
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 22, 2010

United Community Banks, Inc.

(Exact name of registrant as specified in its charter)

Georgia

(State or other jurisdiction
of incorporation)

No. 0-21656

(Commission File Number)

No. 58-180-7304

(IRS Employer Identification No.)

**63 Highway 515, P.O. Box 398
Blairsville, Georgia**

(Address of principal executive offices)

30512

(Zip Code)

Registrant's telephone number, including area code: **(706) 781-2265**

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operation and Financial Condition

On April 22, 2010, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter ended March 31, 2010 (the “News Release”). The News Release, including financial schedules, is attached as Exhibit 99.1 to this report. In connection with issuing the News Release, on April 22, 2010 at 11:00 a.m. EST, the Registrant intends to hold a conference call/webcast to discuss the News Release. In addition to the News Release, during the conference call the Registrant intends to discuss certain financial information contained in the March 31, 2010 Investor Presentation (the “Investor Presentation”) which will be posted to the Registrant’s website. The Investor Presentation is attached as Exhibit 99.2 to this report.

The presentation of the Registrant’s financial results included operating performance measures and core earnings measures, which are measures of performance determined by methods other than in accordance with generally accepted accounting principles, or GAAP. Management included non-GAAP operating performance and core earnings measures because it believes they are useful for evaluating the Registrant’s operations and performance over periods of time, and uses operating performance and core earnings measures in managing and evaluating the Registrant’s business and intends to refer to them in discussions about the Registrant’s operations and performance. Operating performance measures for 2009 exclude the effects of \$25 million and \$70 million, non-cash goodwill impairment charges in the third and first quarters, respectively, (bringing the total goodwill impairment charge for the year 2009 to \$95 million), \$2.9 million in non-recurring severance charges related to a reduction in workforce recorded in the first quarter and an \$11.4 million gain in the second quarter from the acquisition of Southern Community Bank that resulted from a bargain purchase. These items have been excluded from operating performance measures because management believes that the two expense items and the bargain purchase gain are non-recurring in nature and do not reflect overall trends in the Registrant’s earnings. Additionally, core earnings measures exclude credit related costs such as the provision for loan losses and foreclosed property expense, securities gains and losses, income taxes and other items of a non-recurring nature. Core earnings are useful in evaluating the underlying earnings performance trends of the Registrant. Management believes these non-GAAP performance measures may provide users of the Registrant’s financial information with a meaningful measure for assessing the Registrant’s financial results and comparing those financial results to prior periods.

Operating performance and core earnings measures should be viewed in addition to, and not as an alternative or substitute for, the Registrant’s performance measures determined in accordance with GAAP, and is not necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Item 9.01 Financial Statements and Exhibits

(a) Financial statements: None

(b) Pro forma financial information: None

(c) Exhibits:

99.1 Press Release, dated April 22, 2010

99.2 Investor Presentation, First Quarter 2010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

April 22, 2010

/s/ **Rex S. Schuette**

Rex S. Schuette
Executive Vice President and
Chief Financial Officer



For Immediate Release

For more information:

Rex S. Schuette

Chief Financial Officer

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**UNITED COMMUNITY BANKS, INC. REPORTS
NET OPERATING LOSS FOR FIRST QUARTER 2010**

- Non-performing assets of \$417 million at quarter-end, but \$317 million after transaction with private equity firm in April
- Provision for loan losses of \$75 million, charge-offs of \$56.7 million
- Allowance-to-loans ratio of 3.48 percent, up from 3.02 percent in previous quarter
- Margin improves to 3.49 percent, up 41 basis points from one year ago
- Sold consulting services business
- Capital ratios remain strong

BLAIRSVILLE, GA –April 22, 2010 – United Community Banks, Inc. (NASDAQ: UCBI) today reported a net operating loss from continuing operations of \$34.5 million, or 39 cents per diluted share, for the first quarter of 2010.

“The first quarter was difficult in terms of credit, as we had anticipated,” stated Jimmy Tallent, president and chief executive officer. “We were not able to dispose of foreclosed properties at the same pace as in previous quarters, in large part due to the harshest winter weather our markets have seen in many years. However, our sale of \$100 million in illiquid non-performing assets by the end of April will prove to be beneficial. The sale, which includes approximately \$72 million of non-performing loans and \$28 million of foreclosed properties, shows our determination to find innovative ways to move through this credit cycle and into recovery more quickly.”

Total loans were \$5.0 billion at quarter-end, down \$159 million from the end of the fourth quarter and \$641 million from a year earlier. As of March 31, 2010, residential construction loans were \$960 million, or 19 percent of total loans, down \$90 million for the quarter and down \$470 million from a year ago. New lending during the quarter of \$57 million, primarily commercial loans in metropolitan Atlanta, offset some of this decline. Annualized loan growth of 4 percent is consistent with that of 2009.

Taxable equivalent net interest revenue of \$61.3 million for the first quarter reflected an increase of \$3.9 million compared to the first quarter of 2009. The taxable equivalent net interest margin was 3.49 percent, up 41 basis points from a year ago and up 9 basis points from the fourth quarter of 2009. "Our ongoing strategies of building margin while maintaining liquidity are continuing to be effective," Tallent said.

"We had our fifth consecutive quarter of core transaction deposit growth, with an increase of \$53 million from the prior quarter or 9 percent on an annualized basis," Tallent continued. "We believe much of this growth is related to disruption in the banking industry, and the favorable perception of United as a strong bank with strong service. We are emphasizing these positive attributes in our marketing programs."

The first quarter 2010 provision for loan losses decreased to \$75 million from \$90 million in the fourth quarter of 2009. Net charge-offs also decreased, to \$56.7 million, compared to \$84.6 million in the fourth quarter. Non-performing assets increased to \$417 million at quarter-end from \$385 million at year-end. The ratio of non-performing assets to total assets at the end of the first quarter of 2010 and fourth quarter of 2009 was 5.32 percent and 4.81 percent, respectively. Including the planned sale of \$100 million of non-performing assets, the pro forma quarter-end ratio of non-performing assets to total assets is 4.05 percent.

“The sale of these non-performing assets, which we announced on April 1, is a very unique and positive transaction for United and its shareholders,” stated Tallent. “It eliminates \$100 million of our more illiquid non-performing assets while avoiding any additional charge-offs and credit costs associated with them. This is particularly attractive due to the lack of investor interest we have seen in larger tracts of land outside of our metro Atlanta markets. The transaction reduces non-performing assets by about 25 percent while attaining their highest current economic value and preserving our capital position. This transaction will help us move through the credit cycle and into recovery sooner.”

Operating fee revenue, all periods presented, excludes consulting services revenue because United’s consulting services subsidiary, Brintech, was sold on March 31. “Brintech has been part of United Community Banks for 10 years,” Tallent said. “At this time our focus is best placed on returning the company to profitability through our core businesses. Consulting requires scale to grow, and we found an acquirer that is a good fit and allows most of Brintech’s employees to continue in their roles.”

The results of United’s operations for all periods presented in the attached schedules have been restated to show earnings from continuing operations, which excludes Brintech’s fee revenue and operating expenses. Also, the net income or loss from the discontinued operations is reported as a separate line in the income statement.

Operating fee revenue for United was \$11.7 million for the first quarter of 2010, compared to \$11.8 million a year ago. Service charges and fees of \$7.4 million were up \$413,000, due primarily to new accounts and more ATM and debit card transactions. Mortgage loan fees were down \$1.2 million, to \$1.5 million, due to lower refinancing activity. Other fee revenue increased \$1.0 million to \$2.1 million, due primarily to the ineffectiveness of cash flow hedges on a certain portion of the company’s prime-based loans that resulted in an acceleration of \$520,000 of deferred gains and higher earnings of \$320,000 on bank-owned life insurance assets.

Due to higher foreclosed property costs, operating expenses increased by \$3.0 million, from \$51.8 million in the first quarter of 2009 to \$54.8 million in the first quarter of 2010. Operating expenses for the first quarter of 2009, as noted in the financial highlights, exclude a \$70 million non-cash goodwill impairment charge and \$2.9 million in severance costs. Foreclosed property costs for the first quarter of 2010 were \$10.8 million as compared to \$4.3 million in the first quarter of 2009 and \$14.4 million in the fourth quarter of 2009. Foreclosed property costs in the first quarter included \$2.7 million for maintenance, property taxes and other related costs. In addition, write-downs relating to the sale of properties totaled \$3.5 million and write-downs to help expedite future sales of other foreclosed properties totaled \$4.6 million. Salary and benefit costs totaled \$24.4 million, a decrease of \$3.0 million from last year due primarily to the 10 percent reduction in workforce implemented at the end of the first quarter of 2009.

The effective tax rate for the first quarter of 2010 was 40 percent, compared to 45 percent in the fourth quarter of 2009 and 14 percent in the first quarter of 2009. The fourth quarter 2009 tax benefit included the favorable settlement of a several-year state tax audit dispute for which the company was fully reserved due to the uncertainty of the tax position. The first quarter 2009 effective rate was lower due to the goodwill impairment charge which was not a taxable event and therefore did not result in the recognition of a tax benefit. The effective tax rate for 2010 is expected to be 40 percent, slightly higher than the effective tax rate for the full year 2009.

As of March 31, 2010, United Community Banks' regulatory capital ratios were as follows: Tier I Risk-Based Capital of 11.7 percent; Leverage of 8.1 percent; and Total Risk-Based Capital of 14.4 percent. The quarterly average Tangible Equity-to-Assets Ratio was 9.4 percent and the Tangible Common Equity-to-Assets Ratio was 7.1 percent.

"The quarter was eventful and productive, and one that I would like to think sets the tone for the balance of 2010," concluded Tallent. "Moving \$100 million of non-performing assets out of the bank doesn't put all of our challenges behind us, but it is a significant milestone and a giant leap in the right direction. We have said for some time now that we would not rest until United returns to its accustomed profitability. That commitment continues and, while we aren't there yet, we have made significant progress."

Conference Call

United Community Banks will hold a conference call today, Thursday, April 22, 2010, at 11 a.m. ET to discuss the contents of this news release and to share business highlights for the quarter. To access the call, dial (877) 380-5665 and use the password '67352551.' The conference call also will be webcast and can be accessed by selecting 'Calendar of Events' within the Investor Relations section of the company's website at www.ucbi.com.

About United Community Banks, Inc.

Headquartered in Blairsville, United Community Banks is the third-largest bank holding company in Georgia. United Community Banks has assets of \$7.8 billion and operates 27 community banks with 107 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina and east Tennessee. The company specializes in providing personalized community banking services to individuals and small to mid-size businesses. United Community Banks also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United Community Banks common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at the company's web site at www.ucbi.com.

Safe Harbor

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

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UNITED COMMUNITY BANKS, INC.
Financial Highlights
Selected Financial Information

(in thousands, except per share data; taxable equivalent)	2009					First Quarter 2010-2009 Change
	2010 First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	
INCOME SUMMARY						
Interest revenue	\$ 89,849	\$ 97,481	\$ 101,181	\$ 102,737	\$ 103,562	
Interest expense	28,570	33,552	38,177	41,855	46,150	
Net interest revenue	61,279	63,929	63,004	60,882	57,412	7%
Provision for loan losses	75,000	90,000	95,000	60,000	65,000	
Operating fee revenue (1)	11,666	14,447	13,389	11,305	11,823	(1)
Total operating revenue (1)	(2,055)	(11,624)	(18,607)	12,187	4,235	(149)
Operating expenses (2)	54,820	60,126	51,426	53,710	51,788	6
Operating loss from continuing operations before taxes	(56,875)	(71,750)	(70,033)	(41,523)	(47,553)	(20)
Operating income tax benefit	(22,417)	(31,687)	(26,252)	(18,394)	(15,421)	
Net operating loss from continuing operations (1)(2)	(34,458)	(40,063)	(43,781)	(23,129)	(32,132)	(7)
Gain from acquisition, net of tax expense	—	—	—	7,062	—	
Noncash goodwill impairment charges	—	—	(25,000)	—	(70,000)	
Severance costs, net of tax benefit	—	—	—	—	(1,797)	
(Loss) income from discontinued operations	(101)	228	63	66	156	
Gain from sale of subsidiary, net of income taxes and selling costs	1,266	—	—	—	—	
Net loss	(33,293)	(39,835)	(68,718)	(16,001)	(103,773)	68
Preferred dividends and discount accretion	2,572	2,567	2,562	2,559	2,554	
Net loss available to common shareholders	\$ (35,865)	\$ (42,402)	\$ (71,280)	\$ (18,560)	\$ (106,327)	
PERFORMANCE MEASURES						
Per common share:						
Diluted operating loss from continuing operations (1)(2)	\$ (.39)	\$ (.45)	\$ (.93)	\$ (.53)	\$ (.72)	46
Diluted loss from continuing operations	(.39)	(.45)	(1.43)	(.38)	(2.20)	82
Diluted loss	(.38)	(.45)	(1.43)	(.38)	(2.20)	83
Stock dividends declared (6)	—	—	1 for 130	1 for 130	1 for 130	
Book value	7.95	8.36	8.85	13.87	14.70	(46)
Tangible book value (4)	5.62	6.02	6.50	8.85	9.65	(42)
Key performance ratios:						
Return on equity (3)(5)	(20.10)%	(22.08)%	(45.52)%	(11.42)%	(58.28)%	
Return on assets (5)	(1.70)	(1.91)	(3.32)	(.78)	(5.03)	
Net interest margin (5)	3.49	3.40	3.39	3.28	3.08	
Operating efficiency ratio from continuing operations (1)(2)	75.22	78.74	68.35	73.68	75.13	
Equity to assets	11.90	11.94	10.27	10.71	11.56	
Tangible equity to assets (4)	9.39	9.53	7.55	7.96	8.24	
Tangible common equity to assets (4)	7.13	7.37	5.36	5.77	6.09	
Tangible common equity to risk-weighted assets (4)	10.03	10.39	10.67	7.49	8.03	
ASSET QUALITY *						
Non-performing loans	\$ 280,802	\$ 264,092	\$ 304,381	\$ 287,848	\$ 259,155	
Foreclosed properties	136,275	120,770	110,610	104,754	75,383	
Total non-performing assets (NPAs)	417,077	384,862	414,991	392,602	334,538	
Allowance for loan losses	173,934	155,602	150,187	145,678	143,990	
Net charge-offs	56,668	84,585	90,491	58,312	43,281	
Allowance for loan losses to loans	3.48%	3.02%	2.80%	2.64%	2.56%	
Net charge-offs to average loans (5)	4.51	6.37	6.57	4.18	3.09	
NPAs to loans and foreclosed properties	8.13	7.30	7.58	6.99	5.86	
NPAs to total assets	5.32	4.81	4.91	4.63	4.09	
AVERAGE BALANCES						
Loans	\$ 5,172,847	\$ 5,357,150	\$ 5,565,498	\$ 5,597,259	\$ 5,675,054	(9)
Investment securities	1,517,696	1,528,805	1,615,499	1,771,482	1,712,654	(11)
Earning assets	7,084,891	7,486,790	7,400,539	7,442,178	7,530,230	(6)
Total assets	7,946,303	8,286,544	8,208,199	8,212,140	8,372,281	(5)
Deposits	6,570,016	6,835,052	6,689,948	6,544,537	6,780,531	(3)
Shareholders' equity	945,426	989,279	843,130	879,210	967,505	(2)
Common shares — basic	94,390	94,219	49,771	48,794	48,324	
Common shares — diluted	94,390	94,219	49,771	48,794	48,324	
AT PERIOD END						
Loans *	\$ 4,992,045	\$ 5,151,476	\$ 5,362,689	\$ 5,513,087	\$ 5,632,705	(11)
Investment securities	1,526,589	1,530,047	1,532,514	1,816,787	1,719,033	(11)
Total assets	7,837,018	7,999,914	8,443,617	8,477,355	8,171,663	(4)
Deposits	6,487,588	6,627,834	6,821,306	6,848,760	6,616,488	(2)
Shareholders' equity	925,895	962,321	1,006,638	855,272	888,853	4
Common shares outstanding	94,176	94,046	93,901	48,933	48,487	

