



## United Community Banks, Inc. Reports Net Loss of \$6.2 Million for Third Quarter 2011

BLAIRSVILLE, GA -- (MARKET WIRE) -- 10/27/11 -- United Community Banks, Inc. (NASDAQ: UCBI)

- Special \$25 million loan loss provision drove net loss
- Excluding this special provision, net income was \$8.8 million, or 10 cents per share
- Net interest margin rose 14 basis points on lower deposit pricing
- Core transaction deposits up 16 percent on an annualized basis

United Community Banks, Inc. (NASDAQ: UCBI) today reported a net loss of \$6.2 million, or 16 cents per share, for the third quarter of 2011. The third quarter net loss resulted from a special loan loss provision of \$25 million, or 26 cents per share, recorded in connection with the nonaccrual classification of United's largest loan relationship, which was announced earlier. Excluding this special provision, net income was \$8.8 million, or 10 cents per share.

The year-to-date net loss of \$141 million primarily reflects significant credit costs in the first quarter incurred in connection with the Company's problem asset disposition plan. The plan was executed in conjunction with raising \$380 million of new capital on March 30, 2011.

"We believe the loss was an isolated situation that does not reflect deterioration in the remainder of our loan portfolio," stated Jimmy Tallent, president and chief executive officer. "Aside from this one relationship, which we have been watching closely for several quarters, our credit quality continued to improve and stabilize in the third quarter."

Total loans were \$4.1 billion at quarter-end, down \$53 million from the end of the second quarter and down \$650 million from a year earlier. "The \$53 million decrease during the third quarter was up from the \$31 million decrease during the second quarter, but still represents the second lowest quarterly decrease in loan balances since the first quarter of 2008," stated Tallent. "We remain confident that soon we can once again begin to grow our loan portfolio. We are encouraged to have \$141 million of new loan commitments, with \$88 million funded, during the third quarter. The majority were commercial loans."

The third quarter provision for loan losses was \$36 million, up from \$11 million in the second quarter, but down from \$50.5 million a year ago. Included in the third quarter provision was the previously announced \$25 million special provision for the Company's largest lending relationship. Net charge-offs for the third quarter were \$17.5 million, compared to \$16.4 million for the second quarter but down from \$50.0 million a year ago. Second quarter net charge-offs included a \$7.3 million recovery from an April 18 bulk loan sale transaction. Excluding that recovery, third quarter net charge-offs declined \$6.2 million from last quarter.

Nonperforming assets increased \$70 million to \$189 million at quarter-end. The increase reflects placing the previously mentioned \$76.6 million loan on nonaccrual.

Taxable equivalent net interest revenue of \$59.3 million increased \$335,000 from the second quarter. Compared with the third quarter of 2010, net interest revenue declined \$733,000, primarily due to a \$702 million reduction in average loan balances that was significantly offset by lower funding costs and deposit rates. Net interest margin was 3.55 percent for the third quarter of 2011, down two basis points from a year ago and up 14 basis points from the second quarter.

"Growing loans and deposits are key initiatives to further building core earnings," Tallent commented. "The weak economy has created a highly competitive environment for good, quality loans and we are working diligently to get our share. We have had tremendous success in gathering core transaction deposits -- increasing the balance \$112 million from the second quarter, or 16 percent on an annualized basis. This was the eleventh consecutive quarter of growth in core transaction deposits, which now represents 48 percent of total deposits compared to 30 percent at the end of 2008."

Fee revenue was \$11.5 million in the third quarter of 2011, compared to \$12.9 million a year ago and \$13.9 million last quarter. Service charges and fees were \$7.5 million, down \$114,000 from a year ago, due primarily to lower overdraft fees of \$886,000 resulting from regulatory changes last year that required customers to provide consent before using overdraft services. Mostly offsetting this reduction in overdraft fees was an increase of \$785,000 in ATM and debit card usage fees. Mortgage fees of \$1.1 million were down \$923,000 from a year ago and up \$196,000 from last quarter. The decrease from last year was due to the lower level of refinancing activities. Other fee revenue of \$2.0 million reflected a decrease of \$173,000 from a year ago and \$2.7 million from the second quarter. The decrease from the second quarter was primarily due to the accelerated recognition of deferred gains relating to the ineffectiveness of terminated cash flow hedges on certain prime-based loans. Hedge

ineffectiveness gains recognized in the third quarter were \$575,000 compared with \$2.8 million in the second quarter of 2011 and \$336,000 in the third quarter of 2010. Also contributing to the decrease in other fee revenue from the second quarter and a year ago was a change in the market value of deferred compensation plan assets which accounted for \$393,000 and \$657,000 of the decrease in other fee revenue from the second quarter of 2011 and the third quarter of 2010, respectively.

Excluding foreclosed property costs and the goodwill impairment charge in 2010, third quarter 2011 operating expenses were \$43.7 million, down from both the second quarter of 2011 and third quarter of 2010 by \$3.1 million and \$1.4 million, respectively. The decreases were mostly in FDIC assessments and the other expense category. FDIC assessments and other regulatory charges of \$2.6 million were down \$1.0 million from the second quarter and \$653,000 from a year ago primarily due to the new asset based formula and a lower assessment rate. The decrease in the other expense category was mostly due to lower collections costs. Salary and benefit costs totaled \$25.3 million, a \$371,000 increase from last year and a \$1.2 million decrease from the second quarter due to staff reductions and related severance costs.

Foreclosed property costs for the third quarter of 2011 were \$2.8 million as compared to \$1.9 million last quarter and \$19.8 million a year ago. The third quarter of 2011 included \$1.8 million for maintenance of foreclosed properties and \$1.0 million in net losses and write-downs on properties. For the second quarter of 2011, foreclosed property costs were almost entirely for maintenance costs. The third quarter of 2010 included \$14.2 million of net write-downs and losses and \$5.6 million of maintenance costs.

The effective tax rate for the third quarter of 2011 was 49 percent, up from the 40 percent effective tax rate for the first and second quarters of 2011. The tax benefit in the third quarter includes the release of approximately \$1.1 million in reserves for uncertain tax positions relating to state tax returns whose limitations have expired. Excluding the reserve release, the third quarter effective tax rate would have been 40 percent. The effective tax rate is expected to return to a normal range of 35 to 36 percent with expected profitability for 2012.

As of September 30, 2011, the capital ratios for United were as follows: Tier 1 Risk-Based of 14.0 percent; Tier 1 Leverage of 9.0 percent; and Total Risk-Based of 15.8 percent. The quarterly average tangible equity-to-assets ratio was 11.8 percent, and the tangible common equity-to-assets ratio was 9.1 percent.

"Reporting a third quarter loss after achieving profitability last quarter is disappointing, but must be put into context," Tallent said. "Our objective is to deal aggressively and decisively with credit issues as they are identified. The large classification during the quarter was an isolated situation that we do not believe indicates a trend. Excluding this one item, our credit metrics continued to improve and we are on the right path to be profitable next quarter and into 2012."

Tallent added, "United has been working diligently with the SEC to resolve comments regarding our net deferred tax asset made during their review of two resale registration statements and related periodic reports. The SEC has inquired as to the necessity of an additional deferred tax asset valuation allowance. We continue to believe an additional valuation allowance is not required based on our expectation that, more likely than not, we will realize all of our net deferred tax assets many years prior to their expiration. However, considering the SEC's inquiry, it is possible we could be required to record a valuation allowance."

#### Conference Call

United Community Banks will hold a conference call today, Thursday, October 27, 2011, at 11 a.m. ET to discuss the contents of this news release and to share business highlights for the quarter. To access the call, dial (877) 380-5665 and use the conference number 14298726. 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](http://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 \$7.2 billion and operates 27 community banks with 105 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](http://www.ucbi.com).

