*For Immediate Release*

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**UNITED COMMUNITY BANKS, INC. REPORTS**
**NET OPERATING LOSS FOR SECOND QUARTER 2009**

- Provision for loan losses of $60 million exceeded charge-offs by $1.7 million
- Allowance-to-loans ratio of 2.64 percent, up from 2.56 percent last quarter
- Further margin improvement of 20 basis points this quarter to 3.28 percent
- Acquisition of Southern Community Bank added $230 million of covered assets and $200 million of customer deposits with a gain on acquisition of $11.4 million
- Capital levels remain strong

BLAIRSVILLE, GA – July 24, 2009 – United Community Banks, Inc. (NASDAQ: UCBI) today reported a net operating loss of $23.1 million, or 53 cents per diluted share, for the second quarter of 2009. The net operating loss reflects elevated credit costs, including $60 million provision for loan losses. Net operating loss does not reflect an acquisition gain of $11.4 million related to the purchase of Southern Community Bank from the FDIC, which is considered a non-recurring item and excluded from operating earnings. Including this non-recurring gain the net loss for the quarter was $16.0 million, or 38 cents per diluted share.

United's net operating loss for the first six months of 2009 was $55.0 million, or $1.24 per diluted share. The net operating loss for the first six months does not reflect a $70 million non-cash charge for impairment of goodwill and $2.9 million in severance costs relating to a reduction in work force that were incurred during the first quarter and the $11.4 million gain on acquisition in the second quarter, all of which are considered non-recurring items and are therefore excluded from operating earnings. Including these non-recurring items the net loss for the first six months was of 2009 $119.8 million, or $2.57 per diluted share.

"We continued our strategy of aggressively disposing of problem credits," stated Jimmy Tallent, president and chief executive officer. "At the same time, we are sharply focused on building core earnings through stronger customer relationships and core deposits."

"As part of that strategy, we acquired Southern Community Bank in an FDIC assisted transaction which will allow us to deepen our market share in the south side of metro Atlanta," added Tallent. "Southern Community Bank brings $208 million in customer deposits, along with 60 experienced employees in five offices. The acquisition of Southern Community Bank and its locations provided a good fit into the existing United market. Four of the new offices fill a gap in the south side of the Atlanta market. The other office will be closed and then we will merge one of our existing offices into their superior location in the same market. Further, through our discounted bid and the loss share agreement, we have substantially eliminated all credit related exposure associated with the transaction. So, we have classified Southern's loans, foreclosed properties and FDIC receivable into one category and line on the balance sheet – 'covered assets.' These covered assets are excluded from all credit quality disclosures and ratios. In addition, the transaction provided United with capital through the after-tax gain of $7.1 million."

Total loans were $5.5 billion at quarter-end, down $120 million from last quarter and $420 million from a year ago, reflecting the company's continued efforts to reduce exposure to the residential construction market. At June 30, 2009, residential construction loans were $1.3 billion, or 24 percent of total loans, a decrease of $430 million from a year ago and $115 million from the first quarter of 2009.

Taxable equivalent net interest revenue of $60.9 million reflected an increase of $3.5 million from last quarter and a decrease of $871 thousand from a year ago. The taxable equivalent net interest margin was 3.28 percent compared with 3.08 percent for the first quarter of 2009 and 3.32 percent for the second quarter of 2008.

“The improvement in our net interest margin this quarter reflects a continuation of the program we began in the latter part of 2008 to improve loan and deposit pricing,” stated Tallent. “We maintained our loan pricing and credit spreads, decreased deposit interest rates and, with sustained liquidity, we were able to let higher-cost time deposits and brokered deposits run off. We will continue to actively pursue these strategies to improve our margin in 2009, while balancing liquidity needs with our goal of maximizing pre-tax, pre-provision core earnings.”

“Excluding public funds and the acquisition, core deposits increased $129 million this quarter, or 12 percent on an annualized basis, reflective of the United Express program for customer referrals and cross selling,” stated Tallent. “We added 13,884 new services this quarter and opened 6,575 net new deposit accounts year-to-date.”

The second quarter provision for loan losses was $60 million, compared with $65 million for the first quarter of 2009. Net charge-offs for the second quarter were $58.3 million compared with $43.3 million for the first quarter of 2009. At quarter-end, non-performing assets totaled $392.6 million compared with $334.5 million at March 31, 2009. The ratio of non-performing assets to total assets at the end of the second and first quarters was 4.67 percent and 4.11 percent, respectively. The allowance for loan losses to total loans was 2.64 percent and 2.56 percent, respectively.

“Credit quality continues to be a primary area of focus for us, particularly within the Atlanta residential construction portfolio,” Tallent said. “While we have seen some problem credits in other loan categories and markets, our principal challenge remains in the residential construction portfolio. We have seen a rise in all categories of non-performing assets, but the inflow is still driven by the continued weakness in the housing and construction markets. We will continue to aggressively work through our problem credits and pursue the best economic outcome for our company in each instance.”

Operating fee revenue of $13.1 million was up $204 thousand from last quarter and down $2.1 million from a year ago, excluding the $11.4 million gain from the acquisition of Southern Community Bank. Service charges and fees on deposit accounts of $7.6 million reflected a $400 thousand decrease from a year ago due to lower activity and fewer transaction charges. Consulting fees were down $507 thousand from last year due to weakness in the market. However, consulting fees increased $724 thousand from the first quarter, reflecting a shift back to non-United projects. Mortgage loan fees of $2.8 million were up $623 thousand from a year ago due to a high level of refinancing activity.

Operating expenses for the second quarter of 2009 were $55.3 million reflecting a $5.6 million increase from last year. The increase was primarily due to higher foreclosed property costs of $2.9 million and an increase in FDIC insurance premiums of $5.5 million, including a $3.7 million special assessment. Salaries and employee benefit costs of $28.1 million decreased $695 thousand from a year ago. The decrease from last year and linked quarter was primarily due to the reduction in work force, down 165 staff year-to-date and offset partially by higher mortgage commissions and incentive program costs and the 60 staff added by the acquisition. Other expenses of $1.2 million decreased $2.2 million from last year due to the $2.0 million expense recovery related to the decision to reverse the surrender of bank owned life insurance policies in the second quarter.