(1) Excludes the gain from acquisition of \$11.4 million, net of income tax expense of \$4.3 million in the second quarter of 2009 and revenue generated by discontinued operations in all periods presented.

(2) Excludes the goodwill impairment charges of \$25 million and \$70 million in the third and first quarters of 2009, respectively, severance costs of \$2.9 million, net of income tax benefit of \$1.1 million in the first quarter of 2009 and expenses relating to discontinued operations for all periods presented.

(3) Net loss available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss).

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

(5) Annualized.

(6) Number of new shares issued for shares currently held.

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

UNITED COMMUNITY BANKS, INC.
Operating Earnings to GAAP Earnings Reconciliation
Selected Financial Information

<i>(in thousands, except per share data; taxable equivalent)</i>	2010	2009			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Interest revenue reconciliation					
Interest revenue — taxable equivalent	\$ 89,849	\$ 97,481	\$ 101,181	\$ 102,737	\$ 103,562
Taxable equivalent adjustment	(493)	(601)	(580)	(463)	(488)
Interest revenue (GAAP)	<u>\$ 89,356</u>	<u>\$ 96,880</u>	<u>\$ 100,601</u>	<u>\$ 102,274</u>	<u>\$ 103,074</u>
Net interest revenue reconciliation					
Net interest revenue — taxable equivalent	\$ 61,279	\$ 63,929	\$ 63,004	\$ 60,882	\$ 57,412
Taxable equivalent adjustment	(493)	(601)	(580)	(463)	(488)
Net interest revenue (GAAP)	<u>\$ 60,786</u>	<u>\$ 63,328</u>	<u>\$ 62,424</u>	<u>\$ 60,419</u>	<u>\$ 56,924</u>
Fee revenue reconciliation					
Operating fee revenue	\$ 11,666	\$ 14,447	\$ 13,389	\$ 11,305	\$ 11,823
Gain from acquisition	—	—	—	11,390	—
Fee revenue (GAAP)	<u>\$ 11,666</u>	<u>\$ 14,447</u>	<u>\$ 13,389</u>	<u>\$ 22,695</u>	<u>\$ 11,823</u>
Total revenue reconciliation					
Total operating revenue	\$ (2,055)	\$ (11,624)	\$ (18,607)	\$ 12,187	\$ 4,235
Taxable equivalent adjustment	(493)	(601)	(580)	(463)	(488)
Gain from acquisition	—	—	—	11,390	—
Total revenue (GAAP)	<u>\$ (2,548)</u>	<u>\$ (12,225)</u>	<u>\$ (19,187)</u>	<u>\$ 23,114</u>	<u>\$ 3,747</u>
Expense reconciliation					
Operating expense	\$ 54,820	\$ 60,126	\$ 51,426	\$ 53,710	\$ 51,788
Noncash goodwill impairment charge	—	—	25,000	—	70,000
Severance costs	—	—	—	—	2,898
Operating expense (GAAP)	<u>\$ 54,820</u>	<u>\$ 60,126</u>	<u>\$ 76,426</u>	<u>\$ 53,710</u>	<u>\$ 124,686</u>
Loss from continuing operations before taxes reconciliation					
Operating loss from continuing operations before taxes	\$ (56,875)	\$ (71,750)	\$ (70,033)	\$ (41,523)	\$ (47,553)
Taxable equivalent adjustment	(493)	(601)	(580)	(463)	(488)
Gain from acquisition	—	—	—	11,390	—
Noncash goodwill impairment charge	—	—	(25,000)	—	(70,000)
Severance costs	—	—	—	—	(2,898)
Loss from continuing operations before taxes (GAAP)	<u>\$ (57,368)</u>	<u>\$ (72,351)</u>	<u>\$ (95,613)</u>	<u>\$ (30,596)</u>	<u>\$ (120,939)</u>
Income tax benefit reconciliation					
Operating income tax benefit	\$ (22,417)	\$ (31,687)	\$ (26,252)	\$ (18,394)	\$ (15,421)
Taxable equivalent adjustment	(493)	(601)	(580)	(463)	(488)
Gain from acquisition, tax expense	—	—	—	4,328	—
Severance costs, tax benefit	—	—	—	—	(1,101)
Income tax benefit (GAAP)	<u>\$ (22,910)</u>	<u>\$ (32,288)</u>	<u>\$ (26,832)</u>	<u>\$ (14,529)</u>	<u>\$ (17,010)</u>
Diluted loss from continuing operations per common share reconciliation					
Diluted operating loss from continuing operations per common share	\$ (.39)	\$ (.45)	\$ (.93)	\$ (.53)	\$ (.72)
Gain from acquisition	—	—	—	.15	—
Noncash goodwill impairment charge	—	—	(.50)	—	(1.45)
Severance costs	—	—	—	—	(.03)
Diluted loss from continuing operations per common share (GAAP)	<u>\$ (.39)</u>	<u>\$ (.45)</u>	<u>\$ (1.43)</u>	<u>\$ (.38)</u>	<u>\$ (2.20)</u>

Book value per common share

reconciliation

Tangible book value per common share	\$ 5.62	\$ 6.02	\$ 6.50	\$ 8.85	\$ 9.65
Effect of goodwill and other intangibles	2.33	2.34	2.35	5.02	5.05
Book value per common share (GAAP)	<u>\$ 7.95</u>	<u>\$ 8.36</u>	<u>\$ 8.85</u>	<u>\$ 13.87</u>	<u>\$ 14.70</u>

Efficiency ratio from continuing operations reconciliation

Operating efficiency ratio from continuing operations	75.22%	78.74%	68.35%	73.68%	75.13%
Gain from acquisition	—	—	—	(9.96)	—
Noncash goodwill impairment charge	—	—	33.22	—	101.55
Severance costs	—	—	—	—	4.20
Efficiency ratio from continuing operations (GAAP)	<u>75.22%</u>	<u>78.74%</u>	<u>101.57%</u>	<u>63.72%</u>	<u>180.88%</u>

Average equity to assets reconciliation

Tangible common equity to assets	7.13%	7.37%	5.36%	5.77%	6.09%
Effect of preferred equity	2.26	2.16	2.19	2.19	2.15
Tangible equity to assets	9.39	9.53	7.55	7.96	8.24
Effect of goodwill and other intangibles	2.51	2.41	2.72	2.75	3.32
Equity to assets (GAAP)	<u>11.90%</u>	<u>11.94%</u>	<u>10.27%</u>	<u>10.71%</u>	<u>11.56%</u>

Actual tangible common equity to risk-weighted assets reconciliation

Tangible common equity to risk-weighted assets	10.03%	10.39%	10.67%	7.49%	8.03%
Effect of other comprehensive income	(.85)	(.87)	(.90)	(.72)	(1.00)
Effect of deferred tax limitation	(1.75)	(1.27)	(.58)	(.22)	—
Effect of trust preferred	1.00	.97	.92	.90	.89
Effect of preferred equity	3.29	3.19	3.04	2.99	2.96
Tier I capital ratio (Regulatory)	<u>11.72%</u>	<u>12.41%</u>	<u>13.15%</u>	<u>10.44%</u>	<u>10.88%</u>

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Loan Portfolio Composition at Period-End

<i>(in millions)</i>	2010	2009				Linked Quarter Change	Year over Year Change
	First Quarter ⁽¹⁾	Fourth Quarter ⁽¹⁾	Third Quarter ⁽¹⁾	Second Quarter ⁽¹⁾	First Quarter		
LOANS BY CATEGORY							
Commercial (sec. by RE)	\$ 1,765	\$ 1,779	\$ 1,787	\$ 1,797	\$ 1,779	\$ (14)	\$ (14)
Commercial construction	357	363	380	379	377	(6)	(20)
Commercial & industrial	381	390	403	399	387	(9)	(6)
Total commercial	2,503	2,532	2,570	2,575	2,543	(29)	(40)
Residential construction	960	1,050	1,185	1,315	1,430	(90)	(470)
Residential mortgage	1,390	1,427	1,461	1,470	1,504	(37)	(114)
Consumer / installment	139	142	147	153	156	(3)	(17)
Total loans	\$ 4,992	\$ 5,151	\$ 5,363	\$ 5,513	\$ 5,633	(159)	(641)
LOANS BY MARKET							
Atlanta MSA	\$ 1,404	\$ 1,435	\$ 1,526	\$ 1,605	\$ 1,660	(31)	(256)
Gainesville MSA	372	390	402	413	422	(18)	(50)
North Georgia	1,814	1,884	1,942	1,978	2,014	(70)	(200)
Western North Carolina	756	772	786	794	808	(16)	(52)
Coastal Georgia	388	405	440	455	460	(17)	(72)
East Tennessee	258	265	267	268	269	(7)	(11)
Total loans	\$ 4,992	\$ 5,151	\$ 5,363	\$ 5,513	\$ 5,633	(159)	(641)
RESIDENTIAL CONSTRUCTION							
Dirt loans							
Acquisition & development	\$ 290	\$ 332	\$ 380	\$ 413	\$ 445	(42)	(155)
Land loans	124	127	159	159	155	(3)	(31)
Lot loans	321	336	336	369	390	(15)	(69)
Total	735	795	875	941	990	(60)	(255)
House loans							
Spec	153	178	218	268	317	(25)	(164)
Sold	72	77	92	106	123	(5)	(51)
Total	225	255	310	374	440	(30)	(215)
Total residential construction	\$ 960	\$ 1,050	\$ 1,185	\$ 1,315	\$ 1,430	(90)	(470)
RESIDENTIAL CONSTRUCTION — ATLANTA MSA							
Dirt loans							
Acquisition & development	\$ 66	\$ 76	\$ 100	\$ 124	\$ 148	(10)	(82)
Land loans	43	43	61	63	52	—	(9)
Lot loans	47	52	54	81	98	(5)	(51)
Total	156	171	215	268	298	(15)	(142)
House loans							
Spec	58	68	91	127	164	(10)	(106)
Sold	14	16	22	29	33	(2)	(19)
Total	72	84	113	156	197	(12)	(125)
Total residential construction	\$ 228	\$ 255	\$ 328	\$ 424	\$ 495	(27)	(267)

- (1) Excludes total loans of \$79.5 million, \$85.1 million, \$104.0 million and \$109.9 million as of March 31, 2010, December 31, 2009, September 30, 2009 and June 30, 2009, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Credit Quality (1)

(in thousands)	First Quarter 2010			Fourth Quarter 2009			Third Quarter 2009		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY									
Commercial (sec. by RE)	\$ 45,918	\$ 21,597	\$ 67,515	\$ 37,040	\$ 15,842	\$ 52,882	\$ 38,379	\$ 12,566	\$ 50,945
Commercial construction	23,556	14,285	37,841	19,976	9,761	29,737	38,505	5,543	44,048
Commercial & industrial	3,610	—	3,610	3,946	—	3,946	3,794	—	3,794
Total commercial	73,084	35,882	108,966	60,962	25,603	86,565	80,678	18,109	98,787
Residential construction	147,326	74,220	221,546	142,332	76,519	218,851	171,027	79,045	250,072
Residential mortgage	57,920	26,173	84,093	58,767	18,648	77,415	50,626	13,456	64,082
Consumer / installment	2,472	—	2,472	2,031	—	2,031	2,050	—	2,050
Total NPAs	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991