#### Safe Harbor

This news release contains forward-looking statements, as defined by Federal Securities Laws, including statements about financial United's 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 anticipated 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.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

	2011			2010	
	Third	Second	First	Fourth	Third
(in thousands, except per share data; taxable equivalent)	Quarter	Quarter	Quarter	Quarter	Quarter
INCOME SUMMARY					
Interest revenue	\$ 74,543	\$ 76,931	\$ 75,965	\$ 81,215	\$ 84,360
Interest expense	15,262	17,985	19,573	21,083	24,346
Net interest revenue	59,281	58,946	56,392	60,132	60,014
Operating provision for loan losses (1)	36,000	11,000	190,000	47,750	50,500
Fee revenue (2)	11,498	13,905	11,838	12,442	12,861
Total operating revenue (1)(2)	34,779	61,851	(121,770)	24,824	22,375
Operating expenses (3)	46,520	48,728	115,271	64,918	64,906
Loss on sale of nonperforming assets	-	-	-	-	-
Operating (loss) income from continuing operations before income taxes	(11,741)	13,123	(237,041)	(40,094)	(42,531)

Operating income tax					
(benefit) expense	(5,539)	5,506	(94,555)	(16,520)	(16,706)
	-----	-----	-----	-----	-----
Net operating (loss)					
income from					
continuing					
operations(1)(2)(3)	(6,202)	7,617	(142,486)	(23,574)	(25,825)
Noncash goodwill					
impairment charges	-	-	-	-	(210,590)
Partial reversal of					
fraud loss provision,					
net of income tax	-	-	-	7,179	-
Loss from discontinued					
operations, net of					
income tax	-	-	-	-	-
Gain from sale of					
subsidiary, net income					
tax	-	-	-	-	-
	-----	-----	-----	-----	-----
Net (loss) income	(6,202)	7,617	(142,486)	(16,395)	(236,415)
Preferred dividends and					
discount accretion	3,019	3,016	2,778	2,586	2,581
	-----	-----	-----	-----	-----
Net (loss) income					
available to common					
shareholders	\$ (9,221)	\$ 4,601	\$ (145,264)	\$ (18,981)	\$ (238,996)
	=====	=====	=====	=====	=====

PERFORMANCE MEASURES

Per common share:

Diluted operating

(loss) income from						
continuing						
operations						
(1)(2)(3)	\$ (.16)	\$ .08	\$ (7.87)	\$ (1.38)	\$ (1.50)	
Diluted (loss)						
income from						
continuing						
operations	(.16)	.08	(7.87)	(1.00)	(12.62)	
Diluted (loss)						
income	(.16)	.08	(7.87)	(1.00)	(12.62)	
Book value	11.37	11.59	14.78	24.18	25.70	
Tangible book value						
(5)	11.26	11.47	14.44	23.78	25.26	
Key performance						
ratios:						
Return on equity						
(4)(6)	(5.72)%	5.34%	(147.11)%	(17.16)%	(148.04)%	
Return on assets (6)	(.34)	.40	(7.61)	(.89)	(12.47)	
Net interest margin						
(6)	3.55	3.41	3.30	3.58	3.57	
Operating efficiency						
ratio from						
continuing						
operations (2)(3)	65.73	66.88	169.08	89.45	89.38	
Equity to assets	11.83	11.21	8.82	8.85	11.37	
Tangible equity to						
assets (5)	11.76	11.13	8.73	8.75	9.19	
Tangible common						
equity to assets						
(5)	9.09	4.79	5.51	6.35	6.78	

Tangible common equity to risk-weighted assets (5)	14.41	14.26	6.40	9.05	9.60
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ASSET QUALITY \*

Non-performing loans	\$144,484	\$ 71,065	\$ 83,769	\$179,094	\$ 217,766
Foreclosed properties	44,263	47,584	54,378	142,208	129,964
	-----	-----	-----	-----	-----
Total non-performing assets (NPAs)	188,747	118,649	138,147	321,302	347,730
Allowance for loan losses	146,092	127,638	133,121	174,695	174,613
Operating net charge-offs (1)	17,546	16,483	231,574	47,668	49,998
Allowance for loan losses to loans	3.55%	3.07%	3.17%	3.79%	3.67%
Operating net charge-offs to average loans (1)(6)	1.68	1.58	20.71	4.03	4.12
NPAs to loans and foreclosed properties	4.54	2.82	3.25	6.77	7.11
NPAs to total assets	2.64	1.60	1.73	4.32	4.96

AVERAGE BALANCES(\$ in millions)

Loans	\$ 4,194	\$ 4,266	\$ 4,599	\$ 4,768	\$ 4,896
Investment securities	2,150	2,074	1,625	1,354	1,411
Earning assets	6,630	6,924	6,902	6,680	6,676
Total assets	7,261	7,624	7,595	7,338	7,522
Deposits	6,061	6,372	6,560	6,294	6,257

Shareholders' equity	859	854	670	649	855
Common shares - basic					
(thousands)	57,599	25,427	18,466	18,984	18,936
Common shares -					
diluted (thousands)	57,599	57,543	18,466	18,984	18,936

AT PERIOD END(\$ in  
millions)

Loans *	\$ 4,110	\$ 4,163	\$ 4,194	\$ 4,604	\$ 4,760
Investment securities	2,123	2,188	1,884	1,490	1,310
Total assets	7,159	7,410	7,974	7,443	7,013
Deposits	6,005	6,183	6,598	6,469	5,999
Shareholders' equity	848	860	850	636	662
Common shares					
outstanding					
(thousands)	57,510	57,469	20,903	18,937	18,887

(1) Excludes the partial reversal of a previously established provision for fraud-related loan losses of \$11.8 million, net of tax expense of \$4.6 million in the fourth quarter of 2010. Operating charge-offs also exclude the \$11.8 million related partial recovery of the previously charged off amount. (2) Excludes revenue generated by discontinued operations in the first quarter of 2010. (3) Excludes the goodwill impairment charge of \$211 million in the third quarter of 2010 and expenses relating to discontinued operations in the first quarter of 2010. (4) Net loss available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss). (5) Excludes effect of acquisition related intangibles and associated amortization. (6) Annualized.

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

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

(in thousands, except per share data; taxable equivalent)	Third Quarter		Third 2011- 2010 Change	For the Nine Months Ended		YTD 2011- 2010 Change
	2011	2010		2011	2010	
INCOME SUMMARY						
Interest revenue	\$ 74,543	\$ 84,360		\$ 227,439	\$ 261,908	
Interest expense	15,262	24,346		52,820	78,988	
Net interest revenue	59,281	60,014	(1)%	174,619	182,920	(5)%
Operating provision for loan losses (1)	36,000	50,500		237,000	187,000	
Fee revenue (2)	11,498	12,861	(11)	37,241	36,106	3
Total operating revenue (1)(2)	34,779	22,375		(25,140)	32,026	
Operating expenses (3)	46,520	64,906	(28)	210,519	178,034	18



Loss on sale of						
nonperforming						
assets	-	-	-	-	45,349	
	-----	-----	-----	-----	-----	
Operating (loss)						
income from						
continuing						
operations						
before income						
taxes	(11,741)	(42,531)	(72)	(235,659)	(191,357)	23
Operating income						
tax (benefit)						
expense	(5,539)	(16,706)		(94,588)	(71,542)	
	-----	-----		-----	-----	
Net operating						
(loss) income						
from continuing						
operations						
(1)(2)(3)	(6,202)	(25,825)	(76)	(141,071)	(119,815)	18
Noncash goodwill						
impairment						
charges	-	(210,590)		-	(210,590)	
Partial reversal						
of fraud loss						
provision, net of						
income tax	-	-		-	-	
Loss from						
discontinued						
operations, net						
of income tax	-	-		-	(101)	
Gain from sale of						

subsidiary, net						
income tax	-	-	-	1,266		
	-----	-----	-----	-----		
Net (loss)						
income	(6,202)	(236,415)	(97)	(141,071)	(329,240)	(57)
Preferred						
dividends and						
discount						
accretion	3,019	2,581		8,813	7,730	
	-----	-----		-----	-----	
Net (loss) income						
available to						
common						
shareholders	\$ (9,221)	\$ (238,996)		\$ (149,884)	\$ (336,970)	
	=====	=====		=====	=====	

PERFORMANCE

MEASURES

Per common share:

Diluted

operating

(loss) income

from continuing

operations

(1)(2)(3)      \$ (.16)      \$ (1.50)      (89)      \$ (4.41)      \$ (6.75)      (35)

Diluted (loss)

income from

continuing

operations

Diluted (loss)

income

(.16)      (12.62)      (99)      (4.41)      (17.82)      (75)

Book value	11.37	25.70	(56)	11.37	25.70	(56)
Tangible book value (5)	11.26	25.26	(55)	11.26	25.26	(55)
Key performance ratios:						
Return on equity (4)(6)	(5.72)%	(148.04)%		(43.31)%	(65.69)%	
Return on assets (6)	(.34)	(12.47)		(2.52)	(5.70)	
Net interest margin (6)	3.55	3.57		3.42	3.56	
Operating efficiency ratio from continuing operations (2)(3)	65.73	89.38		99.39	102.14	
Equity to assets	11.83	11.37		10.61	11.70	
Tangible equity to assets (5)	11.76	9.19		10.53	9.28	
Tangible common equity to assets (5)	9.09	6.78		6.44	6.94	
Tangible common equity to risk-weighted assets (5)	14.41	9.60		14.41	9.60	