The effective tax rate for the second quarter of 2009 was 47.5 percent, compared to 35.5 percent for the second quarter of 2008. The tax rate was higher this quarter reflective of a $2.9 million tax adjustment recorded in the second quarter due to reversing the surrender of bank owned life insurance policies. The projected effective tax rate for the balance of 2009 is 38 percent.

At June 30, 2009, the company's regulatory capital ratios were as follows: Tier I Risk-Based Capital of 10.6 percent; Leverage of 7.8 percent; and, Total Risk-Based of 13.3 percent. Also, the average tangible equity to assets ratio was 8.0 percent, the average tangible common equity to assets ratio was 5.8 percent and the tangible common equity to risk weighted assets was 7.5 percent.

"Today, based on our stress models of the loan portfolio and ranges of losses through 2010, we believe our capital position is sound," stated Tallent. "Assuming we incur these losses, our models still indicate all regulatory capital ratios will remain above well capitalized levels. But if the credit cycle lengthens, if the economy worsens beyond what our models have assumed, or if there would be compelling reasons to offensively add additional capital, we clearly will do what is best for the long-term success of the company. Our absolute goal is financial soundness balanced with creating and retaining shareholder value."

Conference Call

United Community Banks will hold a conference call today, Friday, July 24, 2009, 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 (866) 431-5320 and use the password 'UCBI.' 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. The Investor Presentation for Second Quarter 2009 can be accessed on the website by selecting 'Presentations' within the Investor Relations section.

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 110 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 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**

| | 2009 | | 2008 | | | Second Quarter | For the Six Months Ended | | YTD |
|---|---|---|---|---|---|---|---|---|---|
| *(in thousands, except per share data; taxable equivalent)* | **Second Quarter** | **First Quarter** | **Fourth Quarter** | **Third Quarter** | **Second Quarter** | **2009-2008 Change** | **2009** | **2008** | **2009-2008 Change** |
| **INCOME SUMMARY** | | | | | | | | | |
| Interest revenue | $ 102,737 | $ 103,562 | $ 108,434 | $ 112,510 | $ 116,984 | | $ 206,299 | $ 246,025 | |
| Interest expense | 41,855 | 46,150 | 56,561 | 53,719 | 55,231 | | 88,005 | 117,985 | |
| Net interest revenue | 60,882 | 57,412 | 51,873 | 58,791 | 61,753 | (1) % | 118,294 | 128,040 | (8) % |
| Provision for loan losses | 60,000 | 65,000 | 85,000 | 76,000 | 15,500 | | 125,000 | 23,000 | |
| Operating fee revenue (1) | 13,050 | 12,846 | 10,718 | 13,121 | 15,105 | (14) | 25,896 | 29,302 | (12) |
| **Total operating revenue** | 13,932 | 5,258 | (22,409) | (4,088) | 61,358 | NM | 19,190 | 134,342 | NM |
| Operating expenses (2) | 55,348 | 52,569 | 52,439 | 56,970 | 49,761 | 11 | 107,917 | 97,290 | 11 |
| Operating (loss) income before taxes | (41,416) | (47,311) | (74,848) | (61,058) | 11,597 | NM | (88,727) | 37,052 | NM |
| Income tax (benefit) expense | (18,353) | (15,335) | (28,101) | (21,184) | 4,504 | | (33,688) | 13,881 | |
| **Net operating (loss) income (1)(2)** | (23,063) | (31,976) | (46,747) | (39,874) | 7,093 | NM | (55,039) | 23,171 | NM |
| Gain from acquisition, net of tax benefit | 7,062 | - | - | - | - | | 7,062 | - | |
| Noncash goodwill impairment charge | - | (70,000) | - | - | - | | (70,000) | - | |
| Severance costs, net of tax benefit | - | (1,797) | - | - | - | | (1,797) | - | |
| **Net (loss) income** | (16,001) | (103,773) | (46,747) | (39,874) | 7,093 | NM | (119,774) | 23,171 | NM |
| Preferred dividends and discount accretion | 2,559 | 2,554 | 712 | 4 | 4 | | 5,113 | 8 | |
| **Net (loss) income available to common shareholders** | $ (18,560) | $ (106,327) | $ (47,459) | $ (39,878) | $ 7,089 | NM | $ (124,887) | $ 23,163 | NM |