NPAs BY MARKET									
Atlanta MSA	\$ 81,914	\$ 36,951	\$ 118,865	\$ 106,536	\$ 41,125	\$ 147,661	\$ 120,599	\$ 54,670	\$ 175,269
Gainesville MSA	17,058	3,192	20,250	5,074	2,614	7,688	12,916	8,429	21,345
North Georgia	109,280	63,128	172,408	87,598	53,072	140,670	96,373	36,718	133,091
Western North Carolina	31,353	8,588	39,941	29,610	5,096	34,706	25,775	5,918	31,693
Coastal Georgia	33,438	21,871	55,309	26,871	17,150	44,021	38,414	3,045	41,459
East Tennessee	7,759	2,545	10,304	8,403	1,713	10,116	10,304	1,830	12,134
Total NPAs	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991

NPA ACTIVITY									
Beginning Balance	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991	\$ 287,848	\$ 104,754	\$ 392,602
Loans placed on non-accrual	139,030	—	139,030	174,898	—	174,898	190,164	—	190,164
Payments received	(5,733)	—	(5,733)	(26,935)	—	(26,935)	(16,597)	—	(16,597)
Loan charge-offs	(58,897)	—	(58,897)	(88,427)	—	(88,427)	(92,359)	—	(92,359)
Foreclosures	(49,233)	49,233	—	(79,983)	79,983	—	(56,624)	56,624	—
Capitalized costs	—	320	320	—	981	981	—	579	579
Note / property sales	(8,457)	(25,951)	(34,408)	(19,842)	(61,228)	(81,070)	(8,051)	(47,240)	(55,291)
Write downs	—	(4,579)	(4,579)	—	(2,209)	(2,209)	—	(1,906)	(1,906)
Net gains (losses) on sales	—	(3,518)	(3,518)	—	(7,367)	(7,367)	—	(2,201)	(2,201)
Ending Balance	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991

(in thousands)	First Quarter 2010		Fourth Quarter 2009		Third Quarter 2009	
	Net Charge-Offs	Net Charge-Offs to Average Loans (2)	Net Charge-Offs	Net Charge-Offs to Average Loans (2)	Net Charge-Offs	Net Charge-Offs to Average Loans (2)
NET CHARGE-OFFS BY CATEGORY						
Commercial (sec. by RE)	\$ 1,964	.45%	\$ 3,896	.86%	\$ 10,568	2.33%
Commercial construction	2,206	2.48	4,717	5.03	4,369	4.55
Commercial & industrial	4,110	4.31	153	.15	1,792	1.76
Total commercial	8,280	1.33	8,766	1.36	16,729	2.57
Residential construction	43,100	17.32	67,393	23.87	67,520	21.31
Residential mortgage	4,551	1.31	7,026	1.93	5,051	1.36
Consumer / installment	737	2.12	1,400	3.83	1,191	3.13
Total	\$ 56,668	4.51	\$ 84,585	6.37	\$ 90,491	6.57

NET CHARGE-OFFS BY MARKET						
Atlanta MSA	\$ 15,545	4.32%	\$ 43,595	12.07%	\$ 50,129	12.61%
Gainesville MSA	1,675	1.92	2,273	2.49	1,473	1.60
North Georgia	29,747	6.51	18,057	3.57	24,017	4.74
Western North Carolina	3,695	1.96	10,091	5.11	3,949	1.98
Coastal Georgia	5,649	5.74	8,109	7.72	10,051	8.78
East Tennessee	357	.55	2,460	3.67	872	1.30
Total	\$ 56,668	4.51	\$ 84,585	6.37	\$ 90,491	6.57

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

UNITED COMMUNITY BANKS, INC.
Consolidated Statement of Income (Unaudited)

<i>(in thousands, except per share data)</i>	Three Months Ended March 31,	
	2010	2009
Interest revenue:		
Loans, including fees	\$ 72,215	\$ 81,880
Investment securities, including tax exempt of \$311 and \$319	16,203	20,752
Federal funds sold, commercial paper and deposits in banks	938	442
Total interest revenue	<u>89,356</u>	<u>103,074</u>
Interest expense:		
Deposits:		
NOW	1,854	3,337
Money market	1,757	2,237
Savings	84	127
Time	20,198	36,053
Total deposit interest expense	23,893	41,754
Federal funds purchased, repurchase agreements and other short-term borrowings	1,038	553
Federal Home Loan Bank advances	977	1,074
Long-term debt	2,662	2,769
Total interest expense	<u>28,570</u>	<u>46,150</u>
Net interest revenue	60,786	56,924
Provision for loan losses	75,000	65,000
Net interest revenue after provision for loan losses	<u>(14,214)</u>	<u>(8,076)</u>
Fee revenue:		
Service charges and fees	7,447	7,034
Mortgage loan and other related fees	1,479	2,651
Brokerage fees	567	689
Securities gains, net	61	303
Other	2,112	1,146
Total fee revenue	<u>11,666</u>	<u>11,823</u>
Total revenue	<u>(2,548)</u>	<u>3,747</u>
Operating expenses:		
Salaries and employee benefits	24,360	27,313
Communications and equipment	3,273	3,646
Occupancy	3,814	3,769
Advertising and public relations	1,043	1,044
Postage, printing and supplies	1,225	1,175
Professional fees	1,943	3,281
Foreclosed preoperty	10,813	4,319
FDIC assessments and other regulatory charges	3,626	2,682
Amortization of intangibles	802	739
Other	3,921	3,820
Goodwill impairment	—	70,000
Severance costs	—	2,898
Total operating expenses	<u>54,820</u>	<u>124,686</u>
Loss from continuing operations before income taxes	(57,368)	(120,939)
Income tax benefit	(22,910)	(17,010)
Net loss from continuing operations	<u>(34,458)</u>	<u>(103,929)</u>
(Loss) income from discontinued operations, net of income taxes	(101)	156
Gain from sale of subsidiary, net of income taxes and selling costs	1,266	—
Net loss	<u>(33,293)</u>	<u>(103,773)</u>
Preferred stock dividends and discount accretion	2,572	2,554
Net loss available to common shareholders	<u>\$ (35,865)</u>	<u>\$ (106,327)</u>
Loss from continuing operations per common share — Basic / Diluted	\$ (.39)	\$ (2.20)
Loss per common share — Basic / Diluted	(.38)	(2.20)
Weighted average common shares outstanding — Basic / Diluted	94,390	48,324

UNITED COMMUNITY BANKS, INC.
Consolidated Statement of Income (Unaudited)

(in thousands, except per share data)	Revised for Discontinued Operations				
	1Q10	4Q09	3Q09	2Q09	1Q09
Interest revenue:					
Loans, including fees	\$ 72,215	\$ 78,064	\$ 80,874	\$ 81,691	\$ 81,880
Investment securities, including tax exempt	16,203	17,313	18,820	20,485	20,752
Federal funds sold, commercial paper and deposits in banks	938	1,503	907	98	442
Total interest revenue	89,356	96,880	100,601	102,274	103,074
Interest expense:					
Deposits:					
NOW	1,854	2,315	2,528	2,843	3,337
Money market	1,757	2,328	2,711	2,269	2,237
Savings	84	105	130	121	127
Time	20,198	24,026	28,183	32,064	36,053
Total deposit interest expense	23,893	28,774	33,552	37,297	41,754
Federal funds purchased, repurchase agreements and other short-term borrowings	1,038	1,081	613	595	553
Federal Home Loan Bank advances	977	1,045	1,300	1,203	1,074
Long-term debt	2,662	2,652	2,712	2,760	2,769
Total interest expense	28,570	33,552	38,177	41,855	46,150
Net interest revenue	60,786	63,328	62,424	60,419	56,924
Provision for loan losses	75,000	90,000	95,000	60,000	65,000
Net interest revenue after provision for loan losses	(14,214)	(26,672)	(32,576)	419	(8,076)
Fee revenue:					
Service charges and fees	7,447	8,257	8,138	7,557	7,034
Mortgage loan and other related fees	1,479	1,651	1,832	2,825	2,651
Brokerage fees	567	443	456	497	689
Securities gains (losses), net	61	2,015	1,149	(711)	303
Gain from acquisition	—	—	—	11,390	—
Other	2,112	2,081	1,814	1,137	1,146
Total fee revenue	11,666	14,447	13,389	22,695	11,823
Total revenue	(2,548)	(12,225)	(19,187)	23,114	3,747
Operating expenses:					
Salaries and employee benefits	24,360	24,061	23,889	26,305	27,313
Communications and equipment	3,273	3,819	3,640	3,571	3,646
Occupancy	3,814	4,003	4,063	3,818	3,769
Advertising and public relations	1,043	958	823	1,125	1,044
Postage, printing and supplies	1,225	1,307	1,270	1,288	1,175
Professional fees	1,943	2,646	2,358	3,195	3,281
Foreclosed preproperty	10,813	14,391	7,918	5,737	4,319
FDIC assessments and other regulatory charges	3,626	3,711	2,801	6,810	2,682
Amortization of intangibles	802	813	813	739	739
Other	3,921	4,417	3,851	1,122	3,820
Goodwill impairment	—	—	25,000	—	70,000
Severance costs	—	—	—	—	2,898
Total operating expenses	54,820	60,126	76,426	53,710	124,686
Loss from continuing operations before income taxes	(57,368)	(72,351)	(95,613)	(30,596)	(120,939)
Income tax benefit	(22,910)	(32,288)	(26,832)	(14,529)	(17,010)
Net loss from continuing operations	(34,458)	(40,063)	(68,781)	(16,067)	(103,929)
(Loss) income from discontinued operations, net of income taxes	(101)	228	63	66	156
Gain from sale of subsidiary, net of income taxes and selling costs	1,266	—	—	—	—
Net loss	(33,293)	(39,835)	(68,718)	(16,001)	(103,773)
Preferred stock dividends and discount accretion	2,572	2,567	2,562	2,559	2,554
Net loss available to common	\$ (35,865)	\$ (42,402)	\$ (71,280)	\$ (18,560)	\$ (106,327)

shareholders

	=====	=====	=====	=====	=====					
Loss from continuing operations per common share — Basic / Diluted	\$	(.39)	\$	(.45)	\$	(1.43)	\$	(.38)	\$	(2.20)
Loss per common share — Basic / Diluted		(.38)		(.45)		(1.43)		(.38)		(2.20)
Weighted average common shares outstanding — Basic / Diluted		94,390		94,219		49,771		48,794		48,324

UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet

<i>(in thousands, except share and per share data)</i>	March 31, 2010 <i>(unaudited)</i>	December 31, 2009 <i>(audited)</i>	March 31, 2009 <i>(unaudited)</i>
ASSETS			
Cash and due from banks	\$ 105,613	\$ 126,265	\$ 103,707
Interest-bearing deposits in banks	99,893	120,382	5,792
Federal funds sold, commercial paper and short-term investments	183,049	129,720	24,983
Cash and cash equivalents	388,555	376,367	134,482
Securities available for sale	1,526,589	1,530,047	1,719,033
Mortgage loans held for sale	21,998	30,226	43,161
Loans, net of unearned income (including \$72,889 held for sale at March 31, 2010)	4,992,045	5,151,476	5,632,705
Less allowance for loan losses	173,934	155,602	143,990
Loans, net	4,818,111	4,995,874	5,488,715
Assets covered by loss sharing agreements with the FDIC	169,287	185,938	—
Premises and equipment, net	181,217	182,038	178,980
Accrued interest receivable	30,492	33,867	45,514
Goodwill and other intangible assets	224,394	225,196	251,060
Foreclosed property	136,275	120,770	75,383
Other assets	340,100	319,591	235,335
Total assets	\$ 7,837,018	\$ 7,999,914	\$ 8,171,663
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Demand	\$ 740,727	\$ 707,826	\$ 665,447
NOW	1,344,973	1,335,790	1,284,791
Money market	729,283	713,901	500,261
Savings	186,699	177,427	177,001
Time:			
Less than \$100,000	1,643,059	1,746,511	1,911,627
Greater than \$100,000	1,132,034	1,187,499	1,350,190
Brokered	710,813	758,880	727,171
Total deposits	6,487,588	6,627,834	6,616,488
Federal funds purchased, repurchase agreements, and other short-term borrowings	102,480	101,389	158,690
Federal Home Loan Bank advances	114,303	114,501	260,125
Long-term debt	150,086	150,066	151,006
Accrued expenses and other liabilities	56,666	43,803	96,501
Total liabilities	6,911,123	7,037,593	7,282,810
Shareholders' equity:			
Preferred stock, \$1 par value; 10,000,000 shares authorized;			
Series A; \$10 stated value; 21,700, 21,700 and 25,800 shares issued and outstanding	217	217	258
Series B; \$1,000 stated value; 180,000 shares issued and outstanding	174,727	174,408	173,480
Common stock, \$1 par value; 100,000,000 shares authorized;			
94,175,857, 94,045,603 and 48,809,301 shares issued	94,176	94,046	48,809
Common stock issuable; 262,002, 221,906 and 161,807 shares	4,127	3,597	3,270
Capital surplus	622,803	622,034	452,277
Retained earnings (accumulated deficit)	(15,481)	20,384	158,201
Treasury stock; 322,603 shares, at cost	—	—	(5,992)
Accumulated other comprehensive income	45,326	47,635	58,550
Total shareholders' equity	925,895	962,321	888,853
Total liabilities and shareholders' equity	\$ 7,837,018	\$ 7,999,914	\$ 8,171,663