ASSET QUALITY \*

Non-performing

loans	\$144,484	\$ 217,766		\$ 144,484	\$ 217,766	
Foreclosed						
properties	44,263	129,964		44,263	129,964	
	-----	-----		-----	-----	
Total non-						
performing						
assets (NPAs)	188,747	347,730		188,747	347,730	
Allowance for						
loan losses	146,092	174,613		146,092	174,613	
Operating net						
charge-offs (1)	17,546	49,998		265,603	167,989	
Allowance for						
loan losses to						
loans	3.55%	3.67%		3.55%	3.67%	
Operating net						
charge-offs to						
average loans						
(1)(6)	1.68	4.12		8.28	4.54	
NPAs to loans and						
foreclosed						
properties	4.54	7.11		4.54	7.11	
NPAs to total						
assets	2.64	4.96		2.64	4.96	
AVERAGE BALANCES(\$						
in millions)						
Loans	\$ 4,194	\$ 4,896	(14)	\$ 4,352	\$ 5,026	(13)
Investment						
securities	2,150	1,411	52	1,952	1,487	31
Earning assets	6,630	6,676	(1)	6,817	6,870	(1)
Total assets	7,261	7,522	(3)	7,492	7,723	(3)

Deposits	6,061	6,257	(3)	6,329	6,399	(1)
Shareholders'						
equity	859	855	-	795	904	(12)
Common shares -						
basic						
(thousands)	57,599	18,936		33,973	18,905	
Common shares -						
diluted						
(thousands)	57,599	18,936		33,973	18,905	

AT PERIOD END(\$ in  
millions)

Loans *	\$ 4,110	\$ 4,760	(14)	\$ 4,110	\$ 4,760	(14)
Investment						
securities	2,123	1,310	62	2,123	1,310	62
Total assets	7,159	7,013	2	7,159	7,013	2
Deposits	6,005	5,999	-	6,005	5,999	-
Shareholders'						
equity	848	662	28	848	662	28
Common shares						
outstanding						
(thousands)	57,510	18,887		57,510	18,887	

(1) Excludes the partial reversal of a previously established provision for fraud-related loan losses of \$11.8 million, net of tax expense of \$4.6 million in the fourth quarter of 2010. Operating charge-offs also exclude the \$11.8 million related partial recovery of the previously charged off amount. (2) Excludes revenue generated by discontinued operations in the first quarter of 2010. (3) Excludes the goodwill impairment charge of \$211 million in the third quarter of 2010 and expenses relating to discontinued operations in the first quarter of

2010. (4) Net loss available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss). (5) Excludes effect of acquisition related intangibles and associated amortization. (6) Annualized.

\* 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

	2011			2010	
	Third	Second	First	Fourth	Third
	Quarter	Quarter	Quarter	Quarter	Quarter
(in thousands, except					
per share data;					
taxable equivalent)					
Interest revenue					
reconciliation					
Interest revenue -					
taxable equivalent	\$ 74,543	\$ 76,931	\$ 75,965	\$ 81,215	\$ 84,360
Taxable equivalent					
adjustment	(420)	(429)	(435)	(497)	(511)
Interest revenue					

(GAAP)	\$ 74,123	\$ 76,502	\$ 75,530	\$ 80,718	\$ 83,849
	=====	=====	=====	=====	=====
Net interest revenue					
reconciliation					
Net interest revenue -					
taxable equivalent	\$ 59,281	\$ 58,946	\$ 56,392	\$ 60,132	\$ 60,014
Taxable equivalent					
adjustment	(420)	(429)	(435)	(497)	(511)
	-----	-----	-----	-----	-----
Net interest revenue					
(GAAP)	\$ 58,861	\$ 58,517	\$ 55,957	\$ 59,635	\$ 59,503
	=====	=====	=====	=====	=====
Provision for loan					
losses reconciliation					
Operating provision for					
loan losses	\$ 36,000	\$ 11,000	\$ 190,000	\$ 47,750	\$ 50,500
Partial reversal of					
special fraud-related					
provision for loan					
loss	-	-	-	(11,750)	-
	-----	-----	-----	-----	-----
Provision for loan					
losses (GAAP)	\$ 36,000	\$ 11,000	\$ 190,000	\$ 36,000	\$ 50,500
	=====	=====	=====	=====	=====
Total revenue					
reconciliation					
Total operating revenue	\$ 34,779	\$ 61,851	\$(121,770)	\$ 24,824	\$ 22,375
Taxable equivalent					

adjustment	(420)	(429)	(435)	(497)	(511)
Partial reversal of special fraud-related provision for loan loss	-	-	-	11,750	-
	-----	-----	-----	-----	-----
Total revenue (GAAP)	\$ 34,359	\$ 61,422	\$(122,205)	\$ 36,077	\$ 21,864
	=====	=====	=====	=====	=====
Expense reconciliation					
Operating expense	\$ 46,520	\$ 48,728	\$ 115,271	\$ 64,918	\$ 64,906
Noncash goodwill impairment charge	-	-	-	-	210,590
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Operating expense (GAAP)	\$ 46,520	\$ 48,728	\$ 115,271	\$ 64,918	\$ 275,496
	=====	=====	=====	=====	=====
(Loss) income from continuing operations before taxes reconciliation					
Operating (loss) income from continuing operations before taxes	\$(11,741)	\$ 13,123	\$(237,041)	\$ (40,094)	\$ (42,531)
Taxable equivalent adjustment	(420)	(429)	(435)	(497)	(511)
Noncash goodwill impairment charge	-	-	-	-	(210,590)
Partial reversal of					



special fraud-related					
provision for loan					
loss	-	-	-	11,750	-
	-----	-----	-----	-----	-----
(Loss) income from					
continuing					
operations before					
taxes (GAAP)	\$ (12,161)	\$ 12,694	\$ (237,476)	\$ (28,841)	\$ (253,632)
	=====	=====	=====	=====	=====
Income tax (benefit)					
expense reconciliation					
Operating income tax					
(benefit) expense	\$ (5,539)	\$ 5,506	\$ (94,555)	\$ (16,520)	\$ (16,706)
Taxable equivalent					
adjustment	(420)	(429)	(435)	(497)	(511)
Partial reversal of					
special fraud-related					
provision for loan					
loss	-	-	-	4,571	-
	-----	-----	-----	-----	-----
Income tax (benefit)					
expense (GAAP)	\$ (5,959)	\$ 5,077	\$ (94,990)	\$ (12,446)	\$ (17,217)
	=====	=====	=====	=====	=====
Diluted (loss) earnings from					
continuing operations per					
common share reconciliation					
Diluted operating					
(loss) earnings from					
continuing operations					

per common share	\$	(.16)	\$	.08	\$	(7.87)	\$	(1.38)	\$	(1.50)
Noncash goodwill										
impairment charge		-		-		-		-		(11.12)
Partial reversal of										
special fraud-related										
provision for loan										
loss		-		-		-		.38		-
		-----		-----		-----		-----		-----
Diluted (loss)										
earnings from										
continuing										
operations per										
common share (GAAP)	\$	(.16)	\$	.08	\$	(7.87)	\$	(1.00)	\$	(12.62)
		=====		=====		=====		=====		=====
Book value per common										
share reconciliation										
Tangible book value per										
common share	\$	11.26	\$	11.47	\$	14.44	\$	23.78	\$	25.26
Effect of goodwill and										
other intangibles		.11		.12		.34		.40		.44
		-----		-----		-----		-----		-----
Book value per common										
share (GAAP)	\$	11.37	\$	11.59	\$	14.78	\$	24.18	\$	25.70
		=====		=====		=====		=====		=====
Efficiency ratio from										
continuing operations										
reconciliation										
Operating efficiency										
ratio from continuing										

operations	65.73%	66.88%	169.08%	89.45%	89.38%
Noncash goodwill					
impairment charge	-	-	-	-	290.00
	-----	-----	-----	-----	-----
Efficiency ratio from					
continuing					
operations (GAAP)	65.73%	66.88%	169.08%	89.45%	379.38%
	=====	=====	=====	=====	=====
Average equity to					
assets reconciliation					
Tangible common equity					
to assets	9.09%	4.79%	5.51%	6.35%	6.78%
Effect of preferred					
equity	2.67	6.34	3.22	2.40	2.41
	-----	-----	-----	-----	-----
Tangible equity to					
assets	11.76	11.13	8.73	8.75	9.19
Effect of goodwill and					
other intangibles	.07	.08	.09	.10	2.18
	-----	-----	-----	-----	-----
Equity to assets					
(GAAP)	11.83%	11.21%	8.82%	8.85%	11.37%
	=====	=====	=====	=====	=====
Actual tangible common					
equity to risk-					
weighted assets					
reconciliation					
Tangible common equity					
to risk-weighted					

assets	14.41%	14.26%	6.40%	9.05%	9.60%
Effect of other					
comprehensive income	(.58)	(.65)	(.58)	(.62)	(.81)
Effect of deferred tax					
limitation	(5.34)	(5.04)	(5.10)	(3.34)	(2.94)
Effect of trust					
preferred	1.18	1.14	1.12	1.06	1.06
Effect of preferred					
equity	4.30	4.17	5.97	3.52	3.51
	-----	-----	-----	-----	-----
Tier I capital ratio					
(Regulatory)	13.97%	13.88%	7.81%	9.67%	10.42%
	=====	=====	=====	=====	=====
Net charge-offs					
reconciliation					
Operating net charge-					
offs	\$ 17,546	\$ 16,483	\$ 231,574	\$ 47,668	\$ 49,998
Subsequent partial					
recovery of fraud-					
related charge-off	-	-	-	(11,750)	-
	-----	-----	-----	-----	-----
Net charge-offs					
(GAAP)	\$ 17,546	\$ 16,483	\$ 231,574	\$ 35,918	\$ 49,998
	=====	=====	=====	=====	=====
Net charge-offs to					
average loans					
reconciliation					
Operating net charge-					
offs to average loans	1.68%	1.58%	20.71%	4.03%	4.12%