| **PERFORMANCE MEASURES** | | | | | | | | | |
| Per common share: | | | | | | | | | |
| Diluted operating (loss) earnings (1)(2) | $ (.53) | $ (.71) | $ (.99) | $ (.84) | $ .15 | NM | $ (1.24) | $ .49 | NM |
| Diluted (loss) earnings | (.38) | (2.20) | (.99) | (.84) | .15 | NM | (2.57) | .49 | NM |
| Cash dividends declared | - | - | - | - | .09 | | - | .18 | |
| Stock dividends declared (6) | 1 for 130 | 1 for 130 | 1 for 130 | 1 for 130 | - | | 2 for 130 | - | |
| Book value | 13.87 | 14.70 | 16.95 | 17.12 | 17.75 | (22) | 13.87 | 17.75 | (22) |
| Tangible book value (4) | 8.85 | 9.65 | 10.39 | 10.48 | 11.03 | (20) | 8.85 | 11.03 | (20) |
| Key performance ratios: | | | | | | | | | |
| Return on equity (3)(5) | (11.42) % | (58.28) % | (23.83) % | (19.07) % | 3.41 % | | (36.20) % | 5.61 % | |
| Return on assets (5) | (.79) | (5.06) | (2.20) | (1.95) | .34 | | (2.93) | .56 | |
| Net interest margin (5) | 3.28 | 3.08 | 2.70 | 3.17 | 3.32 | | 3.18 | 3.43 | |
| Operating efficiency ratio (1)(2)(4) | 74.15 | 75.15 | 81.34 | 79.35 | 65.05 | | 74.63 | 61.97 | |
| Equity to assets | 10.76 | 11.64 | 10.08 | 10.28 | 10.33 | | 11.20 | 10.31 | |
| Tangible equity to assets (4) | 8.00 | 8.30 | 6.59 | 6.65 | 6.77 | | 8.15 | 6.75 | |
| Tangible common equity to assets (4) | 5.81 | 6.13 | 6.23 | 6.65 | 6.77 | | 5.97 | 6.75 | |
| Tangible common equity to risk-weighted assets (4) | 7.48 | 8.03 | 8.34 | 8.26 | 8.51 | | 7.48 | 8.51 | |
| **ASSET QUALITY *** | | | | | | | | | |
| Non-performing loans (NPLs) | $ 287,848 | $ 259,155 | $ 190,723 | $ 139,266 | $ 123,786 | | $ 287,848 | $ 123,786 | |
| Foreclosed properties | 104,754 | 75,383 | 59,768 | 38,438 | 28,378 | | 104,754 | 28,378 | |
| Total non-performing assets (NPAs) | 392,602 | 334,538 | 250,491 | 177,704 | 152,164 | | 392,602 | 152,164 | |
| Allowance for loan losses | 145,678 | 143,990 | 122,271 | 111,299 | 91,035 | | 145,678 | 91,035 | |
| Net charge-offs | 58,312 | 43,281 | 74,028 | 55,736 | 14,313 | | 101,593 | 21,388 | |
| Allowance for loan losses to loans | 2.64 % | 2.56 % | 2.14 % | 1.91 % | 1.53 % | | 2.64 % | 1.53 % | |
| Net charge-offs to average loans (5) | 4.18 | 3.09 | 5.09 | 3.77 | .97 | | 3.64 | .72 | |
| NPAs to loans and foreclosed properties | 6.99 | 5.86 | 4.35 | 3.03 | 2.55 | | 6.99 | 2.55 | |
| NPAs to total assets | 4.67 | 4.11 | 2.94 | 2.20 | 1.84 | | 4.67 | 1.84 | |
| **AVERAGE BALANCES** | | | | | | | | | |
| Loans | $ 5,597,259 | $ 5,675,054 | $ 5,784,139 | $ 5,889,168 | $ 5,933,143 | (6) | $ 5,635,942 | $ 5,945,720 | (5) |
| Investment securities | 1,771,482 | 1,712,654 | 1,508,808 | 1,454,740 | 1,507,240 | 18 | 1,742,231 | 1,496,377 | 16 |
| Earning assets | 7,442,178 | 7,530,230 | 7,662,536 | 7,384,287 | 7,478,018 | - | 7,485,961 | 7,484,749 | - |
| Total assets | 8,168,147 | 8,312,648 | 8,449,097 | 8,146,880 | 8,295,748 | (2) | 8,239,997 | 8,300,686 | (1) |
| Deposits | 6,544,537 | 6,780,531 | 6,982,229 | 6,597,339 | 6,461,361 | 1 | 6,661,881 | 6,256,217 | 6 |
| Shareholders' equity | 879,210 | 967,505 | 851,956 | 837,487 | 856,727 | 3 | 923,114 | 856,193 | 8 |
| Common shares - basic | 48,794 | 48,324 | 47,844 | 47,417 | 47,158 | | 48,560 | 47,105 | |
| Common shares - diluted | 48,794 | 48,324 | 47,844 | 47,417 | 47,249 | | 48,560 | 47,260 | |
| **AT PERIOD END** | | | | | | | | | |
| Loans | $ 5,513,087 | $ 5,632,705 | $ 5,704,861 | $ 5,829,937 | $ 5,933,141 | (7) | $ 5,513,087 | $ 5,933,141 | (7) |
| Investment securities | 1,816,787 | 1,719,033 | 1,617,187 | 1,400,827 | 1,430,588 | 27 | 1,816,787 | 1,430,588 | 27 |
| Total assets | 8,403,046 | 8,140,909 | 8,520,765 | 8,072,543 | 8,264,051 | 2 | 8,403,046 | 8,264,051 | 2 |
| Deposits | 6,848,760 | 6,616,488 | 7,003,624 | 6,689,335 | 6,696,456 | 2 | 6,848,760 | 6,696,456 | 2 |
| Shareholders' equity | 855,272 | 888,853 | 989,382 | 816,880 | 837,890 | 2 | 855,272 | 837,890 | 2 |
| Common shares outstanding | 48,933 | 48,487 | 48,009 | 47,596 | 47,096 | | 48,933 | 47,096 | |