UNITED COMMUNITY BANKS, INC.
Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended March 31,

<i>(dollars in thousands, taxable equivalent)</i>	2010			2009		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
Assets:						
Interest-earning assets:						
Loans, net of unearned income (1)(2)	\$5,172,847	\$ 72,219	5.66%	\$5,675,054	\$ 81,749	5.84%
Taxable securities (3)	1,487,646	15,892	4.27	1,682,603	20,433	4.86
Tax-exempt securities (1)(3)	30,050	509	6.78	30,051	522	6.95
Federal funds sold and other interest-earning assets	394,348	1,229	1.25	142,522	858	2.41
Total interest-earning assets	7,084,891	89,849	5.13	7,530,230	103,562	5.56
Non-interest-earning assets:						
Allowance for loan losses	(187,288)			(128,798)		
Cash and due from banks	104,545			104,411		
Premises and equipment	181,927			179,495		
Other assets (3)	762,228			686,943		
Total assets	\$7,946,303			\$8,372,281		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$1,361,696	\$ 1,854	.55	\$1,358,149	\$ 3,337	1.00
Money market	723,470	1,757	.98	477,325	2,237	1.90
Savings	180,448	84	.19	172,708	127	.30
Time less than \$100,000	1,692,652	8,891	2.13	1,942,897	17,217	3.59
Time greater than \$100,000	1,155,776	6,770	2.38	1,393,188	12,825	3.73
Brokered	736,999	4,537	2.50	786,171	6,011	3.10
Total interest-bearing deposits	5,851,041	23,893	1.66	6,130,438	41,754	2.76
Federal funds purchased and other borrowings						
	102,058	1,038	4.12	150,517	553	1.49
Federal Home Loan Bank advances	114,388	977	3.46	204,941	1,074	2.13
Long-term debt	150,078	2,662	7.19	150,997	2,769	7.44
Total borrowed funds	366,524	4,677	5.18	506,455	4,396	3.52
Total interest-bearing liabilities	6,217,565	28,570	1.86	6,636,893	46,150	2.82
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	718,975			650,093		
Other liabilities	64,337			117,790		
Total liabilities	7,000,877			7,404,776		
Shareholders' equity	945,426			967,505		
Total liabilities and shareholders' equity	\$7,946,303			\$8,372,281		
Net interest revenue		\$ 61,279			\$ 57,412	
Net interest-rate spread			3.27%			2.74%
Net interest margin (4)			3.49%			3.08%

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

(2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$43.2 million and \$10.6 million in 2010 and 2009, respectively, 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.

Investor Presentation

First Quarter 2010



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President & CEO

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EVP & CRO

Strong Bank. Strong Service. Strong Future.



This presentation 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. 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 factors that may cause such forward-looking statements to differ materially from actual results, please refer to United Community Banks, Inc.'s Annual Report filed on Form 10-K with the Securities and Exchange Commission.

This presentation also contains non-GAAP financial measures determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). Such non-GAAP financial measures include the following: net interest margin – pre credit, core fee revenue, core operating expense, core earnings, net operating (loss) income and net operating (loss) earnings per share, tangible common equity to tangible assets, tangible equity to tangible assets and tangible common equity to risk-weighted assets. The most comparable GAAP measures to these measures are: net interest margin, fee revenue, operating expense, net (loss) income, diluted (loss) earnings per share and equity to assets.

Management uses these non-GAAP financial measures because we believe it is useful for evaluating our operations and performance over periods of time, as well as in managing and evaluating our business and in discussions about our operations and performance. Management believes these non-GAAP financial measures provide users of our financial information with a meaningful measure for assessing our financial results and credit trends, as well as comparison to financial results for prior periods. These non-GAAP financial measures should not be considered as a substitute for financial measures determined in accordance with GAAP and may not be comparable to other similarly titled financial measures used by other companies. For a reconciliation of the differences between our non-GAAP financial measures and the most comparable GAAP measures, please refer to the 'Non-GAAP Reconciliation Tables' at the end of the Appendix of this presentation. We have not reconciled tangible common equity to tangible assets and core earnings to the extent such numbers are presented on a forward-looking basis based on management's internal stress test or SCAP methodology. Estimates that would be required for such reconciliations cannot reliably be produced without unreasonable effort.

 **Credit**

 **Sale of \$100 Million NPAs**

 **Sale of Consulting Services Business**

 **Core Earnings**

 **Capital**



■ Structure

- *Centralized underwriting and approval process*
- *Segregated work-out teams*
- *Highly skilled ORE disposition group*
- *Seasoned regional credit professionals*

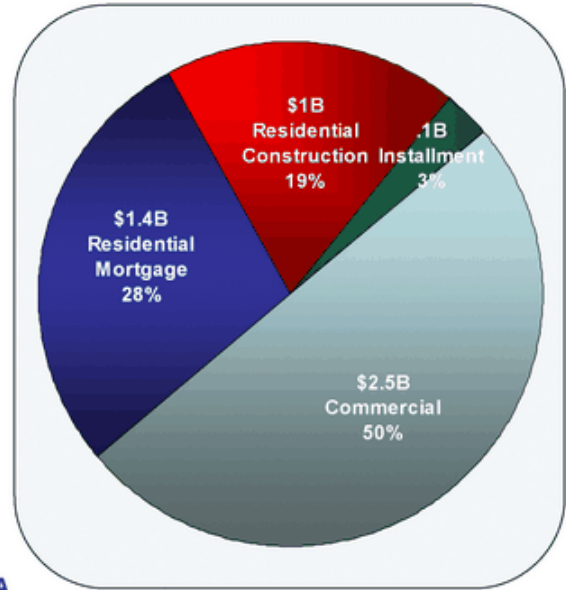
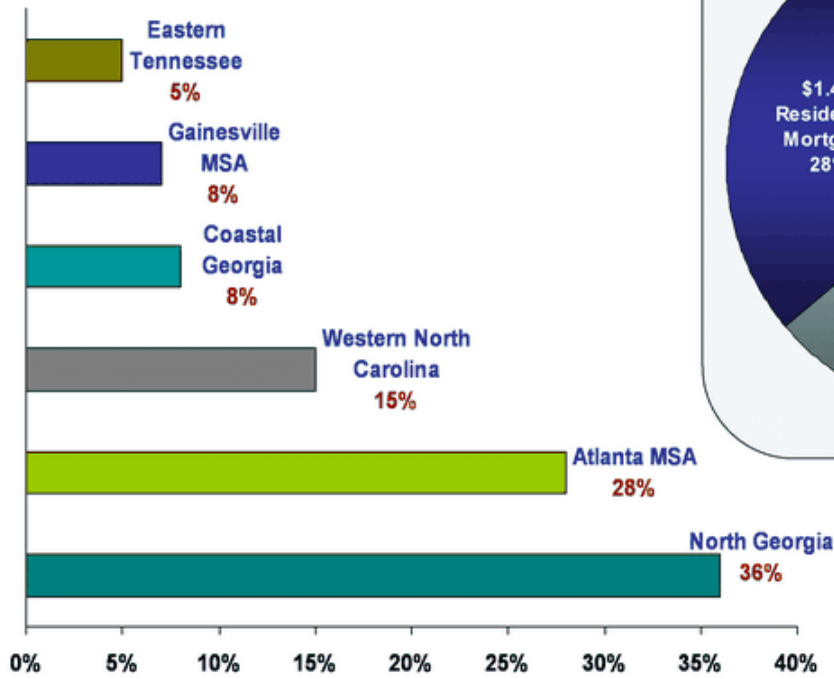
■ Process

- *Continuous external loan review*
- *Intensive executive management involvement:*
 - *Weekly past due meetings*
 - *Weekly NPA/ORE meetings*
 - *Quarterly criticized watch loan review meetings*
 - *Quarterly pass commercial and CRE portfolio review meetings*
- *Internal loan review of new credit relationships*
- *Ongoing stress testing... commenced in 2007*

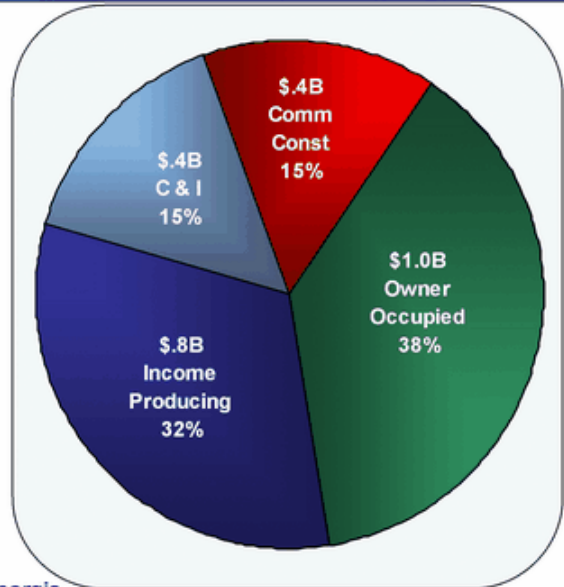
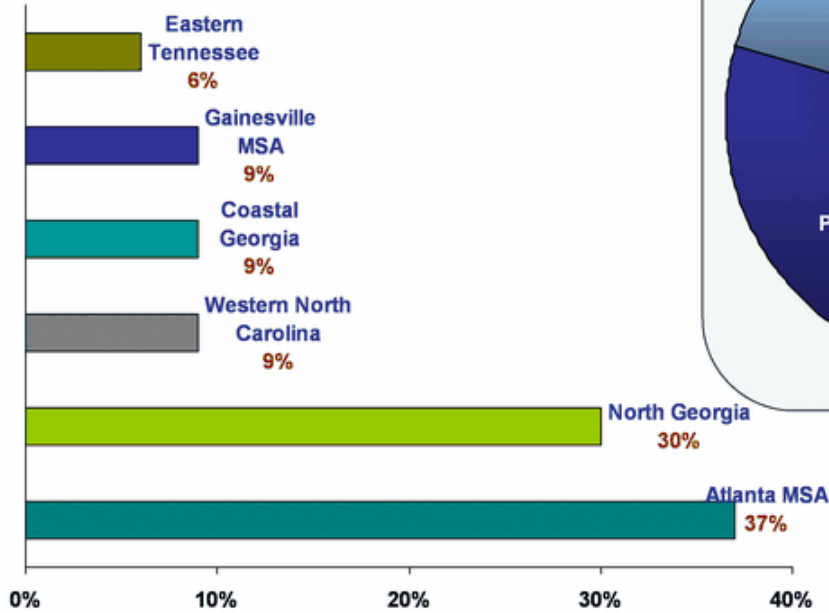
■ Policy

- *Ongoing enhancements to credit policy*
- *Periodic updates to portfolio limits*

Geographic Diversity



Geographic Diversity



Average Loan Size

CRE:	\$444k
C&I:	\$71k
Comm. Constr.	\$684k

(in millions)

<i>Loan Type</i>	Mar 31, 2010	
	<u>Amount</u>	<u>% of Total</u>
Office Buildings	\$ 399	22%
Small Businesses	388	22
Single-Unit Retail/Strip Centers	221	12
Small Warehouses/Storage	173	10
Churches	122	7
Hotels/Motels	118	7
Convenience Stores	83	5
Franchise / Restaurants	77	4
Multi-Residential Properties	65	4
Farmland	46	3
Multi-Unit Retail	40	2
Miscellaneous	<u>33</u>	2
Total Commercial Real Estate	\$ 1,765	

Portfolio Characteristics

- 54% owner-occupied
- Typical owner-occupied: small business, doctors, dentists, attorneys, CPAs
- \$12 million project limit
- 60% LTV ⁽¹⁾
- \$444k average loan size

(1) Loan balance as of Mar 31, 2010 / most recent appraisal

(in millions)

<i>Loan Type</i>	Mar 31, 2010	
	Amount	% of Total
Land Development – Vacant (Improved)	\$ 114	32%
Raw Land – Vacant (Unimproved)	99	28
Commercial Land Development	50	14
Office Buildings	31	9
Retail Buildings	13	3
Churches	3	1
Miscellaneous	<u>47</u>	13
Total Commercial Construction	\$ 357	