Subsequent partial					
recovery of fraud-					
related charge-off	-	-	-	(1.00)	-
	-----	-----	-----	-----	-----
Net charge-offs to					
average loans (GAAP)	1.68%	1.58%	20.71%	3.03%	4.12%
	=====	=====	=====	=====	=====

Net (loss) income	
reconciliation	
Net income excluding	
special provision	\$ 8,798
Effect of special	
provision for loan	
losses on largest	
lending relationship	(15,000)
	-----
Net loss (GAAP)	\$ (6,202)
	=====

Net (loss) income per	
diluted share	
reconciliation	
Net income per diluted	
share excluding	
special provision	\$ .10
Effect of special	
provision for loan	
losses on largest	
lending relationship	(.26)
	-----

Net loss per diluted  
share (GAAP)           \$   (.16)  
=====

UNITED COMMUNITY BANKS, INC.

Operating Earnings to GAAP Earnings Reconciliation

Selected Financial Information

(in thousands, except per share data; taxable equivalent)	For the Nine Months	
	Ended	
	2011	2010
	-----	-----
Interest revenue reconciliation		
Interest revenue - taxable equivalent	\$ 227,439	\$ 261,908
Taxable equivalent adjustment	(1,284)	(1,504)
	-----	-----
Interest revenue (GAAP)	\$ 226,155	\$ 260,404
	=====	=====
Net interest revenue reconciliation		
Net interest revenue - taxable equivalent	\$ 174,619	\$ 182,920
Taxable equivalent adjustment	(1,284)	(1,504)
	-----	-----
Net interest revenue (GAAP)	\$ 173,335	\$ 181,416
	=====	=====

Provision for loan losses reconciliation		
Operating provision for loan losses	\$ 237,000	\$ 187,000
Partial reversal of special fraud-related provision for loan loss	-	-
	-----	-----
Provision for loan losses (GAAP)	\$ 237,000	\$ 187,000
	=====	=====
Total revenue reconciliation		
Total operating revenue	\$ (25,140)	\$ 32,026
Taxable equivalent adjustment	(1,284)	(1,504)
Partial reversal of special fraud-related provision for loan loss	-	-
	-----	-----
Total revenue (GAAP)	\$ (26,424)	\$ 30,522
	=====	=====
Expense reconciliation		
Operating expense	\$ 210,519	\$ 223,383
Noncash goodwill impairment charge	-	210,590
	-----	-----
Operating expense (GAAP)	\$ 210,519	\$ 433,973
	=====	=====
(Loss) income from continuing operations before taxes reconciliation		
Operating (loss) income from continuing operations before taxes	\$ (235,659)	\$ (191,357)
Taxable equivalent adjustment	(1,284)	(1,504)
Noncash goodwill impairment charge	-	(210,590)
Partial reversal of special fraud-related provision		

for loan loss	-	-
	-----	-----
(Loss) income from continuing operations before		
taxes (GAAP)	\$ (236,943)	\$ (403,451)
	=====	=====
Income tax (benefit) expense reconciliation		
Operating income tax (benefit) expense	\$ (94,588)	\$ (71,542)
Taxable equivalent adjustment	(1,284)	(1,504)
Partial reversal of special fraud-related provision		
for loan loss	-	-
	-----	-----
Income tax (benefit) expense (GAAP)	\$ (95,872)	\$ (73,046)
	=====	=====
Diluted (loss) earnings from continuing operations per common		
share reconciliation		
Diluted operating (loss) earnings from continuing		
operations per common share	\$ (4.41)	\$ (6.75)
Noncash goodwill impairment charge	-	(11.14)
Partial reversal of special fraud-related provision		
for loan loss	-	-
	-----	-----
Diluted (loss) earnings from continuing operations		
per common share (GAAP)	\$ (4.41)	\$ (17.89)
	=====	=====
Book value per common share reconciliation		
Tangible book value per common share	\$ 11.26	\$ 25.26
Effect of goodwill and other intangibles	.11	.44
	-----	-----



Book value per common share (GAAP)	\$ 11.37	\$ 25.70
	=====	=====
Efficiency ratio from continuing operations reconciliation		
Operating efficiency ratio from continuing operations	99.39%	102.14%
Noncash goodwill impairment charge	-	96.29
	-----	-----
Efficiency ratio from continuing operations (GAAP)	99.39%	198.43%
	=====	=====
Average equity to assets reconciliation		
Tangible common equity to assets	6.44%	6.94%
Effect of preferred equity	4.09	2.34
	-----	-----
Tangible equity to assets	10.53	9.28
Effect of goodwill and other intangibles	.08	2.42
	-----	-----
Equity to assets (GAAP)	10.61%	11.70%
	=====	=====
Actual tangible common equity to risk-weighted assets reconciliation		
Tangible common equity to risk-weighted assets	14.41%	9.60%
Effect of other comprehensive income	(.58)	(.81)
Effect of deferred tax limitation	(5.34)	(2.94)
Effect of trust preferred	1.18	1.06
Effect of preferred equity	4.30	3.51
	-----	-----
Tier I capital ratio (Regulatory)	13.97%	10.42%

	=====	=====
Net charge-offs reconciliation		
Operating net charge-offs	\$ 265,603	\$ 167,989
Subsequent partial recovery of fraud-related charge-		
off	-	-
	-----	-----
Net charge-offs (GAAP)	\$ 265,603	\$ 167,989
	=====	=====

Net charge-offs to average loans reconciliation		
Operating net charge-offs to average loans	8.28%	4.54%
Subsequent partial recovery of fraud-related charge-		
off	-	-
	-----	-----
Net charge-offs to average loans (GAAP)	8.28%	4.54%
	=====	=====

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End (1)

	2011			2010	
	-----			-----	
	Third	Second	First	Fourth	Third
(in millions)	Quarter	Quarter	Quarter	Quarter	Quarter
	-----			-----	

LOANS BY CATEGORY

Commercial (sec.by RE)	\$ 1,771	\$ 1,742	\$ 1,692	\$ 1,761	\$ 1,781
Commercial construction	169	195	213	297	310
Commercial & industrial	429	428	431	441	456
-----					
Total commercial	2,369	2,365	2,336	2,499	2,547
Residential construction	474	502	550	695	764
Residential mortgage	1,150	1,177	1,187	1,279	1,316
Consumer / installment	117	119	121	131	133
-----					
Total loans	\$ 4,110	\$ 4,163	\$ 4,194	\$ 4,604	\$ 4,760
=====					

LOANS BY MARKET

Atlanta MSA	\$ 1,192	\$ 1,188	\$ 1,179	\$ 1,310	\$ 1,365
Gainesville MSA	272	275	282	312	316
North Georgia	1,478	1,500	1,531	1,689	1,755
Western North Carolina	607	626	640	702	719
Coastal Georgia	316	325	312	335	345
East Tennessee	245	249	250	256	260
-----					
Total loans	\$ 4,110	\$ 4,163	\$ 4,194	\$ 4,604	\$ 4,760
=====					

RESIDENTIAL CONSTRUCTION

Dirt loans

Acquisition & development	\$ 97	\$ 105	\$ 116	\$ 174	\$ 190
Land loans	60	62	69	99	104
Lot loans	216	218	228	275	303
-----					
Total	373	385	413	548	597
-----					

House loans

Spec	64	74	88	97	109
Sold	37	43	49	50	58
-----					
Total	101	117	137	147	167
-----					
Total residential construction	\$ 474	\$ 502	\$ 550	\$ 695	\$ 764
=====					

RESIDENTIAL CONSTRUCTION - ATLANTA MSA

Dirt loans

Acquisition & development	\$ 19	\$ 20	\$ 22	\$ 30	\$ 34
Land loans	15	16	19	23	27
Lot loans	22	22	24	32	45
-----					
Total	56	58	65	85	106
-----					

House loans

Spec	28	30	34	38	42
Sold	8	9	11	10	11
-----					
Total	36	39	45	48	53
-----					
Total residential construction	\$ 92	\$ 97	\$ 110	\$ 133	\$ 159
=====					

(1) Excludes total loans of \$57.8 million, \$70.8 million, \$63.3 million, \$68.2 million and \$75.2 million as of September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively,

that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End (1)