(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. (2) Excludes the non-recurring goodwill impairment charge of $70 million and severance costs of $2.9 million, net of income tax benefit of $1.1 million in the first quarter of 2009. (3) Net income available to common shareholders, which excludes 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. NM - Not meaningful.

* Excludes covered loans and covered NPAs

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

| *(in thousands, except per share data; taxable equivalent)* | 2009 Second Quarter | 2009 First Quarter | 2008 Fourth Quarter | 2008 Third Quarter | 2008 Second Quarter | For the Six Months Ended 2009 | For the Six Months Ended 2008 |
|---|---|---|---|---|---|---|---|
| **Interest revenue reconciliation** | | | | | | | |
| Interest revenue - taxable equivalent | $ 102,737 | $ 103,562 | $ 108,434 | $ 112,510 | $ 116,984 | $ 206,299 | $ 246,025 |
| Taxable equivalent adjustment | (463) | (488) | (553) | (571) | (606) | (951) | (1,137) |
| Interest revenue (GAAP) | $ 102,274 | $ 103,074 | $ 107,881 | $ 111,939 | $ 116,378 | $ 205,348 | $ 244,888 |
| **Net interest revenue reconciliation** | | | | | | | |
| Net interest revenue - taxable equivalent | $ 60,882 | $ 57,412 | $ 51,873 | $ 58,791 | $ 61,753 | $ 118,294 | $ 128,040 |
| Taxable equivalent adjustment | (463) | (488) | (553) | (571) | (606) | (951) | (1,137) |
| Net interest revenue (GAAP) | $ 60,419 | $ 56,924 | $ 51,320 | $ 58,220 | $ 61,147 | $ 117,343 | $ 126,903 |
| **Fee revenue reconciliation** | | | | | | | |
| Operating fee revenue | $ 13,050 | $ 12,846 | $ 10,718 | $ 13,121 | $ 15,105 | $ 25,896 | $ 29,302 |
| Gain from acquisition | 11,390 | - | - | - | - | 11,390 | - |
| Fee revenue (GAAP) | $ 24,440 | $ 12,846 | $ 10,718 | $ 13,121 | $ 15,105 | $ 37,286 | $ 29,302 |
| **Total revenue reconciliation** | | | | | | | |
| Total operating revenue | $ 13,932 | $ 5,258 | $ (22,409) | $ (4,088) | $ 61,358 | $ 19,190 | $ 134,342 |
| Taxable equivalent adjustment | (463) | (488) | (553) | (571) | (606) | (951) | (1,137) |
| Gain from acquisition | 11,390 | - | - | - | - | 11,390 | - |
| Total revenue (GAAP) | $ 24,859 | $ 4,770 | $ (22,962) | $ (4,659) | $ 60,752 | $ 29,629 | $ 133,205 |
| **Expense reconciliation** | | | | | | | |
| Operating expense | $ 55,348 | $ 52,569 | $ 52,439 | $ 56,970 | $ 49,761 | $ 107,917 | $ 97,290 |
| Noncash goodwill impairment charge | - | 70,000 | - | - | - | 70,000 | - |
| Severance costs | - | 2,898 | - | - | - | 2,898 | - |
| Operating expense (GAAP) | $ 55,348 | $ 125,467 | $ 52,439 | $ 56,970 | $ 49,761 | $ 180,815 | $ 97,290 |
| **(Loss) income before taxes reconciliation** | | | | | | | |
| Operating (loss) income before taxes | $ (41,416) | $ (47,311) | $ (74,848) | $ (61,058) | $ 11,597 | $ (88,727) | $ 37,052 |
| Taxable equivalent adjustment | (463) | (488) | (553) | (571) | (606) | (951) | (1,137) |
| Gain from acquisition | 11,390 | - | - | - | - | 11,390 | - |
| Noncash goodwill impairment charge | - | (70,000) | - | - | - | (70,000) | - |
| Severance costs | - | (2,898) | - | - | - | (2,898) | - |
| (Loss) income before taxes (GAAP) | $ (30,489) | $ (120,697) | $ (75,401) | $ (61,629) | $ 10,991 | $ (151,186) | $ 35,915 |
| **Income tax (benefit) expense reconciliation** | | | | | | | |
| Operating income tax (benefit) expense | $ (18,353) | $ (15,335) | $ (28,101) | $ (21,184) | $ 4,504 | $ (33,688) | $ 13,881 |
| Taxable equivalent adjustment | (463) | (488) | (553) | (571) | (606) | (951) | (1,137) |
| Gain from acquisition, tax expense | 4,328 | - | - | - | - | 4,328 | - |
| Severance costs, tax benefit | - | (1,101) | - | - | - | (1,101) | - |
| Income tax (benefit) expense (GAAP) | $ (14,488) | $ (16,924) | $ (28,654) | $ (21,755) | $ 3,898 | $ (31,412) | $ 12,744 |
| **(Loss) earnings per common share reconciliation** | | | | | | | |
| Operating (loss) earnings per common share | $ (0.53) | $ (0.71) | $ (0.99) | $ (0.84) | $ 0.15 | $ (1.24) | $ 0.49 |
| Gain from acquisition | 0.15 | - | - | - | - | 0.15 | - |
| Noncash goodwill impairment charge | - | (1.45) | - | - | - | (1.44) | - |
| Severance costs | - | (0.04) | - | - | - | (0.04) | - |
| (Loss) earnings per common share (GAAP) | $ (0.38) | $ (2.20) | $ (0.99) | $ (0.84) | $ 0.15 | $ (2.57) | $ 0.49 |
| **Book value reconciliation** | | | | | | | |
| Tangible book value | $ 8.85 | $ 9.65 | $ 10.39 | $ 10.48 | $ 11.03 | $ 8.85 | $ 11.03 |
| Effect of goodwill and other intangibles | 5.02 | 5.05 | 6.56 | 6.64 | 6.72 | 5.02 | 6.72 |
| Book value (GAAP) | $ 13.87 | $ 14.70 | $ 16.95 | $ 17.12 | $ 17.75 | $ 13.87 | $ 17.75 |
| **Efficiency ratio reconciliation** | | | | | | | |
| Operating efficiency ratio | 74.15 % | 75.15 % | 81.34 % | 79.35 % | 65.05 % | 74.63 % | 61.97 % |
| Gain from acquisition | (9.82) | - | - | - | - | (9.12) | - |
| Noncash goodwill impairment charge | - | 100.06 | - | - | - | 48.41 | - |
| Severance costs | - | 4.14 | - | - | - | 2.00 | - |
| Efficiency ratio (GAAP) | 64.33 % | 179.35 % | 81.34 % | 79.35 % | 65.05 % | 115.92 % | 61.97 % |
| **Average equity to assets reconciliation** | | | | | | | |
| Tangible common equity to assets | 5.81 % | 6.13 % | 6.23 % | 6.65 % | 6.77 % | 5.97 % | 6.75 % |
| Effect of preferred equity | 2.19 | 2.17 | .36 | - | - | 2.18 | - |
| Tangible equity to assets | 8.00 | 8.30 | 6.59 | 6.65 | 6.77 | 8.15 | 6.75 |
| Effect of goodwill and other intangibles | 2.76 | 3.34 | 3.49 | 3.63 | 3.56 | 3.05 | 3.56 |
| Equity to assets (GAAP) | 10.76 % | 11.64 % | 10.08 % | 10.28 % | 10.33 % | 11.20 % | 10.31 % |
| **Actual tangible common equity to risk-weighted assets reconciliation** | | | | | | | |
| Tangible common equity to risk-weighted assets | 7.48 % | 8.03 % | 8.34 % | 8.26 % | 8.51 % | 7.48 % | 8.51 % |
| Effect of other comprehensive income | (.72) | (1.00) | (.91) | (.28) | (.01) | (.72) | (.01) |
| Effect of trust preferred | .89 | .89 | .88 | .68 | .67 | .89 | .67 |
| Effect of preferred equity | 3.00 | 2.96 | 2.90 | - | - | 3.00 | - |
| Tier I capital ratio (Regulatory) | 10.65 % | 10.88 % | 11.21 % | 8.66 % | 9.17 % | 10.65 % | 9.17 % |