Portfolio Characteristics

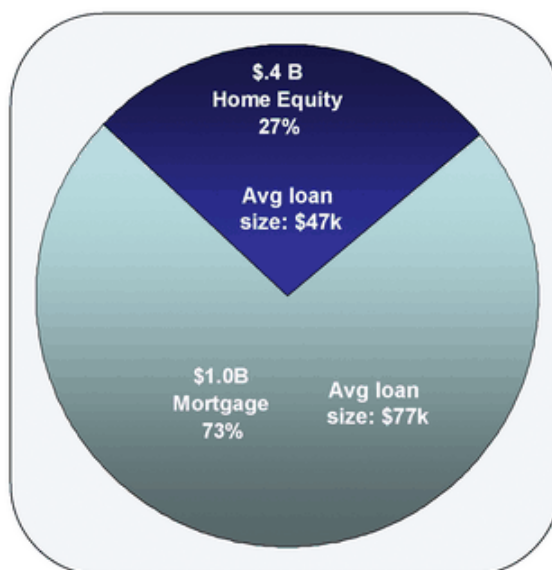
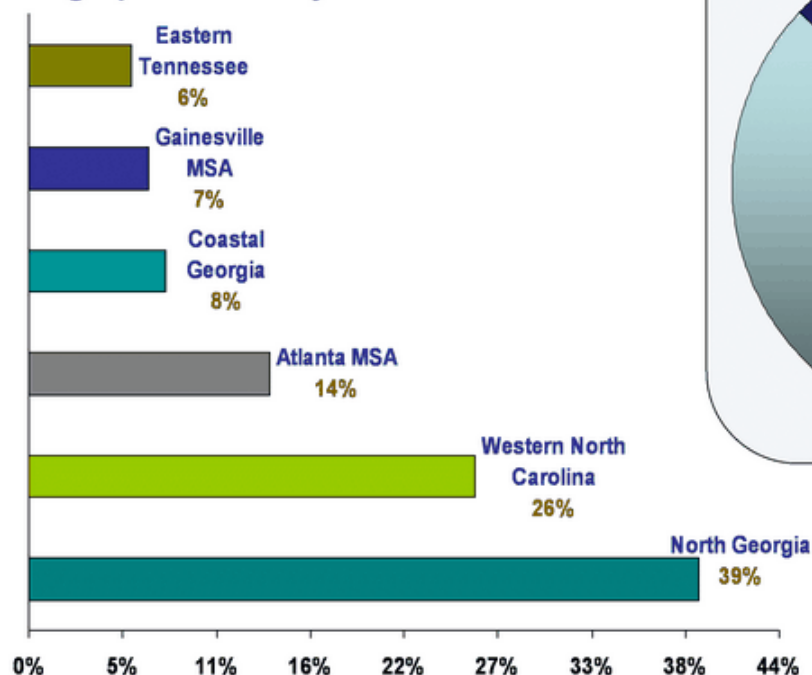
■ \$684k Average loan size

■ Average LTVs ⁽¹⁾

- Land Dev-Improved: 45%
- Raw Land-Unimpr: 47%
- Comm Land Dev: 59%
- Total: 53%

(1) Loan balance as of Mar 31, 2010 / most recent appraisal

Geographic Diversity

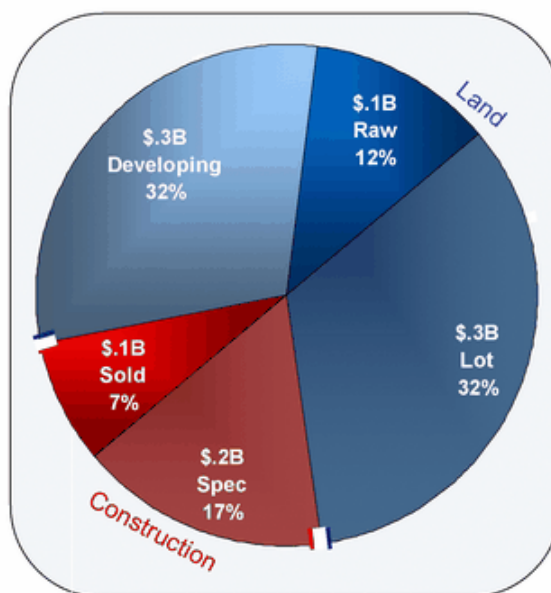
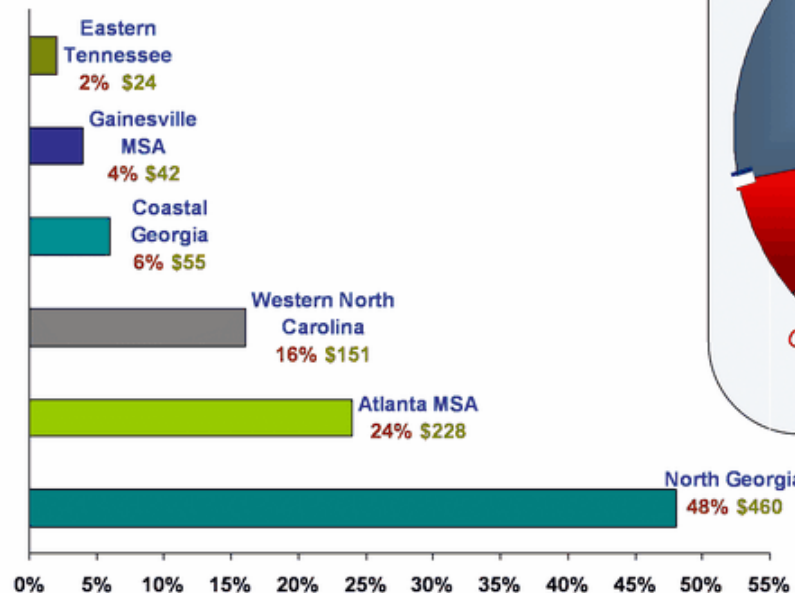


Origination Characteristics

- No broker loans
- No sub-prime / Alt-A
- 85% of HE > 680 FICO
- Policy Max LTV: 80-85%

Geographic Diversity

\$ in millions



Average Loan Size

Spec:	\$243k	Develop.:	\$773k
Sold:	\$159k	Raw:	\$316k
		Lot:	\$134k

(in millions)

	1Q10	4Q09	1Q09	Variance	
				4Q09	1Q09
Acquisition & Development					
Developing Land	\$ 66	\$ 76	\$ 148	\$ (10)	\$ (82)
Raw Land	43	43	52	-	(9)
Lot Loans	47	52	98	(5)	(51)
Total	156	171	298	(15)	(142)
Construction Loans					
Spec	58	68	164	(10)	(106)
Sold	14	16	33	(2)	(19)
Total	72	84	197	(12)	(125)
Total Res Construction	\$ 228	\$ 255	\$ 495	\$ (27)	\$ (267)

(in millions)

	1Q10	4Q09	1Q09	Variance	
				4Q09	1Q09
Acquisition & Development					
Developing Land	\$ 43	\$ 45	\$ 59	\$ (2)	\$ (16)
Raw Land	148	172	184	(24)	(36)
Lot Loans	189	197	211	(8)	(22)
Total	380	414	454	(34)	(74)
Construction Loans					
Spec	54	61	85	(7)	(31)
Sold	26	27	37	(1)	(11)
Total	80	88	122	(8)	(42)
Total Res Construction	\$ 460	\$ 502	\$ 576	\$ (42)	\$ (116)

(in millions)

	<u>1Q10</u>	<u>4Q 09</u>	<u>3Q 09</u>	<u>2Q 09</u>	<u>1Q 09</u>
Net Charge-offs	\$ 56.7	\$ 84.6	\$ 90.5	\$ 58.3	\$ 43.3
as % of Average Loans	4.51%	6.37%	6.57%	4.18%	3.09%
Allowance for LL	\$ 173.9	\$ 155.6	\$ 150.2	\$ 145.7	\$ 144.0
as % of Total Loans	3.48%	3.02%	2.80%	2.64%	2.56%
as % of NPLs	62	59	49	51	56
as % of NPLs – Adjusted ⁽¹⁾	142	190	149	82	117
as % of NPLs – Adjusted Proforma ⁽²⁾	233				
Past Due Loans (30 – 89 Days)	2.17%	1.44%	2.02%	1.61%	1.67%
Non-Performing Loans	\$ 280.8	\$ 264.1	\$ 304.4	\$ 287.8	\$ 259.1
OREO	136.3	120.8	110.6	104.8	75.4
Total NPAs	\$ 417.1	\$ 384.9	\$ 415.0	\$ 392.6	\$ 334.5
as % of Total Assets	5.32%	4.81%	4.91%	4.63%	4.09%
as % of Loans & OREO	8.13	7.30	7.58	6.99	5.86

(1) Excluding loans with no allocated reserve

(2) Excluding loans with no allocated reserve and loans sold to Fletcher

Net Charge-offs by Loan Category

(in thousands)

	1Q10		% of Average Loans			
	NCOs	% of Avg Loans	4Q10	3Q09	2Q09	LTM ⁽¹⁾
Commercial (sec. by RE)	\$ 1,964	.45 %	.86 %	2.33 %	1.34 %	1.25 %
Commercial Construction	2,206	2.48	5.03	4.55	.80	3.22
Commercial & Industrial	4,110	4.31	.15	1.76	3.16	2.35
Total Commercial	\$ 8,280	1.33	1.36	2.57	1.54	1.70
Residential Construction	43,100	17.32	23.87	21.31	12.90	18.85
Residential Mortgage	4,551	1.31	1.93	1.36	.95	1.39
Consumer/ Installment	737	2.12	3.83	3.13	1.80	2.72
Total Net Charge-offs	\$ 56,668	4.51	6.37	6.57	4.18	5.41

(1) Based on simple average of the four quarters

Net Charge-offs by Market

(in thousands)

	1Q10		% of Average Loans			
	NCOs	% of Avg Loans	4Q09	3Q09	2Q09	LTM ⁽¹⁾
MARKETS						
Atlanta MSA	\$ 15,545	4.32 %	12.07 %	12.61 %	8.96 %	9.49 %
Gainesville MSA	1,675	1.92	2.49	1.60	4.38	2.60
North Georgia	29,747	6.51	3.57	4.74	2.52	4.34
Western North Carolina	3,695	1.96	5.11	1.98	.51	2.39
Coastal Georgia	5,649	5.74	7.72	8.78	.85	5.77
East Tennessee	357	.55	3.67	1.30	3.21	2.18
Total	\$ 56,668	4.51	6.37	6.57	4.18	5.41

Note: Dollars in thousands

(1) Based on simple average of the four quarters

NPAs by Loan Category and Market

(in thousands)

	1Q10				1Q10		
	NPLs	OREO	Total NPAs		NPLs	OREO	Total NPAs
LOAN CATEGORY				MARKETS			
Commercial (sec. by RE)	\$ 45,918	\$ 21,597	\$ 67,515	Atlanta MSA	\$ 81,914	\$ 36,951	\$ 118,865
Commercial Construction	23,556	14,285	37,841	Gainesville MSA	17,058	3,192	20,250
Commercial & Industrial	3,610	-	3,610	North Georgia	109,280	63,128	172,408
Total Commercial	73,084	35,882	108,966	Western N. Carolina	31,353	8,588	39,941
Residential Construction	147,326	74,220	221,546	Coastal Georgia	33,438	21,871	55,309
Residential Mortgage	57,920	26,173	84,093	East Tennessee	7,759	2,545	10,304
Consumer/ Installment	2,472	-	2,472	Total	\$ 280,802	\$ 136,275	\$ 417,077
Total	\$ 280,802	\$ 136,275	\$ 417,077				

Credit Quality – SCAP Analysis

Imputed Stress Test – Estimated Credit Losses Through December 2010

Loan Type	Balance as of 12/31/08		Management – Base		Management – “SCAP” (1)		SCAP – Selected Banks (2)		SCAP – More Adverse (3)	
	\$MM	%	%	\$MM	%	\$MM	%	\$MM	%	\$MM
Commercial & Industrial	\$353.7	6.2	4.6	\$16.3	5.3	\$18.6	6.9	\$24.5	6.5	\$23.0
CRE										
Nonfarm, Non-residential	1,508.1	26.4	4.0	60.3	6.0	90.5			8.0	120.6
Construction	1,978.3	34.7	13.0	257.2	15.0	296.8			16.5	326.4
Multifamily	66.3	1.2	4.0	2.7	6.0	4.0			10.5	7.0
Total CRE	3,552.7	62.3	9.0	320.2	11.0	391.2	12.7	451.2	12.8	454.0
First Lien Mortgages	1,077.7	18.9	3.0	32.3	4.6	49.6	6.8	73.1	7.8	83.5
Second/Junior Lien Mortgages										
Closed-end Junior Liens	55.9	1.0	6.0	3.4	8.8	4.9			23.5	13.1
HELOCs	392.8	6.9	6.0	23.6	8.8	34.6			9.5	37.3
Total Second/Junior Lien Mortgages	448.7	7.9	6.0	26.9	8.8	39.5	10.8	48.4	11.2	50.5
Credit Cards	0.0	0.0	0.0	0.0	0.0	0.0	19.3	0.0	19.0	0.0
Other Consumer	162.6	2.9	7.0	11.4	10.0	16.3	0.0	0.0	10.0	16.3
Other Loans	109.4	1.9	3.0	3.3	4.0	4.4	0.0	0.0	7.0	7.7
Total	\$5,704.9	100.0		\$410.4		\$519.5		\$597.1		\$634.9
<i>Losses as a % of 12/31/08 Gross Loans</i>				<i>7.2%</i>		<i>9.1%</i>		<i>10.5%</i>		<i>11.1%</i>
Estimated Credit Losses as of December 31, 2008				\$410.4		\$519.5		\$597.1		\$634.9
Less: 2009 Net Charge-Offs				(276.7)		(276.7)		(276.7)		(276.7)
Less: 1/1/10 – 03/31/10 Net Charge-Offs				(56.7)		(56.7)		(56.7)		(56.7)
Estimated Potential Remaining Credit Losses (4/1/10 – 12/31/10)				\$77.0		\$186.1		\$263.8		\$301.5

(1) Represents the SCAP – Selected Banks Scenario modified to reflect the characteristics of United Community Banks existing loan portfolio.