	2011		2010			
	-----		-----			
					Linked	Year over
	Third	Second	Third	Third	Quarter	Year
(in millions)	Quarter	Quarter	Quarter	Quarter	Change	Change
	-----	-----	-----	-----	-----	-----
LOANS BY CATEGORY						
Commercial (sec.by RE)	\$ 1,771	\$ 1,742	\$ 1,781	\$	29	\$ (10)
Commercial construction	169	195	310		(26)	(141)
Commercial & industrial	429	428	456		1	(27)
	-----	-----	-----			
Total commercial	2,369	2,365	2,547		4	(178)
Residential construction	474	502	764		(28)	(290)
Residential mortgage	1,150	1,177	1,316		(27)	(166)
Consumer / installment	117	119	133		(2)	(16)
	-----	-----	-----			
Total loans	\$ 4,110	\$ 4,163	\$ 4,760		(53)	(650)
	=====	=====	=====			

LOANS BY MARKET

Atlanta MSA	\$ 1,192	\$ 1,188	\$ 1,365		4	(173)
-------------	----------	----------	----------	--	---	-------

Gainesville MSA	272	275	316	(3)	(44)
North Georgia	1,478	1,500	1,755	(22)	(277)
Western North Carolina	607	626	719	(19)	(112)
Coastal Georgia	316	325	345	(9)	(29)
East Tennessee	245	249	260	(4)	(15)
	-----	-----	-----		
Total loans	\$ 4,110	\$ 4,163	\$ 4,760	(53)	(650)
	=====	=====	=====		

RESIDENTIAL CONSTRUCTION

Dirt loans

Acquisition & development	\$ 97	\$ 105	\$ 190	(8)	(93)
Land loans	60	62	104	(2)	(44)
Lot loans	216	218	303	(2)	(87)
	-----	-----	-----		
Total	373	385	597	(12)	(224)
	-----	-----	-----		

House loans

Spec	64	74	109	(10)	(45)
Sold	37	43	58	(6)	(21)
	-----	-----	-----		
Total	101	117	167	(16)	(66)
	-----	-----	-----		

Total residential

construction	\$ 474	\$ 502	\$ 764	(28)	(290)
	=====	=====	=====		

RESIDENTIAL CONSTRUCTION - ATLANTA MSA

Dirt loans

Acquisition & development	\$ 19	\$ 20	\$ 34	(1)	(15)
---------------------------	-------	-------	-------	-----	------

Land loans	15	16	27	(1)	(12)
Lot loans	22	22	45	-	(23)
	-----	-----	-----		
Total	56	58	106	(2)	(50)
	-----	-----	-----		
House loans					
Spec	28	30	42	(2)	(14)
Sold	8	9	11	(1)	(3)
	-----	-----	-----		
Total	36	39	53	(3)	(17)
	-----	-----	-----		
Total residential					
construction	\$ 92	\$ 97	\$ 159	(5)	(67)
	=====	=====	=====		

(1) Excludes total loans of \$57.8 million, \$70.8 million, \$63.3 million, \$68.2 million and \$75.2 million as of September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, 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)

Third Quarter 2011

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(in thousands)	Non-		Total
	performing Loans	Foreclosed Properties	
			NPA's
	-----	-----	-----
NPAs BY CATEGORY			
Commercial (sec.by RE)	\$ 21,998	\$ 8,880	\$ 30,878
Commercial construction	11,370	5,862	17,232
Commercial & industrial	53,009	-	53,009
	-----	-----	-----
Total commercial	86,377	14,742	101,119
Residential construction	34,472	21,561	56,033
Residential mortgage	22,671	7,960	30,631
Consumer / installment	964	-	964
	-----	-----	-----
Total NPAs	\$ 144,484	\$ 44,263	\$ 188,747
	=====	=====	=====
Balance as a % of Unpaid			
Principal	77.8%	33.4%	59.3%
NPAs BY MARKET			
Atlanta MSA	\$ 13,350	\$ 12,971	\$ 26,321
Gainesville MSA	5,311	2,495	7,806
North Georgia	105,078	17,467	122,545
Western North Carolina	13,243	7,941	21,184
Coastal Georgia	5,600	2,354	7,954
East Tennessee	1,902	1,035	2,937
	-----	-----	-----
Total NPAs	\$ 144,484	\$ 44,263	\$ 188,747
	=====	=====	=====



NPA ACTIVITY

Beginning Balance	\$	71,065	\$	47,584	\$	118,649
Loans placed on non-accrual		103,365		-		103,365
Payments received		(3,995)		-		(3,995)
Loan charge-offs		(15,335)		-		(15,335)
Foreclosures		(10,616)		10,616		-
Capitalized costs		-		818		818
Note / property sales		-		(13,787)		(13,787)
Loans held for sale		-		-		-
Write downs		-		(1,772)		(1,772)
Net gains (losses) on sales		-		804		804
		-----		-----		-----
Ending Balance	\$	144,484	\$	44,263	\$	188,747
		=====		=====		=====

(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) The NPA activity shown for the first quarter of 2011 is presented with all activity related to loans transferred to the loans held for sale classification on one line as if those loans were transferred to held for sale at the beginning of the period.

(3) Includes charge-offs on loans related to United's previously announced asset disposition plan. Such charge-offs severely distorted charge off rates for the first and second quarters of 2011. A separate schedule has been included in this earnings release presenting the components of net charge-offs by loan category and geographic market for the first and second quarters of 2011.

(4) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality (1)

Second Quarter 2011

(in thousands)	Non-		
	performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY			
Commercial (sec.by RE)	\$ 17,764	\$ 6,796	\$ 24,560
Commercial construction	2,782	6,764	9,546
Commercial & industrial	1,998	-	1,998
Total commercial	22,544	13,560	36,104
Residential construction	22,643	24,968	47,611
Residential mortgage	24,809	9,056	33,865
Consumer / installment	1,069	-	1,069
Total NPAs	\$ 71,065	\$ 47,584	\$ 118,649
Balance as a % of Unpaid			
Principal	64.5%	32.6%	46.3%

NPAs BY MARKET

Atlanta MSA	\$ 14,700	\$ 11,239	\$ 25,939
Gainesville MSA	4,505	3,174	7,679

North Georgia	28,117	21,278	49,395
Western North Carolina	15,153	8,953	24,106
Coastal Georgia	5,357	2,564	7,921
East Tennessee	3,233	376	3,609
	-----	-----	-----
Total NPAs	\$ 71,065	\$ 47,584	\$ 118,649
	=====	=====	=====

NPA ACTIVITY

Beginning Balance	\$ 83,769	\$ 54,378	\$ 138,147
Loans placed on non-accrual	35,911	-	35,911
Payments received	(7,702)	-	(7,702)
Loan charge-offs	(18,888)	-	(18,888)
Foreclosures	(22,025)	22,025	-
Capitalized costs	-	20	20
Note / property sales	-	(28,939)	(28,939)
Loans held for sale	-	-	-
Write downs	-	(3,118)	(3,118)
Net gains (losses) on sales	-	3,218	3,218
	-----	-----	-----
Ending Balance	\$ 71,065	\$ 47,584	\$ 118,649
	=====	=====	=====

(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) The NPA activity shown for the first quarter of 2011 is presented with all activity related to loans transferred to the loans held for sale classification on one line as if those loans were transferred to held for sale at the beginning of the period.

(3) Includes charge-offs on loans related to United's previously announced asset disposition plan. Such charge-offs severely distorted charge off rates for the first and second quarters of 2011. A separate schedule has been included in this earnings release presenting the components of net charge-offs by loan category and geographic market for the first and second quarters of 2011.