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

| | 2009 | | 2008 | | | Linked Quarter Change(2) | Year over Year Change |
|---|---|---|---|---|---|---|---|
| *(in millions)* | Second Quarter (1) | First Quarter | Fourth Quarter | Third Quarter | Second Quarter | Actual | Actual |
| **LOANS BY CATEGORY** | | | | | | | |
| Commercial (sec. by RE) | $ 1,797 | $ 1,779 | $ 1,627 | $ 1,604 | $ 1,584 | 4 % | 13 % |
| Commercial construction | 379 | 377 | 500 | 509 | 522 | 2 | (27) |
| Commercial & industrial | 399 | 387 | 410 | 425 | 417 | 12 | (4) |
| Total commercial | 2,575 | 2,543 | 2,537 | 2,538 | 2,523 | 5 | 2 |
| Residential construction | 1,315 | 1,430 | 1,479 | 1,596 | 1,745 | (32) | (25) |
| Residential mortgage | 1,470 | 1,504 | 1,526 | 1,528 | 1,494 | (9) | (2) |
| Consumer / installment | 153 | 156 | 163 | 168 | 171 | (8) | (11) |
| **Total loans** | $ 5,513 | $ 5,633 | $ 5,705 | $ 5,830 | $ 5,933 | (9) | (7) |
| | | | | | | | |
| **LOANS BY MARKET** | | | | | | | |
| Atlanta MSA | $ 1,605 | $ 1,660 | $ 1,706 | $ 1,800 | $ 1,934 | (13) % | (17) % |
| Gainesville MSA | 413 | 422 | 420 | 426 | 422 | (9) | (2) |
| North Georgia | 1,978 | 2,014 | 2,040 | 2,066 | 2,065 | (7) | (4) |
| Western North Carolina | 794 | 808 | 810 | 815 | 819 | (7) | (3) |
| Coastal Georgia | 455 | 460 | 464 | 458 | 436 | (4) | 4 |
| East Tennessee | 268 | 269 | 265 | 265 | 257 | (1) | 4 |
| **Total loans** | $ 5,513 | $ 5,633 | $ 5,705 | $ 5,830 | $ 5,933 | (9) | (7) |
| | | | | | | | |
| **RESIDENTIAL CONSTRUCTION** | | | | | | | |
| Dirt loans | | | | | | | |
| Acquisition & development | $ 413 | $ 445 | $ 484 | $ 516 | $ 569 | (29) % | (27) % |
| Land loans | 159 | 155 | 153 | 142 | 139 | 10 | 14 |
| Lot loans | 369 | 390 | 358 | 385 | 401 | (22) | (8) |
| Total | 941 | 990 | 995 | 1,043 | 1,109 | (20) | (15) |
| House loans | | | | | | | |
| Spec | 268 | 317 | 347 | 393 | 450 | (62) % | (40) % |
| Sold | 106 | 123 | 137 | 160 | 186 | (55) | (43) |
| Total | 374 | 440 | 484 | 553 | 636 | (60) | (41) |
| **Total residential construction** | $ 1,315 | $ 1,430 | $ 1,479 | $ 1,596 | $ 1,745 | (32) | (25) |
| | | | | | | | |
| **RESIDENTIAL CONSTRUCTION - ATLANTA MSA** | | | | | | | |
| Dirt loans | | | | | | | |
| Acquisition & development | $ 124 | $ 148 | $ 167 | $ 185 | $ 232 | (65) % | (47) % |
| Land loans | 63 | 52 | 56 | 47 | 50 | 85 | 26 |
| Lot loans | 81 | 98 | 86 | 103 | 117 | (69) | (31) |
| Total | 268 | 298 | 309 | 335 | 399 | (40) | (33) |
| House loans | | | | | | | |
| Spec | 127 | 164 | 189 | 227 | 271 | (90) % | (53) % |
| Sold | 29 | 33 | 40 | 49 | 58 | (48) | (50) |
| Total | 156 | 197 | 229 | 276 | 329 | (83) | (53) |
| **Total residential construction** | $ 424 | $ 495 | $ 538 | $ 611 | $ 728 | (57) | (42) |

(1) Excludes total loans of $109.9 million as of June 30 that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank. (2) Annualized.

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

| *(in thousands)* | Second Quarter 2009 Non-performing Loans | Second Quarter 2009 Foreclosed Properties | Second Quarter 2009 Total NPAs | First Quarter 2009 Non-performing Loans | First Quarter 2009 Foreclosed Properties | First Quarter 2009 Total NPAs | Fourth Quarter 2008 Non-performing Loans | Fourth Quarter 2008 Foreclosed Properties | Fourth Quarter 2008 Total NPAs |
|---|---|---|---|---|---|---|---|---|---|
| **NPAs BY CATEGORY** | | | | | | | | | |
| Commercial (sec. by RE) | $ 37,755 | $ 5,395 | $ 43,150 | $ 18,188 | $ 3,811 | $ 21,999 | $ 15,188 | $ 2,427 | $ 17,615 |
| Commercial construction | 15,717 | 5,847 | 21,564 | 6,449 | 2,948 | 9,397 | 1,513 | 2,333 | 3,846 |
| Commercial & industrial | 11,378 | - | 11,378 | 12,066 | - | 12,066 | 1,920 | - | 1,920 |
| Total commercial | 64,850 | 11,242 | 76,092 | 36,703 | 6,759 | 43,462 | 18,621 | 4,760 | 23,381 |
| Residential construction | 176,400 | 81,648 | 258,048 | 187,656 | 58,327 | 245,983 | 144,836 | 48,572 | 193,408 |
| Residential mortgage | 44,256 | 11,864 | 56,120 | 33,148 | 10,297 | 43,445 | 25,574 | 6,436 | 32,010 |
| Consumer / installment | 2,342 | - | 2,342 | 1,648 | - | 1,648 | 1,692 | - | 1,692 |
| **Total NPAs** | $ 287,848 | $ 104,754 | $ 392,602 | $ 259,155 | $ 75,383 | $ 334,538 | $ 190,723 | $ 59,768 | $ 250,491 |
| **NPAs BY MARKET** | | | | | | | | | |
| Atlanta MSA | $ 148,155 | $ 50,450 | $ 198,605 | $ 131,020 | $ 48,574 | $ 179,594 | $ 105,476 | $ 42,336 | $ 147,812 |
| Gainesville MSA | 9,745 | 3,511 | 13,256 | 17,448 | 694 | 18,142 | 16,208 | 1,110 | 17,318 |
| North Georgia | 72,174 | 37,454 | 109,628 | 66,875 | 20,811 | 87,686 | 31,631 | 12,785 | 44,416 |
| Western North Carolina | 21,814 | 7,245 | 29,059 | 21,240 | 3,067 | 24,307 | 18,509 | 2,986 | 21,495 |
| Coastal Georgia | 30,311 | 3,904 | 34,215 | 15,699 | 1,286 | 16,985 | 11,863 | 138 | 12,001 |
| East Tennessee | 5,649 | 2,190 | 7,839 | 6,873 | 951 | 7,824 | 7,036 | 413 | 7,449 |
| **Total NPAs** | $ 287,848 | $ 104,754 | $ 392,602 | $ 259,155 | $ 75,383 | $ 334,538 | $ 190,723 | $ 59,768 | $ 250,491 |