(2) Based on average projected losses per loan category (More Adverse Scenario) for BB&T Corporation, Fifth Third Bancorp, Regions Financial Corporation and SunTrust Banks, Inc. as per the Board of Governors of the Federal Reserve System (2009) “The Supervisory Capital Assessment Program: Overview of Results”

(3) Represents the mid-point of the indicative loss rates by loan category as per the Board of Governors of the Federal Reserve System (2009) “The Supervisory Capital Assessment Program: Overview of Results”

Imputed Stress Test – Projected Capital Ratios

Assumptions:		Stress Test Analysis: Projected as of December 31, 2010 (4)			
		Management - Base	Management - SCAP	SCAP - Selected Banks	SCAP - More Adverse
Targeted LLR / Loans (12/31/10) ⁽¹⁾	2.00%				
Core Earnings in 2010 ⁽²⁾	\$92,724				
Effective Tax Rate	40%				
Aggregate TARP Preferred Dividend ⁽³⁾	\$10,303				
Estimated Remainder 2010 (Q2-Q4) Credit Losses		\$ 76,966	\$ 186,099	\$ 263,758	\$ 301,537
Consolidated					
Tangible Equity / Tangible Assets		10.1 %	9.3 %	8.7 %	8.4 %
Tangible Common Equity / Tangible Assets		7.8	6.9	6.3	6.0
Tangible Common Equity / Risk-Weighted Assets		10.9	9.7	8.8	8.4
Tier 1 Leverage Ratio	<u>Well- Capitalized</u> 5.0 %	9.3	7.9	7.0	6.5
Tier 1 Risk-Based Capital Ratio	6.0	13.6	11.5	10.0	9.3
Total Risk-Based Capital Ratio ⁽⁵⁾	10.0	16.0	13.9	12.4	11.7

Note: Dollars in thousands

(1) Targeted LLR / Loans as of December 31, 2010 based on gross loans (HFI) as of December 31, 2009 reduced by the estimated credit losses under the SCAP Analysis

(2) Assumes quarterly projections for Q2'10 - Q4'10; includes Q1'10 actuals

(3) Q1'10 - Q4'10

(4) Analysis includes an estimated \$90.0 million in balance sheet reduction each quarter through 2010 as a result of certain balance sheet strategies including selected loan sales, decreasing exposure to certain loan categories and decreasing wholesale borrowings

(5) Includes estimated phase-out of subordinated debt for regulatory capital (Tier 2) purposes

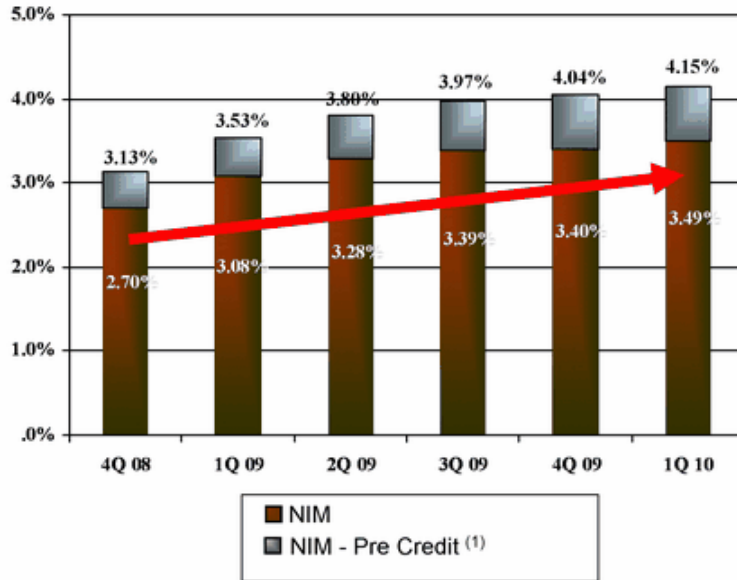


<i>(In Thousands)</i>	1Q10	Variance	
		4Q09	1Q09
Net Interest Revenue	\$ 61,279	\$ (2,650)	\$ 3,867
Fee Revenue	11,605	(143)	85
Gross Revenue	72,884	(2,793)	3,952
Operating Expense (Excl OREO)	44,007	(1,728)	(3,462)
Core Earnings (Pre-Tax, Pre-Credit)	\$ 28,877	\$ (1,065)	\$ 7,414

Net Interest Margin	3.49 %	.09 %	.41
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(Excludes Consulting Services business - sold March 31, 2010)

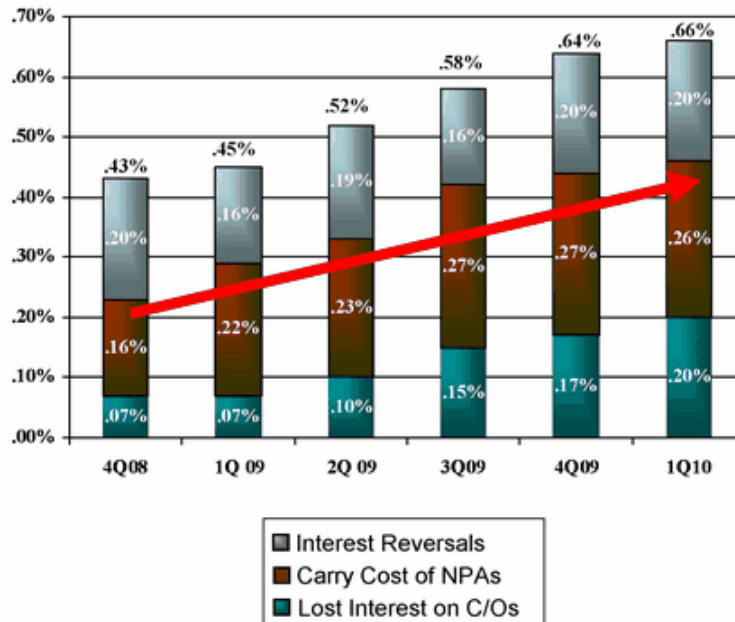
Net Interest Margin



(1) Excluding impact of nonaccrual loans, OREO and interest reversals

NIM Characteristics

- Margin improvement
9 bps vs. 4Q09
41 bps vs. 1Q09
- Improved CD pricing
- Maintained loan pricing
- 1Q Excess liquidity – lowered Margin by 18 bps



Credit Costs Impacting Margin

- Historically 8 to 12 bps
- Credit cycle – significant drag on margin and earnings
- Lost interest (avg. yield) on loans charged off – Replace with new loans after credit cycle
- Carry costs high with level of NPAs
- Cost 1Q10 vs. Historical – 54 bps (potential annual earnings impact of \$38 million by lowering to historical levels)

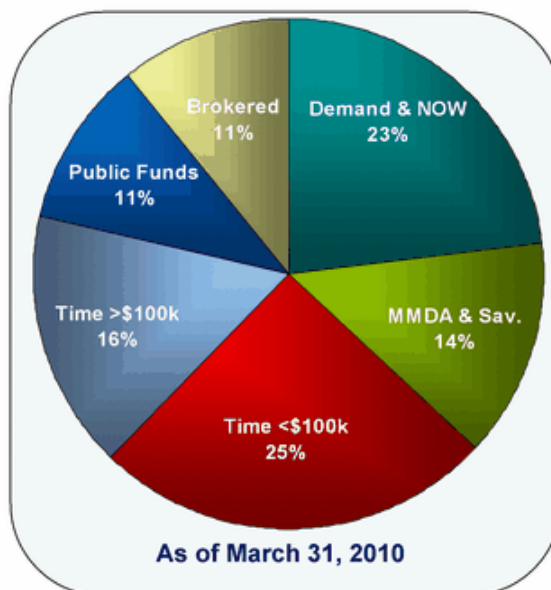
Deposit Mix

(\$ in millions)

	1Q10	4Q09	1Q09
Demand NOW	\$ 1,489	\$ 1,465	\$ 1,485
MMDA & Savings	908	879	665
Core Transaction	2,397	2,344	2,150

9% Annualized Growth excluding SCB acquisition

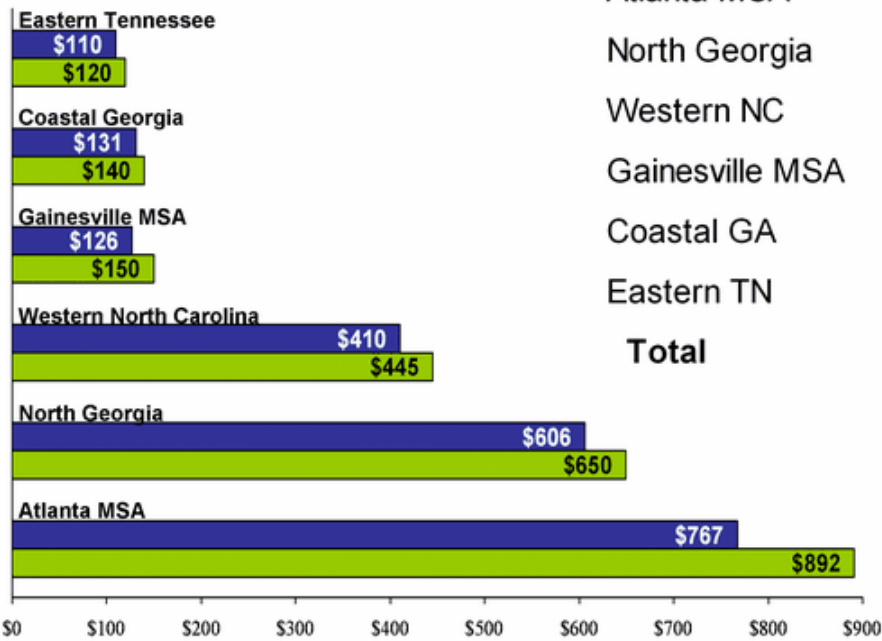
Time < \$100,000	1,636	1,740	1,904
Public Deposits	611	597	485
Total Core	4,644	4,681	4,539
Time >\$100,000	1,059	1,138	1,275
Public Deposits	73	49	75
Total Customer	5,776	5,868	5,889
Brokered Deposits	711	759	727
Total Deposits	\$ 6,487	\$ 6,627	\$ 6,616



Geographic Diversity



\$ in millions



Core Transactions / Total Deposits (%)

	1Q10	1Q09
Atlanta MSA	45.7 %	40.4 %
North Georgia	25.9	23.3
Western NC	44.1	39.4
Gainesville MSA	45.7	38.4
Coastal GA	34.7	33.9
Eastern TN	37.9	27.0
Total	36.8 %	32.3 %

(In Thousands)

	1Q10	4Q09	1Q09
Core Earnings	\$ 28,877	\$ 29,942	\$ 21,463
Provision for Loan Loss	(75,000)	(90,000)	(65,000)
<i>Foreclosed Property Costs:</i>			
Write-downs	(8,097)	(9,576)	(1,830)
Maintenance, Taxes, Etc.	(2,716)	(4,815)	(2,489)
Sale of Low Income Tax Credits	-	684	-
Securities Gains, Net	61	2,015	303
Income Taxes - Benefit	22,417	31,687	15,421
Net Operating Loss⁽¹⁾	\$ (34,458)	\$ (40,063)	\$ (32,132)
Net Operating Loss per Share⁽¹⁾	(.39)	(.45)	(.72)

(1) From continuing operations

(In Thousands)

	1Q10	4Q09	1Q09
Net Operating Loss⁽¹⁾	\$ (34,458)	\$ (40,063)	\$ (32,132)
Discontinued Operations, Net	(101)	228	156
Gain from Sale of Sub, Net	1,266		
<i>Goodwill Impairment Charge</i>	-	-	(70,000)
Severance (\$2,898, pre-tax)	-	-	(1,797)
Net Loss	(33,293)	(39,835)	(103,773)

Preferred Stock Div (TARP)	(2,572)	(2,567)	(2,554)
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Net Loss per Share	(.38)	(.45)	(2.20)
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Book Value	\$ 7.95	\$ 8.36	\$ 14.70
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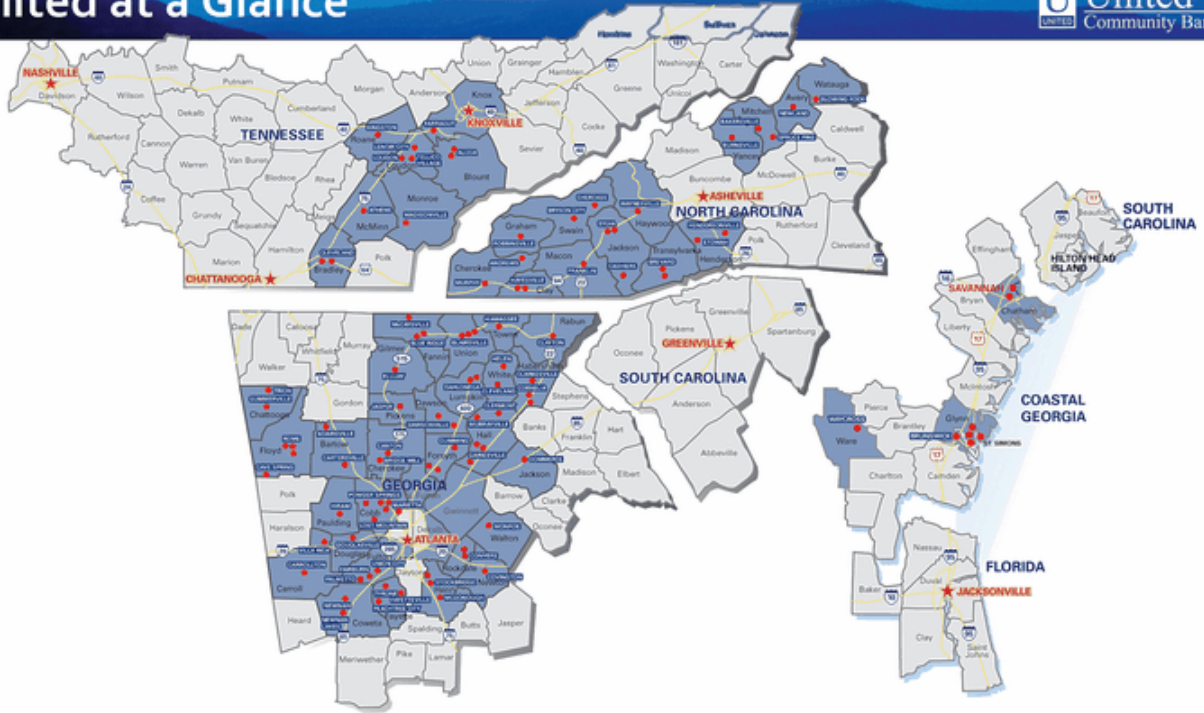
Tangible Book Value	5.62	6.02	9.65
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(1) From continuing operations