(4) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality (1)

First Quarter 2011 (2)

(in thousands)	Non-		
	performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY			
Commercial (sec.by RE)	\$ 20,648	\$ 7,886	\$ 28,534
Commercial construction	3,701	11,568	15,269
Commercial & industrial	2,198	-	2,198
Total commercial	26,547	19,454	46,001
Residential construction	32,038	25,807	57,845
Residential mortgage	23,711	9,117	32,828
Consumer / installment	1,473	-	1,473

Total NPAs	\$ 83,769	\$ 54,378	\$ 138,147
------------	-----------	-----------	------------

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Balance as a % of Unpaid

Principal	57.3%	30.3%	42.4%
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NPAs BY MARKET

Atlanta MSA	\$ 21,501	\$ 16,913	\$ 38,414
-------------	-----------	-----------	-----------

Gainesville MSA	4,332	2,157	6,489
-----------------	-------	-------	-------

North Georgia	30,214	23,094	53,308
---------------	--------	--------	--------

Western North Carolina	18,849	7,802	26,651
------------------------	--------	-------	--------

Coastal Georgia	5,847	3,781	9,628
-----------------	-------	-------	-------

East Tennessee	3,026	631	3,657
----------------	-------	-----	-------

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Total NPAs	\$ 83,769	\$ 54,378	\$ 138,147
------------	-----------	-----------	------------

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NPA ACTIVITY

Beginning Balance	\$ 179,094	\$ 142,208	\$ 321,302
-------------------	------------	------------	------------

Loans placed on non-accrual	54,730	-	54,730
-----------------------------	--------	---	--------

Payments received	(3,550)	-	(3,550)
-------------------	---------	---	---------

Loan charge-offs	(43,969)	-	(43,969)
------------------	----------	---	----------

Foreclosures	(17,052)	17,052	-
--------------	----------	--------	---

Capitalized costs	-	270	270
-------------------	---	-----	-----

Note / property sales	(11,400)	(44,547)	(55,947)
-----------------------	----------	----------	----------

Loans held for sale	(74,084)	-	(74,084)
---------------------	----------	---	----------

Write downs	-	(48,585)	(48,585)
-------------	---	----------	----------

Net gains (losses) on sales	-	(12,020)	(12,020)
-----------------------------	---	----------	----------

-----

Ending Balance	\$ 83,769	\$ 54,378	\$ 138,147
----------------	-----------	-----------	------------

=====

- (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) The NPA activity shown for the first quarter of 2011 is presented with all activity related to loans transferred to the loans held for sale classification on one line as if those loans were transferred to held for sale at the beginning of the period.
- (3) Includes charge-offs on loans related to United's previously announced asset disposition plan. Such charge-offs severely distorted charge off rates for the first and second quarters of 2011. A separate schedule has been included in this earnings release presenting the components of net charge-offs by loan category and geographic market for the first and second quarters of 2011.
- (4) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality(1)

	Third Quarter		Second Quarter		First Quarter	
	2011		2011(3)		2011(3)	
	-----		-----		-----	
	Net		Net		Net	
	Charge-		Charge-		Charge-	
	Net	Offs to	Net	Offs to	Net	Offs to
	Charge-	Average	Charge-	Average	Charge-	Average
(in thousands)	Offs	Loans(4)	Offs	Loans(4)	Offs	Loans(4)

NET CHARGE-OFFS BY CATEGORY

Commercial (sec.by

RE)                   \$ 2,192       .50% \$ 3,259       .76% \$ 48,607     11.07%

Commercial

construction        1,625       3.54       869       1.70       49,715     76.95

Commercial &

industrial           420       .39       523       .49       4,040       3.64

-----  
Total commercial    4,237       .71       4,651       .79       102,362    16.66

Residential

construction        6,381       5.19       6,629       5.04       92,138     58.20

Residential mortgage 6,110       2.09       4,589       1.55       36,383     11.62

Consumer /

installment         818       2.75       614       2.04       691       2.16

-----  
Total                \$17,546     1.68     \$ 16,483     1.58     \$231,574    20.71

=====

NET CHARGE-OFFS BY

MARKET

Atlanta MSA         \$ 2,813       .94% \$ 2,920       .99% \$ 56,489     17.86%

Gainesville MSA     1,804       2.64       2,318       3.36       8,616     11.93

North Georgia       8,124       2.16       6,575       1.72       123,305    29.66

Western North

Carolina            3,608       2.31       3,522       2.21       26,447     15.61

Coastal Georgia     709       .88       815       1.02       12,003     14.80

East Tennessee     488       .78       333       .54       4,714       7.47

-----  
Total                \$17,546     1.68     \$ 16,483     1.58     \$231,574    20.71

=====

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=====

(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) The NPA activity shown for the first quarter of 2011 is presented with all activity related to loans transferred to the loans held for sale classification on one line as if those loans were transferred to held for sale at the beginning of the period.

(3) Includes charge-offs on loans related to United's previously announced asset disposition plan. Such charge-offs severely distorted charge off rates for the first and second quarters of 2011. A separate schedule has been included in this earnings release presenting the components of net charge-offs by loan category and geographic market for the first and second quarters of 2011.

(4) Annualized.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Net Charge-Off Summary(1)

Second Quarter 2011

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	Problem	Asset	Disposition	
(in thousands)	Other	Plan	Total	

---



BY CATEGORY

Commercial (sec. by RE)	\$	4,972	\$	(1,713)	\$	3,259
Commercial construction		2,201		(1,332)		869
Commercial & industrial		639		(116)		523
-----						
Total commercial		7,812		(3,161)		4,651
Residential construction		9,471		(2,842)		6,629
Residential mortgage		5,844		(1,255)		4,589
Consumer / installment		625		(11)		614
-----						
Total	\$	23,752	\$	(7,269)	\$	16,483
=====						

BY MARKET

Atlanta MSA	\$	4,875	\$	(1,955)	\$	2,920
Gainesville MSA		2,576		(258)		2,318
North Georgia		10,360		(3,785)		6,575
Western North Carolina		4,263		(741)		3,522
Coastal Georgia		1,206		(391)		815
East Tennessee		472		(139)		333
-----						
Total	\$	23,752	\$	(7,269)	\$	16,483
=====						

(1) This schedule presents net charge-offs by loan type and geographic market separated between those charge offs related to United's first quarter 2011 Problem Asset Disposition Plan including losses on loans sold in the bulk loan sale transaction that closed on April 18, 2011 and all other charge-offs. The charge-offs on the bulk loan sale recognized in the first quarter were estimated based on indicative bids from prospective

buyers. Actual losses were less than estimated resulting in an adjustment to the loss in the second quarter.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Net Charge-Off Summary(1)

First Quarter 2011

(in thousands)	Problem Asset Disposition		
	Other	Plan	Total
-----			
BY CATEGORY			
Commercial (sec. by RE)	\$ 2,842	\$ 45,765	\$ 48,607
Commercial construction	1,146	48,569	49,715
Commercial & industrial	513	3,527	4,040
-----			
Total commercial	4,501	97,861	102,362
Residential construction	10,643	81,495	92,138
Residential mortgage	4,989	31,394	36,383
Consumer / installment	383	308	691
-----			
Total	\$ 20,516	\$ 211,058	\$ 231,574
=====			

BY MARKET

Atlanta MSA	\$ 3,296	\$ 53,193	\$ 56,489
-------------	----------	-----------	-----------

Gainesville MSA	954	7,662	8,616
North Georgia	8,544	114,761	123,305
Western North Carolina	6,749	19,698	26,447
Coastal Georgia	341	11,662	12,003
East Tennessee	632	4,082	4,714
-----			
Total	\$ 20,516	\$ 211,058	\$ 231,574
=====			

(1) This schedule presents net charge-offs by loan type and geographic market separated between those charge offs related to United's first quarter 2011 Problem Asset Disposition Plan including losses on loans sold in the bulk loan sale transaction that closed on April 18, 2011 and all other charge-offs. The charge-offs on the bulk loan sale recognized in the first quarter were estimated based on indicative bids from prospective buyers. Actual losses were less than estimated resulting in an adjustment to the loss in the second quarter.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Net Charge-Off Summary(1)

First Six Months 2011

-----			
	Problem Asset		
	Disposition		
(in thousands)	Other	Plan	Total

BY CATEGORY

Commercial (sec. by RE)	\$ 7,814	\$ 44,052	\$ 51,866
Commercial construction	3,347	47,237	50,584
Commercial & industrial	1,152	3,411	4,563
-----			
Total commercial	12,313	94,700	107,013
Residential construction	20,114	78,653	98,767
Residential mortgage	10,833	30,139	40,972
Consumer / installment	1,008	297	1,305
-----			
Total	\$ 44,268	\$ 203,789	\$ 248,057
=====			

BY MARKET

Atlanta MSA	\$ 8,171	\$ 51,238	\$ 59,409
Gainesville MSA	3,530	7,404	10,934
North Georgia	18,904	110,976	129,880
Western North Carolina	11,012	18,957	29,969
Coastal Georgia	1,547	11,271	12,818
East Tennessee	1,104	3,943	5,047
-----			
Total	\$ 44,268	\$ 203,789	\$ 248,057
=====			

(1) This schedule presents net charge-offs by loan type and geographic market separated between those charge offs related to United's first quarter 2011 Problem Asset Disposition Plan including losses on loans sold in the bulk loan sale transaction that closed on April 18, 2011 and all other charge-offs. The charge-offs on the bulk loan sale recognized in the

first quarter were estimated based on indicative bids from prospective buyers. Actual losses were less than estimated resulting in an adjustment to the loss in the second quarter.