| *(in thousands)* | Second Quarter 2009 Net Charge-Offs | Second Quarter 2009 Net Charge-Offs to Average Loans [(2)] | First Quarter 2009 Net Charge-Offs | First Quarter 2009 Net Charge-Offs to Average Loans [(2)] | Fourth Quarter 2008 Net Charge-Offs | Fourth Quarter 2008 Net Charge-Offs to Average Loans [(2)] |
|---|---|---|---|---|---|---|
| **NET CHARGE-OFFS BY CATEGORY** | | | | | | |
| Commercial (sec. by RE) | $ 5,986 | 1.34 % | $ 826 | .20 % | $ 4,460 | 1.10 % |
| Commercial construction | 756 | .80 | 54 | .05 | 1,442 | 1.14 |
| Commercial & industrial | 3,107 | 3.16 | 873 | .89 | 3,416 | 3.24 |
| Total commercial | 9,849 | 1.54 | 1,753 | .28 | 9,318 | 1.46 |
| Residential construction | 44,240 | 12.90 | 37,762 | 10.52 | 57,882 | 14.93 |
| Residential mortgage | 3,526 | .95 | 2,984 | .80 | 5,852 | 1.52 |
| Consumer / installment | 697 | 1.80 | 782 | 1.99 | 976 | 2.34 |
| **Total** | $ 58,312 | 4.18 | $ 43,281 | 3.09 | $ 74,028 | 5.09 |
| **NET CHARGE-OFFS BY MARKET** | | | | | | |
| Atlanta MSA | $ 37,473 | 8.89 % | $ 26,228 | 6.16 % | $ 49,309 | 10.80 % |
| Gainesville MSA | 4,125 | 4.38 | 1,105 | 1.18 | 7,994 | 8.60 |
| North Georgia | 12,571 | 2.52 | 8,208 | 1.64 | 9,872 | 1.91 |
| Western North Carolina | 1,015 | .51 | 3,669 | 1.83 | 2,371 | 1.16 |
| Coastal Georgia | 969 | .85 | 3,229 | 2.84 | 3,150 | 2.70 |
| East Tennessee | 2,159 | 3.21 | 842 | 1.28 | 1,332 | 2.02 |
| **Total** | $ 58,312 | 4.18 | $ 43,281 | 3.09 | $ 74,028 | 5.09 |

| *(in thousands)* | Second Quarter 2009 | First Quarter 2009 | Fourth Quarter 2008 |
|---|---|---|---|
| **FORECLOSED PROPERTIES** | | | |
| Beginning balance | $ 75,383 | $ 59,768 | $ 38,438 |
| Foreclosures transferred in | 64,417 | 38,742 | 50,678 |
| Capital costs added | 1,324 | 1,452 | 1,059 |
| Write downs | (2,738) | (2,151) | (2,714) |
| Proceeds from sales | (33,632) | (22,428) | (27,693) |
| **Total** | $ 104,754 | $ 75,383 | $ 59,768 |

(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)*

| *(in thousands, except per share data)* | Three Months Ended June 30, 2009 | Three Months Ended June 30, 2008 | Six Months Ended June 30, 2009 | Six Months Ended June 30, 2008 |
|---|---|---|---|---|
| **Interest revenue:** | | | | |
| Loans, including fees | $ 81,691 | $ 97,051 | $ 163,571 | $ 206,317 |
| Investment securities, including tax exempt of $309, $398, $628 and $792 | 20,485 | 19,277 | 41,237 | 38,299 |
| Federal funds sold, commercial paper and deposits in banks | 98 | 50 | 540 | 272 |
| Total interest revenue | 102,274 | 116,378 | 205,348 | 244,888 |
| **Interest expense:** | | | | |
| Deposits: | | | | |
| NOW | 2,843 | 7,216 | 6,180 | 15,803 |
| Money market | 2,269 | 2,310 | 4,506 | 5,223 |
| Savings | 121 | 180 | 248 | 407 |
| Time | 32,064 | 38,828 | 68,117 | 77,712 |
| Total deposit interest expense | 37,297 | 48,534 | 79,051 | 99,145 |
| Federal funds purchased, repurchase agreements and other short-term borrowings | 595 | 1,820 | 1,148 | 6,138 |
| Federal Home Loan Bank advances | 1,203 | 2,818 | 2,277 | 8,563 |
| Long-term debt | 2,760 | 2,059 | 5,529 | 4,139 |
| Total interest expense | 41,855 | 55,231 | 88,005 | 117,985 |
| Net interest revenue | 60,419 | 61,147 | 117,343 | 126,903 |
| Provision for loan losses | 60,000 | 15,500 | 125,000 | 23,000 |
| Net interest revenue after provision for loan losses | 419 | 45,647 | (7,657) | 103,903 |
| **Fee revenue:** | | | | |
| Service charges and fees | 7,557 | 7,957 | 14,591 | 15,770 |
| Mortgage loan and other related fees | 2,825 | 2,202 | 5,476 | 4,165 |
| Consulting fees | 1,745 | 2,252 | 2,766 | 4,059 |
| Brokerage fees | 497 | 814 | 1,186 | 1,907 |
| Securities (losses) gains, net | (711) | 357 | (408) | 357 |
| Gain from acquisition | 11,390 | - | 11,390 | - |
| Other | 1,137 | 1,523 | 2,285 | 3,044 |
| Total fee revenue | 24,440 | 15,105 | 37,286 | 29,302 |
| **Total revenue** | 24,859 | 60,752 | 29,629 | 133,205 |
| **Operating expenses:** | | | | |
| Salaries and employee benefits | 28,058 | 28,753 | 56,897 | 57,507 |
| Communications and equipment | 3,645 | 3,852 | 7,374 | 7,684 |
| Occupancy | 3,853 | 3,704 | 7,660 | 7,420 |
| Advertising and public relations | 1,191 | 2,009 | 2,300 | 3,360 |
| Postage, printing and supplies | 1,294 | 1,448 | 2,476 | 3,040 |
| Professional fees | 2,806 | 1,679 | 5,099 | 3,600 |
| Foreclosed property | 5,737 | 2,852 | 10,056 | 3,763 |
| FDIC assessments and other regulatory charges | 6,810 | 1,265 | 9,492 | 2,531 |
| Amortization of intangibles | 739 | 745 | 1,478 | 1,512 |
| Other | 1,215 | 3,454 | 5,085 | 6,873 |
| Goodwill impairment | - | - | 70,000 | - |
| Severance costs | - | - | 2,898 | - |
| Total operating expenses | 55,348 | 49,761 | 180,815 | 97,290 |
| (Loss) income before income taxes | (30,489) | 10,991 | (151,186) | 35,915 |
| Income tax (benefit) expense | (14,488) | 3,898 | (31,412) | 12,744 |
| **Net (loss) income** | (16,001) | 7,093 | (119,774) | 23,171 |
| Preferred stock dividends and discount accretion | 2,559 | 4 | 5,113 | 8 |
| **Net (loss) income available to common shareholders** | $ (18,560) | $ 7,089 | $ (124,887) | $ 23,163 |
| (Loss) earnings per common share: | | | | |
| Basic | $ (.38) | $ .15 | $ (2.57) | $ .49 |
| Diluted | (.38) | .15 | (2.57) | .49 |
| Weighted average common shares outstanding: | | | | |
| Basic | 48,794 | 47,158 | 48,560 | 47,105 |
| Diluted | 48,794 | 47,249 | 48,560 | 47,260 |