Capital Ratios *(as percentages)*

	Well- Capitalized	Guideline	MAR '10	DEC '09	MAR '09
Tier 1 RBC	6%	> 7%	11.7%	12.4%	10.9%
Total RBC	10%	> 11%	14.4	15.1	13.6
Leverage	5%	>6%	8.1	8.5	7.9
Tangible Equity to Assets		>6%	9.4	9.5	8.2
Tangible Common to Assets		>5%	7.1	7.4	6.1





Assets **\$7.8 Billion**
Deposits **\$6.5 Billion**

Banks **27**
Offices **107**

		Joined <u>UCBI</u>	Years in <u>Banking</u>
Jimmy Tallent	President & CEO	1984	37
Guy Freeman	Chief Operating Officer	1994	50
Rex Schuette	Chief Financial Officer	2001	33
David Shearrow	Chief Risk Officer	2007	29
Glenn White	President, Atlanta Region	2007	36
Craig Metz	Marketing	2002	18
Bill Gilbert	Retail Banking	2000	34

“Community bank service, large bank resources”

U Twenty-seven “community banks”

- *Local CEOs with deep roots in their communities*
- *Resources of \$7.8 billion bank*

U Service is point of differentiation

- *Golden rule of banking*
 - ✓ “The Bank That **SERVICE** Built”
- *Ongoing customer surveys*
 - ✓ 90+% satisfaction rate (*Record 95% in March 2010*)

U Strategic footprint with substantial banking opportunities

- *Operates in a number of the more demographically attractive markets in the U.S.*

U Disciplined growth strategy

- *Organic supported by de novos and selective acquisitions*

Markets¹	Population <i>(in thousands)</i>	Population Growth (%)	
		Actual 2000 - 2009	Projected 2009 - 2014
North Georgia	396	24	10
Atlanta MSA	5,544	31	13
Gainesville MSA	187	34	15
Coastal Georgia	370	10	5
Western North Carolina	425	11	5
East Tennessee	850	13	6
Total Markets			
Georgia	9,933	21	9
North Carolina	9,370	16	8
Tennessee	6,297	11	5
United States	309,732	10	5

¹ *Population data is for 2009 and includes those markets where United takes deposits.*
 Source: SNL

Market Share Opportunities

(excellent growth prospects)



Markets	Market Deposits (in billions) ⁽¹⁾	United Deposits	Banks	Offices	Deposit Share ⁽¹⁾	Rank ⁽¹⁾
North Georgia	\$ 8.5	\$ 2.5	11	23	31 %	1
Atlanta MSA	55.2	2.0	10	39	4	7
Gainesville MSA	2.6	.3	1	6	13	4
Coastal Georgia	7.5	.4	2	9	5	8
Western North Carolina	7.3	1.0	1	20	14	3
East Tennessee	14.4	.3	2	10	3	7
Total Markets	\$ 95.5	\$ 6.5	27	107		

¹ FDIC deposit market share and rank as of 6/09 for markets where United takes deposits.
Source: SNL and FDIC

Rank	Ticker	Company ⁽¹⁾	State	Total Assets (\$ B)	2009 - 2014 Population Growth ⁽²⁾
1	WAL	Western Alliance Bancorporation	NV	\$ 5.8	11.25 %
2	WTNY	Whitney Holding Corporation	LA	11.9	9.75
3	UCBI	United Community Banks, Inc.	GA	7.8	9.65
4	CFR	Cullen/Frost Bankers, Inc.	TX	16.3	9.20
5	PNFP	Pinnacle Financial Partners, Inc.	TN	5.1	8.80
6	IBOC	International Bancshares Corporation	TX	11.8	8.05
7	PRSP	Prosperity Bancshares, Inc.	TX	8.9	7.70
8	FCNCA	First Citizens BancShares, Inc.	NC	18.5	7.20
9	TSFG	South Financial Group, Inc.	SC	11.9	7.10
10	GBCI	Glacier Bancorp, Inc.	MT	6.2	6.60
11	CVBF	CVB Financial Corp.	CA	6.7	6.50
12	TCBI	Texas Capital Bancshares, Inc.	TX	5.7	6.35
13	CBC	Capitol Bancorp Ltd.	MI	5.1	6.25
14	SNV	Synovus Financial Corp.	GA	32.8	5.85
15	BOKF	BOK Financial Corporation	OK	23.5	5.80

Note: Financial information as of December 31, 2009
 (1) Includes publicly traded companies with assets between \$5.0 – 50.0 billion as of December 31, 2009
 (2) Population growth weighted by county (cumulative)
Data Source: SNL Financial

Number of Businesses with 1 – 49 Employees

<i>Markets</i> ¹	2000	2006	Small Business Growth (%)	Population Growth 2000 - 2009 (%)
North Georgia	6,453	7,693	19	24
Atlanta MSA	70,893	126,200	78	31
Gainesville MSA	3,158	3,824	21	34
Coastal Georgia	9,441	10,210	8	10
Western North Carolina	10,274	11,544	12	11
East Tennessee	16,273	17,839	10	13

The Atlanta MSA is seeing small business growth at nearly double its already significantly increasing population growth.

¹ Population data is for 2009, SNL;

Business demographics, U.S. Census Statistics of U.S. Businesses, 2008 & 2006; County Business Patterns 2000-2006

<i>(in millions)</i>	<u>1Q10</u>	<u>4Q09</u>	<u>3Q09</u>	<u>2Q09</u>	<u>1Q09</u>	Year Over Year
LOANS BY CATEGORY						
Commercial (sec. by R/E)	\$ 1,765	\$ 1,779	\$ 1,787	\$ 1,797	\$ 1,779	(14)
Commercial Construction	357	363	380	379	377	(20)
Commercial & Industrial	381	390	403	399	387	(6)
Total Commercial	2,503	2,532	2,570	2,575	2,543	(40)
Residential Construction	960	1,050	1,185	1,315	1,430	(470)
Residential Mortgage	1,390	1,427	1,461	1,470	1,504	(114)
Consumer / Installment	139	142	147	153	156	(17)
TOTAL LOANS	\$ 4,992	\$ 5,151	\$ 5,363	\$ 5,513	\$ 5,633	(601)

<i>(in millions)</i>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
LOANS BY CATEGORY					
Commercial (sec. by R/E)	\$ 1,779	\$ 1,627	\$ 1,476	\$ 1,230	\$ 1,055
Commercial Construction	363	500	527	469	359
Commercial & Industrial	390	410	418	296	237
Total Commercial	2,532	2,537	2,421	1,995	1,651
Residential Construction	1,050	1,479	1,829	1,864	1,380
Residential Mortgage	1,427	1,526	1,502	1,338	1,206
Consumer / Installment	142	163	177	180	161
TOTAL LOANS	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377	\$ 4,398

Residential Construction – Total Company

(in millions)

	1Q10	4Q09	3Q09	2Q09	1Q09
<i>Land Loans</i>					
Developing Land	\$ 290	\$ 332	\$ 380	\$ 413	\$ 445
Raw Land	124	127	159	159	155
Lot Loans	321	336	336	369	390
Total	735	795	875	941	990
<i>Construction Loans</i>					
Spec	153	178	218	268	317
Sold	72	77	92	106	123
Total	\$ 225	\$ 255	\$ 310	\$ 374	\$ 440
Total Res Construction	\$ 960	\$ 1,050	\$ 1,185	\$ 1,315	\$ 1,430
<i>By Region</i>					
Atlanta	\$ 228	255	328	424	495
Gainesville MSA	42	51	56	61	67
North Georgia	460	503	534	557	575
North Carolina	151	156	161	160	167
Coastal Georgia	55	60	77	80	87
Tennessee	24	25	29	33	39
	\$ 960	\$ 1,050	\$ 1,185	\$ 1,315	\$ 1,430

<i>(in millions)</i>	<u>1Q10</u>	<u>4Q09</u>	<u>3Q09</u>	<u>2Q09</u>	<u>1Q09</u>
Land Loans					
Developing Land	\$ 66	\$ 76	\$ 100	\$ 124	\$ 148
Raw Land	43	43	61	63	52
Lot Loans	47	52	54	81	98
Total	156	171	215	268	298
Construction Loans					
Spec	58	68	91	127	164
Sold	14	16	22	29	33
Total	\$ 72	\$ 84	\$ 113	\$ 156	\$ 197
Total Res Construction	\$ 228	\$ 255	\$ 328	\$ 424	\$ 495

<i>(in millions)</i>	<u>1Q10</u>	<u>4Q09</u>	<u>3Q09</u>	<u>2Q09</u>	<u>1Q09</u>
<i>Land Loans</i>					
Developing Land	\$ 43	\$ 45	\$ 56	\$ 54	\$ 59
Raw Land	148	172	179	180	184
Lot Loans	189	197	198	204	211
Total	<u>380</u>	<u>414</u>	<u>433</u>	<u>438</u>	<u>454</u>
<i>Construction Loans</i>					
Spec	54	61	71	81	85
Sold	26	27	30	36	37
Total	<u>\$ 80</u>	<u>\$ 88</u>	<u>\$ 101</u>	<u>\$ 117</u>	<u>\$ 122</u>
Total Res Construction	\$ 460	\$ 502	\$ 534	\$ 555	\$ 576





(in millions)

	<u>1Q10</u>	<u>4Q09</u>	<u>3Q09</u>	<u>2Q09</u>	<u>1Q09</u>
LOANS BY MARKET					
Atlanta MSA	\$ 1,404	\$ 1,435	\$ 1,526	\$ 1,605	\$ 1,660
Gainesville MSA	372	390	402	413	422
North Georgia	1,814	1,884	1,942	1,978	2,014
Western North Carolina	756	772	786	794	808
Coastal Georgia	388	405	440	455	460
East Tennessee	258	265	267	268	269
Total	\$ 4,992	\$ 5,151	\$ 5,363	\$ 5,513	\$ 5,633

(in millions)

	2009	2008	2007	2006	2005
LOANS BY MARKET					
Atlanta MSA	\$ 1,435	\$ 1,706	\$ 2,002	\$ 1,651	\$ 1,207
Gainesville MSA	390	420	400	354	249
North Georgia	1,884	2,040	2,060	2,034	1,790
Western North Carolina	772	810	806	773	668
Coastal Georgia	405	464	415	358	306
East Tennessee	265	265	246	207	178
Total	\$ 5,151	\$ 5,705	\$ 5,929	\$ 5,377	\$ 4,398

(in millions)

 Legal lending limit	\$199
 House lending limit	20
 Top 25 relationships	387
▪ 7.8% of total loans	
 Regional credit review	
▪ Standard Underwriting	

NPAs by Loan Category, Market, and Activity



UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality ⁽¹⁾

(in thousands)	First Quarter 2010			Fourth Quarter 2009			Third Quarter 2009		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY									
Commercial (sec. by REI)	\$ 45,918	\$ 21,597	\$ 67,515	\$ 37,040	\$ 15,842	\$ 52,882	\$ 38,379	\$ 12,566	\$ 50,945
Commercial construction	23,556	14,285	37,841	19,976	9,761	29,737	38,505	5,543	44,048
Commercial & industrial	3,610	-	3,610	3,946	-	3,946	3,794	-	3,794
Total commercial	73,084	35,882	108,966	60,962	25,603	86,565	80,678	18,109	98,787
Residential construction	147,326	74,220	221,546	142,332	76,519	218,851	171,027	79,045	250,072
Residential mortgage	57,920	26,173	84,093	58,767	18,648	77,415	50,626	13,456	64,082
Consumer / installment	2,472	-	2,472	2,031	-	2,031	2,050	-	2,050
Total NPAs	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991
NPAs BY MARKET									
Atlanta MSA	\$ 81,914	\$ 36,951	\$ 118,865	\$ 106,536	\$ 41,125	\$ 147,661	\$ 120,599	\$ 54,670	\$ 175,269
Gainesville MSA	17,058	3,192	20,250	5,074	2,614	7,688	12,916	8,429	21,345
North Georgia	109,280	63,128	172,408	87,598	53,072	140,670	96,373	36,718	133,091
Western North Carolina	31,353	8,588	39,941	29,610	5,096	34,706	25,775	5,918	31,693
Coastal Georgia	33,438	21,871	55,309	26,871	17,150	44,021	38,414	3,045	41,459
East Tennessee	7,759	2,545	10,304	8,403	1,713	10,116	10,304	1,830	12,134
Total NPAs	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991
NPA ACTIVITY									
Beginning Balance	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991	\$ 287,848	\$ 104,754	\$ 392,602
Loans placed on non-accrual	139,030	-	139,030	174,898	-	174,898	190,164	-	190,164
Payments received	(5,733)	-	(5,733)	(26,935)	-	(26,935)	(16,597)	-	(16,597)
Loan charge-offs	(58,897)	-	(58,897)	(88,427)	-	(88,427)	(92,359)	-	(92,359)
Foreclosures	(49,233)	49,233	-	(79,983)	79,983	-	(56,624)	56,624	-
Capitalized costs	-	320	320	-	981	981	-	579	579
Note / property sales	(8,457)	(25,951)	(34,408)	(19,842)	(61,228)	(81,070)	(8,051)	(47,240)	(55,291)
Write downs	-	(4,579)	(4,579)	-	(2,209)	(2,209)	-	(1,906)	(1,906)
Net gains (losses) on sales	-	(3,518)	(3,518)	-	(7,367)	(7,367)	-	(2,201)	(2,201)
Ending Balance	\$ 280,802	\$ 136,275	\$ 417,077	\$ 264,092	\$ 120,770	\$ 384,862	\$ 304,381	\$ 110,610	\$ 414,991