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Operations (Unaudited)

	Three Months Ended	
	September 30,	
	-----	
(in thousands, except per share data)	2011	2010
	-----	-----
Interest revenue:		
Loans, including fees	\$ 59,294	\$ 68,419
Investment securities, including tax exempt of \$244, \$279, \$754 and \$886	14,568	14,711
Federal funds sold, commercial paper and deposits in banks	261	719
	-----	-----
Total interest revenue	74,123	83,849
	-----	-----

Interest expense:

Deposits:

NOW	831	1,705
Money market	1,129	1,930
Savings	52	83

Time	9,086	16,099
	-----	-----
Total deposit interest expense	11,098	19,817
Federal funds purchased, repurchase agreements and other short-term borrowings	1,081	1,068
Federal Home Loan Bank advances	441	796
Long-term debt	2,642	2,665
	-----	-----
Total interest expense	15,262	24,346
	-----	-----
Net interest revenue	58,861	59,503
Provision for loan losses	36,000	50,500
	-----	-----
Net interest revenue after provision for loan losses	22,861	9,003
	-----	-----
Fee revenue:		
Service charges and fees	7,534	7,648
Mortgage loan and other related fees	1,148	2,071
Brokerage fees	836	731
Securities gains, net	-	2,491
Loss from prepayment of debt	-	(2,233)
Other	1,980	2,153
	-----	-----
Total fee revenue	11,498	12,861
	-----	-----
Total revenue	34,359	21,864
	-----	-----

Operating expenses:

Salaries and employee benefits	25,262	24,891
Communications and equipment	3,284	3,620
Occupancy	3,794	3,720
Advertising and public relations	1,052	1,128
Postage, printing and supplies	1,036	1,019
Professional fees	2,051	2,117
Foreclosed property	2,813	19,752
FDIC assessments and other regulatory charges	2,603	3,256
Amortization of intangibles	748	793
Other	3,877	4,610
Goodwill impairment	-	210,590
Loss on sale of nonperforming assets	-	-
	-----	-----
Total operating expenses	46,520	275,496
	-----	-----
Loss from continuing operations before income taxes	(12,161)	(253,632)
Income tax benefit	(5,959)	(17,217)
	-----	-----
Net loss from continuing operations	(6,202)	(236,415)
Loss from discontinued operations, net of income taxes	-	-
Gain from sale of subsidiary, net of income taxes and selling costs	-	-
	-----	-----
Net loss	(6,202)	(236,415)
Preferred stock dividends and discount accretion	3,019	2,581
	-----	-----
Net loss available to common shareholders	\$ (9,221)	\$(238,996)
	=====	=====

Loss from continuing operations per common share -

Basic	\$	(.16)	\$	(12.62)
Loss from continuing operations per common share -				
Diluted		(.16)		(12.62)
Loss per common share - Basic		(.16)		(12.62)
Loss per common share - Diluted		(.16)		(12.62)
Weighted average common shares outstanding - Basic		57,599		18,936
Weighted average common shares outstanding - Diluted		57,599		18,936

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of Operations (Unaudited)

	Nine Months Ended	
	September 30,	
	2011	2010
(in thousands, except per share data)		
Interest revenue:		
Loans, including fees	\$ 181,359	\$ 211,245
Investment securities, including tax exempt of \$244, \$279, \$754 and \$886	42,964	46,743
Federal funds sold, commercial paper and deposits in banks	1,832	2,416
Total interest revenue	226,155	260,404

Interest expense:



Deposits:

NOW	3,191	5,304
Money market	4,656	5,516
Savings	193	250
Time	31,813	54,015

-----

Total deposit interest expense	39,853	65,085
--------------------------------	--------	--------

Federal funds purchased, repurchase agreements and

other short-term borrowings	3,197	3,162
-----------------------------	-------	-------

Federal Home Loan Bank advances	1,601	2,747
---------------------------------	-------	-------

Long-term debt	8,169	7,994
----------------	-------	-------

-----

Total interest expense	52,820	78,988
------------------------	--------	--------

-----

Net interest revenue	173,335	181,416
----------------------	---------	---------

Provision for loan losses	237,000	187,000
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Net interest revenue after provision for loan

losses	(63,665)	(5,584)
--------	----------	---------

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Fee revenue:

Service charges and fees	21,862	23,088
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Mortgage loan and other related fees	3,594	5,151
--------------------------------------	-------	-------

Brokerage fees	2,204	1,884
----------------	-------	-------

Securities gains, net	838	2,552
-----------------------	-----	-------

Loss from prepayment of debt	(791)	(2,233)
------------------------------	-------	---------

Other	9,534	5,664
-------	-------	-------

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Total fee revenue	37,241	36,106
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Total revenue	(26,424)	30,522
	-----	-----
Operating expenses:		
Salaries and employee benefits	76,622	72,841
Communications and equipment	10,006	10,404
Occupancy	11,673	11,370
Advertising and public relations	3,347	3,523
Postage, printing and supplies	3,239	3,009
Professional fees	7,731	6,238
Foreclosed property	69,603	45,105
FDIC assessments and other regulatory charges	11,660	10,448
Amortization of intangibles	2,270	2,389
Other	14,368	12,707
Goodwill impairment	-	210,590
Loss on sale of nonperforming assets	-	45,349
	-----	-----
Total operating expenses	210,519	433,973
	-----	-----
Loss from continuing operations before income		
taxes	(236,943)	(403,451)
Income tax benefit	(95,872)	(73,046)
	-----	-----
Net loss from continuing operations	(141,071)	(330,405)
Loss from discontinued operations, net of income		
taxes	-	(101)
Gain from sale of subsidiary, net of income taxes		
and selling costs	-	1,266
	-----	-----
Net loss	(141,071)	(329,240)
Preferred stock dividends and discount accretion	8,813	7,730

	-----	-----
Net loss available to common shareholders	\$ (149,884)	\$ (336,970)
	=====	=====
Loss from continuing operations per common share -		
Basic	\$ (4.41)	\$ (17.89)
Loss from continuing operations per common share -		
Diluted	(4.41)	(17.89)
Loss per common share - Basic	(4.41)	(17.82)
Loss per common share - Diluted	(4.41)	(17.82)
Weighted average common shares outstanding - Basic	33,973	18,905
Weighted average common shares outstanding - Diluted	33,973	18,905

UNITED COMMUNITY BANKS, INC.

Consolidated Balance Sheet

(in thousands, except share and per share data)

	September 30, 2011	December 31, 2010	September 30, 2010
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	-----	-----	-----
	(unaudited)	(audited)	(unaudited)

ASSETS

Cash and due from banks	\$ 57,780	\$ 95,994	\$ 104,033
Interest-bearing deposits in			
banks	241,440	111,901	64,408
Federal funds sold, commercial			
paper and short-term			
investments	-	441,562	108,579

	-----	-----	-----
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Cash and cash equivalents	299,220	649,457	277,020
Securities available for sale	1,769,083	1,224,417	1,053,518
Securities held to maturity (fair value \$369,020, \$267,988 and \$263,012)	353,739	265,807	256,694
Mortgage loans held for sale	22,050	35,908	20,630
Loans, net of unearned income	4,109,875	4,604,126	4,759,504
Less allowance for loan losses	146,092	174,695	174,613
	-----	-----	-----
Loans, net	3,963,783	4,429,431	4,584,891
Assets covered by loss sharing agreements with the FDIC	83,623	131,887	144,581
Premises and equipment, net	176,839	178,239	178,842
Accrued interest receivable	19,744	24,299	24,672
Goodwill and other intangible assets	9,175	11,446	12,217
Foreclosed property	44,263	142,208	129,964
Net deferred tax asset	264,275	166,937	146,831
Other assets	153,329	183,160	183,189
	-----	-----	-----
Total assets	\$ 7,159,123	\$ 7,443,196	\$ 7,013,049
	=====	=====	=====

LIABILITIES AND SHAREHOLDERS'

EQUITY

Liabilities:

Deposits:

Demand	\$ 966,452	\$ 793,414	\$ 783,251
NOW	1,299,512	1,424,781	1,338,371
Money market	1,030,370	891,252	804,644
Savings	200,231	183,894	186,617

Time:

Less than \$100,000	1,393,559	1,496,700	1,498,379
Greater than \$100,000	905,183	1,002,359	1,033,132
Brokered	209,998	676,772	354,243
	-----	-----	-----
Total deposits	6,005,305	6,469,172	5,998,637
Federal funds purchased, repurchase agreements, and other short-term borrowings	102,883	101,067	103,780
Federal Home Loan Bank advances	40,625	55,125	55,125
Long-term debt	120,206	150,146	150,126
Unsettled securities purchases	10,585	-	-
Accrued expenses and other liabilities	31,302	32,171	42,906
	-----	-----	-----
Total liabilities	6,310,906	6,807,681	6,350,574
	-----	-----	-----
Shareholders' equity:			
Preferred stock, \$1 par value; 10,000,000 shares authorized; Series A: \$10 stated value; 21,700 shares issued and outstanding	217	217	217
Series B: \$1,000 stated value; 180,000 shares issued and outstanding	176,739	175,711	175,378
Series D: \$1,000 stated value; 16,613 shares issued and outstanding	16,613	-	-
Common stock, \$1 par value; 100,000,000 shares authorized; 41,595,692,			

