187,911	186,392	176,891
Time:			
Less than \$100,000	1,535,742	1,573,604	1,619,865
Greater than \$100,000	1,375,000	1,364,763	1,366,360
Brokered	431,523	322,516	319,131
	-----	-----	-----

Total deposits 6,175,769 6,075,951 5,841,687

Federal funds purchased, repurchase agreements, and other short-term borrowings	532,896	638,462	77,367
Federal Home Loan Bank advances	615,324	519,782	464,072
Long-term debt	107,996	107,996	113,151
Accrued expenses and other liabilities	82,818	33,209	51,869
	-----	-----	-----

Total liabilities 7,514,803 7,375,400 6,548,146

Shareholders' equity:

Preferred stock, \$1 par value; \$10 stated value; 10,000,000 shares authorized; 25,800, 25,800 and 32,200 shares issued and outstanding	258	258	322
Common stock, \$1 par value; 100,000,000 shares authorized; 48,809,301, 48,809,301 and 43,037,840 shares issued	48,809	48,809	43,038
Common stock issuable; 90,505, 73,250 and 35,154 shares	2,410	2,100	1,043
Capital surplus	463,095	462,881	273,575
Retained earnings	359,248	347,391	321,721
Treasury stock; 1,805,078 and 1,905,921 shares, at cost	(41,351)	(43,798)	-
Accumulated other comprehensive income (loss)	38,983	14,261	(1,243)
	-----	-----	-----

Total shareholders' equity 871,452 831,902 638,456

Total liabilities and shareholders' equity \$ 8,386,255 \$ 8,207,302 \$ 7,186,602

Average Consolidated Balance Sheets and Net Interest Analysis
For the Three Months Ended March 31,

	2008		
(dollars in thousands, taxable equivalent)	Average Balance	Interest	Avg. Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 5,958,296	\$ 109,252	7.37%
Taxable securities (3)	1,448,224	18,628	5.15
Tax-exempt securities (1)(3)	37,291	648	6.95
Federal funds sold and other interest-earning assets	47,669	513	4.30
Total interest-earning assets	7,491,480	129,041	6.92
Non-interest-earning assets:			
Allowance for loan losses	(92,025)		
Cash and due from banks	154,706		
Premises and equipment	181,355		
Other assets (3)	570,105		
Total assets	\$ 8,305,621		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$ 1,462,116	\$ 8,587	2.36
Money market	439,049	2,913	2.67
Savings	184,812	227	.49
Time less than \$100,000	1,553,313	18,223	4.72
Time greater than \$100,000	1,365,307	16,370	4.82
Brokered	374,402	4,291	4.61
Total interest-bearing deposits	5,378,999	50,611	3.78
Federal funds purchased and other borrowings	551,812	4,318	3.15
Federal Home Loan Bank advances	661,498	5,745	3.49
Long-term debt	107,996	2,080	7.75
Total borrowed funds	1,321,306	12,143	3.70
Total interest-bearing liabilities	6,700,305	62,754	3.77
Non-interest-bearing liabilities:			
Non-interest-bearing deposits	672,070		
Other liabilities	77,587		
Total liabilities	7,449,962		
Shareholders' equity	855,659		
Total liabilities and shareholders' equity	\$ 8,305,621		
Net interest revenue		\$ 66,287	
Net interest-rate spread			3.15%

Net interest margin (4)

3.55%

- (1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.
- (2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued.
- (3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$15.9 million in 2008 and pretax unrealized losses of \$10.0 million in 2007 are included in other assets for purposes of this presentation.
- (4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended March 31,

2007

(dollars in thousands, taxable equivalent)

	Average Balance	Interest	Avg. Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 5,402,860	\$ 113,868	8.55%
Taxable securities (3)	1,109,847	13,968	5.03
Tax-exempt securities (1)(3)	43,361	735	6.78
Federal funds sold and other interest-earning assets	42,967	457	4.25
Total interest-earning assets	6,599,035	129,028	7.92
Non-interest-earning assets:			
Allowance for loan losses	(68,187)		
Cash and due from banks	120,637		
Premises and equipment	146,832		
Other assets (3)	294,393		
Total assets	\$ 7,092,710		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$ 1,322,818	\$ 10,627	3.26
Money market	261,753	2,540	3.94
Savings	175,275	309	.71
Time less than \$100,000	1,641,507	19,796	4.89
Time greater than \$100,000	1,385,401	17,916	5.24
Brokered	334,753	3,913	4.74
Total interest-bearing deposits	5,121,507	55,101	4.36
Federal funds purchased and other borrowings	139,256	1,817	5.29
Federal Home Loan Bank advances	395,746	4,801	4.92
Long-term debt	113,234	2,204	7.89
Total borrowed funds	648,236	8,822	5.52

Total interest-bearing liabilities	5,769,743	63,923	4.49

Non-interest-bearing liabilities:			
Non-interest-bearing deposits	642,919		
Other liabilities	55,948		

Total liabilities	6,468,610		
Shareholders' equity	624,100		

Total liabilities and shareholders' equity	\$ 7,092,710		
=====			
Net interest revenue		\$ 65,105	
=====			
Net interest-rate spread			3.43%
=====			
Net interest margin (4)			3.99%
=====			

- (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 \$15.9 million in 2008 and pretax unrealized losses of \$10.0 million in 2007 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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