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

Net Charge-offs by Category and Market



<i>(in thousands)</i>	First Quarter 2010		Fourth Quarter 2009		Third Quarter 2009	
	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽²⁾
NET CHARGE-OFFS BY CATEGORY						
Commercial (sec. by RE)	\$ 1,964	.45 %	\$ 3,896	.86 %	\$ 10,568	2.33 %
Commercial construction	2,206	2.48	4,717	5.03	4,369	4.55
Commercial & industrial	4,110	4.31	153	.15	1,792	1.76
Total commercial	8,280	1.33	8,766	1.36	16,729	2.57
Residential construction	43,100	17.32	67,393	23.87	67,520	21.31
Residential mortgage	4,551	1.31	7,026	1.93	5,051	1.36
Consumer / installment	737	2.12	1,400	3.83	1,191	3.13
Total	\$ 56,668	4.51	\$ 84,585	6.37	\$ 90,491	6.57
NET CHARGE-OFFS BY MARKET						
Atlanta MSA	\$ 15,545	4.32 %	\$ 43,595	12.07 %	\$ 50,129	12.61 %
Gainesville MSA	1,675	1.92	2,273	2.49	1,473	1.60
North Georgia	29,747	6.51	18,057	3.57	24,017	4.74
Western North Carolina	3,695	1.96	10,091	5.11	3,949	1.98
Coastal Georgia	5,649	5.74	8,109	7.72	10,051	8.78
East Tennessee	357	.55	2,460	3.67	872	1.30
Total	\$ 56,668	4.51	\$ 84,585	6.37	\$ 90,491	6.57

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

(2) Annualized.

	1Q 10	4Q 09	1Q 09	Variance	
				vs 4Q 09	vs 1Q 09
Loans	\$ 4,992	\$ 5,151	\$ 5,633	\$ (159)	\$ (641)
Core (DDA, MMDA, Savings)	2,397	2,344	2,150	\$ 53	\$ 247
Public Funds	685	646	560	\$ 39	\$ 125
CD's	2,695	2,879	3,180	\$ (184)	\$ (485)
Total Deposits (excl Brokered)	5,777	5,869	5,890	(92)	\$ (113)
Loan to Deposit Ratio	86%	88%	96%		
Investment Securities	1,527	1,530	1,719	\$ (3)	\$ (192)
Percent of Assets	19%	19%	21%		
Commercial & Short-Term Paper	\$ 183	\$ 245	\$ 25	\$ (62)	\$ 158
Other Interest Bearing Deposits	100	120	6	(20)	120
Excess Fed Reserve	40	71	11	(31)	71
Total Excess Liquidity	\$ 323	\$ 436	\$ 42	\$ (113)	\$ 349


<i>(in millions)</i>	Unused Capacity				Variance	
		1Q10	4Q09	1Q09	vs 4Q 09	vs 1Q 09
Brokered Deposits	\$ 1,248	\$ 711	\$ 759	\$ 727	\$ (48)	\$ (16)
FHLB	791	114	115	260	(1)	(146)
Fed Funds	100	-	-	58	-	(58)
Other Wholesale	328	102	101	101	1	1
Total	\$ 2,467	\$ 927	\$ 975	\$ 1,146	\$ (48)	\$ (219)
Sub-Debt		\$ 96	\$ 96	\$ 97	\$ -	\$ (1)
Trust Preferred Securities		54	54	54	-	-
Total Long-Term Debt		\$ 150	\$ 150	\$ 151	\$ -	\$ (1)

Business Mix – Deposits *(at quarter-end)*


(in millions)


DEPOSITS BY CATEGORY	1Q10	4Q09	3Q09	2Q09	1Q09
Demand & Now	\$ 1,489	\$ 1,465	\$ 1,481	\$ 1,523	\$ 1,485
MMDA & Savings	908	879	858	744	665
Core Transaction Deposits	2,397	2,344	2,339	2,267	2,150
Time < \$100,000	1,637	1,740	1,848	1,985	1,904
Public Deposits	611	597	557	482	485
Total Core Deposits	4,645	4,681	4,744	4,734	4,539
Time > \$100,000	1,059	1,138	1,187	1,293	1,275
Public Deposits	73	49	50	59	75
Total Customer Deposits	5,776	5,869	5,981	6,086	5,889
Brokered Deposits	711	759	840	763	727
Total Deposits	6,487	6,628	6,821	6,849	6,616


 **FBR Capital**
(Market Perform – Nov 19, 2009)


 **FIG Partners**
(Market Perform – Jan 29, 2010)


 **Keefe, Bruyette & Woods**
(Market Perform – Apr 5, 2010)


 **Macquarie Capital (USA)**
(Neutral – Jan 29, 2010)

 **Raymond James & Associates**
(Outperform 2 – Apr 5, 2010)

 **Sandler O’Neill & Partners**
(Hold – Apr 5, 2010)

 **Soleil (Tenner Investment Research)**
(Hold – Apr 13, 2010)

 **Stephens, Inc.**
(Equal Weight – Feb 2, 2010)

 **Sterne Agee & Leach, Inc.**
(Neutral – Apr 15, 2010)

 **SunTrust Robinson Humphrey**
(Buy – Apr 5, 2010)

(\$ in millions)

- Purchased – June 19, 2009
- Nine years old – Enhances presence in southside metro Atlanta markets
- Four banking offices in southside metro Atlanta MSA – Fayetteville, Coweta and Henry counties
- 54 employees (Reduced by 17 after conversion in September 2009)
- \$208 in customer deposits, including \$53 core deposits
- FDIC assisted transaction: 80% guarantee on \$109 loss threshold, 95% above
 - Fully discounted bid with no credit exposure
 - Accounted for credit related items (at FMV) as “covered assets” on balance sheet

	<u>1Q10</u>	<u>4Q09</u>	<u>2Q09</u>
Loans	\$ 79	\$ 85	\$ 110
OREO	32	34	25
FDIC receivable	<u>58</u>	<u>67</u>	<u>95</u>
Total Covered Assets	<u>\$ 169</u>	<u>\$ 186</u>	<u>\$ 230</u>

- Pre-tax gain on acquisition of \$11.4
- Accretive to earnings per share in 2009

Discontinued Operations – Restated Income Statement



Page 1 of 2

(in thousands, except per share data)

	Revised for Discontinued Operations				
	1Q10	4Q09	3Q09	2Q09	1Q09
Interest revenue:					
Loans, including fees	\$ 72,215	\$ 78,064	\$ 80,874	\$ 81,691	\$ 81,880
Investment securities, including tax exempt	16,203	17,313	18,820	20,485	20,752
Federal funds sold, commercial paper and deposits in banks	938	1,503	907	98	442
Total interest revenue	89,356	96,880	100,601	102,274	103,074
Interest expense:					
Deposits:					
NOW	1,854	2,315	2,528	2,843	3,337
Money market	1,757	2,328	2,711	2,269	2,237
Savings	84	105	130	121	127
Time	20,198	24,026	28,183	32,064	36,053
Total deposit interest expense	23,893	28,774	33,552	37,297	41,754
Federal funds purchased, repurchase agreements and other short-term borrowings	1,038	1,081	613	595	553
Federal Home Loan Bank advances	977	1,045	1,300	1,203	1,074
Long-term debt	2,662	2,652	2,712	2,760	2,769
Total interest expense	28,570	33,552	38,177	41,855	46,150
Net interest revenue	60,786	63,328	62,424	60,419	56,924
Provision for loan losses	75,000	90,000	95,000	60,000	65,000
Net interest revenue after provision for loan losses	(14,214)	(26,672)	(32,576)	419	(8,076)
Fee revenue:					
Service charges and fees	7,447	8,257	8,138	7,557	7,034
Mortgage loan and other related fees	1,479	1,651	1,832	2,825	2,651
Brokerage fees	567	443	456	497	689
Securities gains (losses), net	61	2,015	1,149	(711)	303
Gain from acquisition	-	-	-	11,390	-
Other	2,112	2,081	1,814	1,137	1,146
Total fee revenue	11,666	14,447	13,389	22,695	11,823
Total revenue	(2,548)	(12,225)	(19,187)	23,114	3,747

Strong Bank. Strong Service. Strong Future.

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Discontinued Operations – Restated Income Statement

Page 2 of 2

<i>(in thousands, except per share data)</i>	Revised for Discontinued Operations				
	1Q10	4Q09	3Q09	2Q09	1Q09
Operating expenses:					
Salaries and employee benefits	24,360	24,061	23,889	26,305	27,313
Communications and equipment	3,273	3,819	3,640	3,571	3,646
Occupancy	3,814	4,003	4,063	3,818	3,769
Advertising and public relations	1,043	958	823	1,125	1,044
Postage, printing and supplies	1,225	1,307	1,270	1,288	1,175
Professional fees	1,943	2,646	2,358	3,195	3,281
Foreclosed preoperty	10,813	14,391	7,918	5,737	4,319
FDIC assessments and other regulatory charges	3,626	3,711	2,801	6,810	2,682
Amortization of intangibles	802	813	813	739	739
Other	3,921	4,417	3,851	1,122	3,820
Goodwill impairment	-	-	25,000	-	70,000
Severance costs	-	-	-	-	2,898
Total operating expenses	54,820	60,126	76,426	53,710	124,686
Loss from continuing operations before income taxes	(57,368)	(72,351)	(95,613)	(30,596)	(120,939)
Income tax benefit	(22,910)	(32,288)	(26,832)	(14,529)	(17,010)
Net loss from continuing operations	(34,458)	(40,063)	(68,781)	(16,067)	(103,929)
(Loss) income from discontinued operations, net of income taxes	(101)	228	63	66	156
Gain from sale of subsidiary, net of income taxes and selling costs	1,266	-	-	-	-
Net loss	(33,293)	(39,835)	(68,718)	(16,001)	(103,773)
Preferred stock dividends and discount accretion	2,572	2,567	2,562	2,559	2,554
Net loss available to common shareholders	\$ (35,865)	\$ (42,402)	\$ (71,280)	\$ (18,560)	\$ (106,327)
Loss from continuing operations per common share - Basic / Diluted	\$ (.39)	\$ (.45)	\$ (1.43)	\$ (.38)	\$ (2.20)
Loss per common share - Basic / Diluted	(.38)	(.45)	(1.43)	(.38)	(2.20)
Weighted average common shares outstanding - Basic / Diluted	94,390	94,219	49,771	48,794	48,324

Non-GAAP Reconciliation Tables

(in millions, except EPS)

	Operating Earnings to GAAP Earnings Reconciliation		
	1Q 10	4Q 09	1Q09
Core fee revenue reconciliation⁽¹⁾			
Core fee revenue	\$ 11.6	\$ 11.7	\$ 11.5
Securities gains (losses), net	.1	2.0	.3
Gain from sale of low income housing tax credits	-	.7	-
Fee Revenue (GAAP)	\$ 11.7	\$ 14.4	\$ 11.8
Core operating expense reconciliation⁽¹⁾			
Core operating expense	\$ 44.0	\$ 45.7	\$ 47.5
Foreclosed property expense	10.8	14.4	4.3
Goodwill impairment charge	-	-	70.0
Severance costs	-	-	2.9
Operating expense (GAAP)	\$ 54.8	\$ 60.1	\$ 124.7
Diluted loss per common share reconciliation⁽¹⁾			
Diluted operating loss per common share	\$ (.39)	\$ (.45)	\$ (.72)
Noncash goodwill impairment charge	-	-	(1.45)
Severance costs	-	-	(.03)
Diluted loss per common share (GAAP)	\$ (.39)	\$ (.45)	\$ (2.20)

(1) From continuing operations

	Operating Earnings to GAAP Earnings Reconciliation					
	4Q09		4Q09		1Q09	
Net interest margin - pre credit reconciliation						
Net interest margin - pre credit	4.15	%	4.04	%	3.53	%
Effect of interest reversals, lost interest, and carry costs of NPAs	(.66)		(.64)		(.45)	
Net interest margin	3.49	%	3.40	%	3.08	%
Tangible common equity and tangible equity to tangible assets reconciliation						
Tangible common equity to tangible assets	7.13	%	7.37	%	6.09	%
Effect of preferred equity	2.26		2.16		2.15	
Tangible equity to tangible assets	9.39		9.53		8.24	
Effect of goodwill and other intangibles	2.51		2.41		3.32	
Equity to assets (GAAP)	11.90	%	11.94	%	11.56	%
Tangible common equity to risk-weighted assets reconciliation						
Tangible common equity to risk-weighted assets	10.03	%	10.39	%	8.03	%
Effect of preferred equity	3.29		3.19		2.96	
Tangible equity to risk weighted assets	13.32		13.58		10.99	
Effect of other comprehensive income	(.85)		(.87)		(1.00)	
Effect of trust preferred	1.00		.97		.89	
Effect of deferred tax asset limitation	(1.75)		(1.27)		-	
Tier I capital ratio (Regulatory)	11.72	%	12.41	%	10.88	%

United Community Banks, Inc.

Investor Presentation

First Quarter 2010



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