**UNITED COMMUNITY BANKS, INC.**
**Consolidated Balance Sheet**

| *(in thousands, except share and per share data)* | June 30, 2009 *(unaudited)* | December 31, 2008 *(audited)* | June 30, 2008 *(unaudited)* |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and due from banks | $ 110,943 | $ 116,395 | $ 176,240 |
| Interest-bearing deposits in banks | 70,474 | 8,417 | 12,455 |
| Federal funds sold, commercial paper and short-term investments | - | 368,609 | - |
| Cash and cash equivalents | 181,417 | 493,421 | 188,695 |
| Securities available for sale | 1,816,787 | 1,617,187 | 1,430,588 |
| Mortgage loans held for sale | 42,185 | 20,334 | 27,094 |
| Loans, net of unearned income | 5,513,087 | 5,704,861 | 5,933,141 |
| Less allowance for loan losses | 145,678 | 122,271 | 91,035 |
| Loans, net | 5,367,409 | 5,582,590 | 5,842,106 |
| Covered assets | 230,125 | - | - |
| Premises and equipment, net | 178,983 | 179,160 | 181,395 |
| Accrued interest receivable | 41,405 | 46,088 | 50,399 |
| Goodwill and other intangible assets | 251,821 | 321,798 | 323,296 |
| Other assets | 292,914 | 260,187 | 220,478 |
| **Total assets** | $ 8,403,046 | $ 8,520,765 | $ 8,264,051 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| Liabilities: | | | |
| Deposits: | | | |
| Demand | $ 714,630 | $ 654,036 | $ 696,575 |
| NOW | 1,273,368 | 1,543,385 | 1,541,609 |
| Money market | 573,463 | 466,750 | 418,935 |
| Savings | 180,368 | 170,275 | 187,088 |
| Time: | | | |
| Less than $100,000 | 1,992,056 | 1,953,235 | 1,747,763 |
| Greater than $100,000 | 1,351,527 | 1,422,974 | 1,573,078 |
| Brokered | 763,348 | 792,969 | 531,408 |
| Total deposits | 6,848,760 | 7,003,624 | 6,696,456 |
| Federal funds purchased, repurchase agreements, and other short-term borrowings | 252,493 | 108,411 | 288,650 |
| Federal Home Loan Bank advances | 283,292 | 235,321 | 285,807 |
| Long-term debt | 150,026 | 150,986 | 107,996 |
| Accrued expenses and other liabilities | 13,203 | 33,041 | 47,252 |
| **Total liabilities** | 7,547,774 | 7,531,383 | 7,426,161 |
| Shareholders' equity: | | | |
| Preferred stock, $1 par value; 10,000,000 shares authorized; | | | |
| Series A; $10 stated value; 21,700, 25,800 and 25,800 shares issued and outstanding | 217 | 258 | 258 |
| Series B; $1,000 stated value; 180,000 shares issued and outstanding | 173,785 | 173,180 | - |
| Common stock, $1 par value; 100,000,000 shares authorized; 48,933,383, 48,809,301 and 48,809,301 shares issued | 48,933 | 48,809 | 48,809 |
| Common stock issuable; 182,041, 129,304 and 105,579 shares | 3,383 | 2,908 | 2,696 |
| Capital surplus | 450,514 | 460,708 | 462,939 |
| Retained earnings | 136,624 | 265,405 | 362,089 |
| Treasury stock; 799,892 and 1,713,310 shares, at cost | - | (16,465) | (39,222) |
| Accumulated other comprehensive income | 41,816 | 54,579 | 321 |
| **Total shareholders' equity** | 855,272 | 989,382 | 837,890 |
| **Total liabilities and shareholders' equity** | $ 8,403,046 | $ 8,520,765 | $ 8,264,051 |