18,937,001 and 18,886,660			
shares issued and outstanding	41,596	18,937	18,887
Common stock, non-voting, \$1			
par value; 30,000,000 shares			
authorized; 15,914,209 shares			
issued and outstanding	15,914	-	-
Common stock issuable; 88,501,			
67,287 and 61,119 shares	3,590	3,894	3,961
Capital surplus	1,052,690	741,244	740,151
Accumulated deficit	(485,451)	(335,567)	(316,587)
Accumulated other			
comprehensive income	26,309	31,079	40,468
	-----	-----	-----
Total shareholders' equity	848,217	635,515	662,475
	-----	-----	-----
Total liabilities and			
shareholders' equity	\$ 7,159,123	\$ 7,443,196	\$ 7,013,049
	=====	=====	=====

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended September 30,

2011

	-----	-----	-----
	Average		Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
	-----	-----	-----

Assets:

Interest-earning assets:

Loans, net of unearned income (1)(2)	\$ 4,193,951	\$ 59,394	5.62%
Taxable securities (3)	2,125,154	14,324	2.70
Tax-exempt securities (1)(3)	24,675	399	6.47
Federal funds sold and other interest- earning assets	286,194	426	.60
	-----	-----	
Total interest-earning assets	6,629,974	74,543	4.47
	-----	-----	

Non-interest-earning assets:

Allowance for loan losses	(128,654)		
Cash and due from banks	53,500		
Premises and equipment	177,798		
Other assets (3)	528,461		
	-----		
Total assets	\$ 7,261,079		
	=====		

Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$ 1,258,929	831	.26
Money market	1,024,559	1,129	.44
Savings	199,793	52	.10
Time less than \$100,000	1,448,024	4,539	1.24
Time greater than \$100,000	940,864	3,456	1.46
Brokered	260,423	1,091	1.66
	-----	-----	
Total interest-bearing deposits	5,132,592	11,098	.86

	-----	-----	
Federal funds purchased and other			
borrowings	103,850	1,081	4.13
Federal Home Loan Bank advances	40,625	441	4.31
Long-term debt	138,457	2,642	7.57
	-----	-----	
Total borrowed funds	282,932	4,164	5.84
	-----	-----	
Total interest-bearing liabilities	5,415,524	15,262	1.12
		-----	
Non-interest-bearing liabilities:			
Non-interest-bearing deposits	928,788		
Other liabilities	57,427		
	-----		
Total liabilities	6,401,739		
Shareholders' equity	859,340		
	-----		
Total liabilities and shareholders'			
equity	\$ 7,261,079		
	=====		
Net interest revenue		\$ 59,281	
		=====	
Net interest-rate spread			3.35%
			=====
Net interest margin (4)			3.55%
			=====



- (1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.
- (2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued and loans that are held for sale.
- (3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$37.9 million in 2011 and \$45.4 million in 2010 are included in other assets for purposes of this presentation.
- (4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended September 30,

	2010		
	Average	Interest	Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 4,896,471	\$ 68,540	5.55%
Taxable securities (3)	1,384,682	14,431	4.17
Tax-exempt securities (1)(3)	26,481	459	6.93
Federal funds sold and other interest-			

earning assets	368,108	930	1.01
	-----	-----	
Total interest-earning assets	6,675,742	84,360	5.02
	-----	-----	
Non-interest-earning assets:			
Allowance for loan losses	(194,300)		
Cash and due from banks	107,825		
Premises and equipment	179,839		
Other assets (3)	752,780		
	-----		
Total assets	\$ 7,521,886		
	=====		
Liabilities and Shareholders' Equity:			
Interest-bearing liabilities:			
Interest-bearing deposits:			
NOW	\$ 1,318,779	1,705	.51
Money market	781,903	1,930	.98
Savings	186,123	83	.18
Time less than \$100,000	1,541,772	7,190	1.85
Time greater than \$100,000	1,065,789	5,506	2.05
Brokered	573,606	3,403	2.35
	-----	-----	
Total interest-bearing deposits	5,467,972	19,817	1.44
	-----	-----	
Federal funds purchased and other			
borrowings	104,370	1,068	4.06
Federal Home Loan Bank advances	80,220	796	3.94
Long-term debt	150,119	2,665	7.04

	-----	-----	
Total borrowed funds	334,709	4,529	5.37
	-----	-----	
Total interest-bearing liabilities	5,802,681	24,346	1.66
		-----	
Non-interest-bearing liabilities:			
Non-interest-bearing deposits	789,231		
Other liabilities	74,482		
	-----		
Total liabilities	6,666,394		
Shareholders' equity	855,492		
	-----		
Total liabilities and shareholders' equity	\$ 7,521,886		
	=====		
Net interest revenue		\$ 60,014	
		=====	
Net interest-rate spread			3.36%
			=====
Net interest margin (4)			3.57%
			=====

(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 and loans that are held for

sale.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$37.9 million in 2011 and \$45.4 million in 2010 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 Nine Months Ended September 30,

	2011		
	Average	Interest	Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 4,351,524	\$ 181,422	5.57%
Taxable securities (3)	1,926,365	42,210	2.92
Tax-exempt securities (1)(3)	25,178	1,234	6.53
Federal funds sold and other interest-earning assets	514,392	2,573	.67
Total interest-earning assets	6,817,459	227,439	4.46
Non-interest-earning assets:			

Allowance for loan losses	(145,689)
Cash and due from banks	102,251
Premises and equipment	178,694
Other assets (3)	539,177
	-----
Total assets	\$ 7,491,892
	=====

Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$ 1,313,752	3,191	.32
Money market	977,863	4,656	.64
Savings	194,433	193	.13
Time less than \$100,000	1,509,753	14,980	1.33
Time greater than \$100,000	973,335	11,480	1.58
Brokered	475,687	5,353	1.50
	-----	-----	
Total interest-bearing deposits	5,444,823	39,853	.98
	-----	-----	

Federal funds purchased and other

borrowings	102,711	3,197	4.16
Federal Home Loan Bank advances	49,442	1,601	4.33
Long-term debt	146,221	8,169	7.47
	-----	-----	
Total borrowed funds	298,374	12,967	5.81
	-----	-----	

Total interest-bearing liabilities	5,743,197	52,820	1.23
		-----	

Non-interest-bearing liabilities:

Non-interest-bearing deposits	884,417	
Other liabilities	69,131	
	-----	
Total liabilities	6,696,745	
Shareholders' equity	795,147	
	-----	
Total liabilities and shareholders'		
equity	\$ 7,491,892	
	=====	
Net interest revenue	\$ 174,619	
	=====	
Net interest-rate spread		3.23%
		=====
Net interest margin (4)		3.42%
		=====

(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 and loans that are held for sale.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$32.4 million in 2011 and \$44.1 million in 2010 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 Nine Months Ended September 30,

	2010		
	Average		Avg.
(dollars in thousands, taxable equivalent)	Balance	Interest	Rate
Assets:			
Interest-earning assets:			
Loans, net of unearned income (1)(2)	\$ 5,025,739	\$ 211,399	5.62%
Taxable securities (3)	1,458,120	45,857	4.19
Tax-exempt securities (1)(3)	28,470	1,450	6.79
Federal funds sold and other interest- earning assets	357,881	3,202	1.19
	-----	-----	
Total interest-earning assets	6,870,210	261,908	5.09
	-----	-----	
Non-interest-earning assets:			
Allowance for loan losses	(191,888)		
Cash and due from banks	104,446		
Premises and equipment	180,936		
Other assets (3)	758,903		
	-----		
Total assets	\$ 7,722,607		

=====

Liabilities and Shareholders' Equity:

Interest-bearing liabilities:

Interest-bearing deposits:

NOW	\$ 1,335,034	5,304	.53
Money market	750,685	5,516	.98
Savings	184,420	250	.18
Time less than \$100,000	1,612,691	23,968	1.99
Time greater than \$100,000	1,110,195	18,378	2.21
Brokered	650,588	11,669	2.40
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Total interest-bearing deposits	5,643,613	65,085	1.54
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Federal funds purchased and other

borrowings	103,697	3,162	4.08
Federal Home Loan Bank advances	100,727	2,747	3.65
Long-term debt	150,098	7,994	7.12
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Total borrowed funds	354,522	13,903	5.24
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Total interest-bearing liabilities 5,998,135 78,988 1.76

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Non-interest-bearing liabilities:

Non-interest-bearing deposits	755,845		
Other liabilities	64,622		
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Total liabilities	6,818,602		

Shareholders' equity 904,005



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 Total liabilities and shareholders'  
 equity \$ 7,722,607  
 =====

Net interest revenue \$ 182,920  
 =====  
 Net interest-rate spread 3.33%  
 =====  
 Net interest margin (4) 3.56%  
 =====

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

(2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued and loans that are held for sale.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$32.4 million in 2011 and \$44.1 million in 2010 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.

For more information:

Rex S. Schuette

Chief Financial Officer

(706) 781-2266

Email Contact

Source: United Community Banks, Inc.

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