**UNITED COMMUNITY BANKS, INC.**

**Average Consolidated Balance Sheets and Net Interest Analysis**

For the Three Months Ended June 30,

| *(dollars in thousands, taxable equivalent)* | 2009 Average Balance | 2009 Interest | 2009 Avg. Rate | 2008 Average Balance | 2008 Interest | 2008 Avg. Rate |
|---|---|---|---|---|---|---|
| **Assets:** | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans, net of unearned income [(1)(2)] | $5,597,259 | $ 81,567 | 5.85 % | $5,933,143 | $ 97,080 | 6.58 % |
| Taxable securities [(3)] | 1,742,620 | 20,176 | 4.63 | 1,471,958 | 18,879 | 5.13 |
| Tax-exempt securities [(1)(3)] | 28,862 | 506 | 7.01 | 35,282 | 655 | 7.43 |
| Federal funds sold and other interest-earning assets | 73,437 | 488 | 2.66 | 37,635 | 370 | 3.93 |
| **Total interest-earning assets** | 7,442,178 | 102,737 | 5.53 | 7,478,018 | 116,984 | 6.29 |
| Non-interest-earning assets: | | | | | | |
| Allowance for loan losses | (147,691) | | | (93,776) | | |
| Cash and due from banks | 101,830 | | | 144,589 | | |
| Premises and equipment | 179,446 | | | 181,454 | | |
| Other assets [(3)] | 592,384 | | | 585,463 | | |
| **Total assets** | $8,168,147 | | | $8,295,748 | | |
| **Liabilities and Shareholders' Equity:** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits: | | | | | | |
| NOW | $1,258,134 | $ 2,843 | .91 | $1,505,280 | $ 7,216 | 1.93 |
| Money market | 521,989 | 2,269 | 1.74 | 422,419 | 2,310 | 2.20 |
| Savings | 178,435 | 121 | .27 | 186,826 | 180 | .39 |
| Time less than $100,000 | 1,894,071 | 15,342 | 3.25 | 1,643,740 | 17,285 | 4.23 |
| Time greater than $100,000 | 1,325,757 | 11,513 | 3.48 | 1,484,032 | 16,135 | 4.37 |
| Brokered | 686,070 | 5,209 | 3.05 | 534,835 | 5,408 | 4.06 |
| Total interest-bearing deposits | 5,864,456 | 37,297 | 2.55 | 5,777,132 | 48,534 | 3.38 |
| Federal funds purchased and other borrowings | 220,376 | 595 | 1.08 | 383,378 | 1,820 | 1.91 |
| Federal Home Loan Bank advances | 309,962 | 1,203 | 1.56 | 412,268 | 2,818 | 2.75 |
| Long-term debt | 151,019 | 2,760 | 7.33 | 107,996 | 2,059 | 7.67 |
| Total borrowed funds | 681,357 | 4,558 | 2.68 | 903,642 | 6,697 | 2.98 |
| **Total interest-bearing liabilities** | 6,545,813 | 41,855 | 2.56 | 6,680,774 | 55,231 | 3.33 |
| Non-interest-bearing liabilities: | | | | | | |
| Non-interest-bearing deposits | 680,081 | | | 684,229 | | |
| Other liabilities | 63,043 | | | 74,018 | | |
| Total liabilities | 7,288,937 | | | 7,439,021 | | |
| Shareholders' equity | 879,210 | | | 856,727 | | |
| **Total liabilities and shareholders' equity** | $8,168,147 | | | $8,295,748 | | |
| **Net interest revenue** | | $ 60,882 | | | $ 61,753 | |
| Net interest-rate spread | | | 2.97 % | | | 2.96 % |
| **Net interest margin** [(4)] | | | 3.28 % | | | 3.32 % |

(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 $14.7 million in 2009 and $13.0 million in 2008 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 Six Months Ended June 30,

| *(dollars in thousands, taxable equivalent)* | 2009 Average Balance | 2009 Interest | 2009 Avg. Rate | 2008 Average Balance | 2008 Interest | 2008 Avg. Rate |
|---|---|---|---|---|---|---|
| **Assets:** | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans, net of unearned income [1][2] | $5,635,942 | $163,316 | 5.84 % | $5,945,720 | $206,332 | 6.98 % |
| Taxable securities [3] | 1,712,778 | 40,609 | 4.74 | 1,460,090 | 37,507 | 5.14 |
| Tax-exempt securities [1][3] | 29,453 | 1,028 | 6.98 | 36,287 | 1,303 | 7.18 |
| Federal funds sold and other interest-earning assets | 107,788 | 1,346 | 2.50 | 42,652 | 883 | 4.14 |
| **Total interest-earning assets** | 7,485,961 | 206,299 | 5.55 | 7,484,749 | 246,025 | 6.60 |
| Non-interest-earning assets: | | | | | | |
| Allowance for loan losses | (138,297) | | | (92,901) | | |
| Cash and due from banks | 103,113 | | | 149,648 | | |
| Premises and equipment | 179,470 | | | 181,405 | | |
| Other assets [3] | 609,750 | | | 577,785 | | |
| **Total assets** | $8,239,997 | | | $8,300,686 | | |
| **Liabilities and Shareholders' Equity:** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits: | | | | | | |
| NOW | $1,307,865 | $ 6,180 | .95 | $1,483,699 | $ 15,803 | 2.14 |
| Money market | 499,780 | 4,506 | 1.82 | 430,734 | 5,223 | 2.44 |
| Savings | 175,587 | 248 | .28 | 185,819 | 407 | .44 |
| Time less than $100,000 | 1,918,349 | 32,559 | 3.42 | 1,598,526 | 35,508 | 4.47 |
| Time greater than $100,000 | 1,359,286 | 24,338 | 3.61 | 1,424,670 | 32,505 | 4.59 |
| Brokered | 735,844 | 11,220 | 3.07 | 454,619 | 9,699 | 4.29 |
| Total interest-bearing deposits | 5,996,711 | 79,051 | 2.66 | 5,578,067 | 99,145 | 3.57 |
| Federal funds purchased and other borrowings | 185,639 | 1,148 | 1.25 | 467,596 | 6,138 | 2.64 |
| Federal Home Loan Bank advances | 257,742 | 2,277 | 1.78 | 536,883 | 8,563 | 3.21 |
| Long-term debt | 151,009 | 5,529 | 7.38 | 107,995 | 4,139 | 7.71 |
| Total borrowed funds | 594,390 | 8,954 | 3.04 | 1,112,474 | 18,840 | 3.41 |
| **Total interest-bearing liabilities** | 6,591,101 | 88,005 | 2.69 | 6,690,541 | 117,985 | 3.55 |
| Non-interest-bearing liabilities: | | | | | | |
| Non-interest-bearing deposits | 665,170 | | | 678,150 | | |
| Other liabilities | 60,612 | | | 75,802 | | |
| Total liabilities | 7,316,883 | | | 7,444,493 | | |
| Shareholders' equity | 923,114 | | | 856,193 | | |
| **Total liabilities and shareholders' equity** | $8,239,997 | | | $8,300,686 | | |
| **Net interest revenue** | | $118,294 | | | $128,040 | |
| Net interest-rate spread | | | 2.86 % | | | 3.05 % |
| **Net interest margin** [4] | | | 3.18 % | | | 3.43 % |

(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 $12.7 million in 2009 and $14.5 million in 2008 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.