

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

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
January 19, 2012

United Community Banks, Inc.
(Exact name of registrant as specified in its charter)

Georgia
(State or other jurisdiction of
incorporation)

No. 001-35095
(Commission File Number)

No. 58-180-7304
(IRS Employer
Identification No.)

125 Highway 515 East, P.O. Box 398
Blairsville, Georgia 30512
(Address of principal executive offices)

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

Not applicable
(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))
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Item 2.02**Results of Operations and Financial Condition.**

On January 25, 2012, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter and year ended December 31, 2011 (the “News Release”). The News Release, including financial schedules, is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference. In connection with issuing the News Release, on January 26, 2012 at 11:00 a.m. EST, the Registrant intends to hold a conference call/webcast to discuss the News Release. In addition to the News Release, during the conference call the Registrant intends to discuss certain financial information contained in the December 31, 2011 Investor Presentation (the “Investor Presentation”), which will be posted to the Registrant’s website at www.ucbi.com. The Investor Presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and incorporated herein by reference.

The presentation of the Registrant’s financial results includes operating performance measures and core earnings measures, which are measures of performance determined by methods other than in accordance with generally accepted accounting principles, or GAAP. Management included non-GAAP operating performance and core earnings measures because it believes they are useful for evaluating the Registrant’s operations and performance over periods of time, and uses operating performance and core earnings measures in managing and evaluating the Registrant’s business and intends to refer to them in discussions about the Registrant’s operations and performance. Operating performance measures for the fourth quarter of 2010 exclude the effects of an \$11.75 million pre-tax partial recovery of a 2007 fraud loss and third quarter 2010 operating performance measures exclude the effects of a \$210.6 million non-cash goodwill impairment charge. These items have been excluded from operating performance measures because management believes the items are non-recurring in nature and do not reflect overall trends in the Registrant’s earnings. Additionally, core earnings measures exclude credit related costs such as the provision for loan losses, certain expenses and charges related to the Registrant’s 2011 asset disposition plans in the first quarter of 2011, the loss from the sale of nonperforming assets to Fletcher International, Ltd. in the second quarter of 2010 and foreclosed property expense, securities gains and losses, income taxes and other items of a non-recurring nature. Core earnings are useful in evaluating the underlying earnings performance trends of the Registrant. Management believes these non-GAAP performance measures may provide users of the Registrant’s financial information with a meaningful measure for assessing the Registrant’s financial results and comparing those financial results to prior periods.

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

Item 5.02**Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Arrangements of Certain Officers.**

On January 19, 2012, Peter E. Raskind resigned as a director of the Registrant and the Registrant’s wholly-owned subsidiary, United Community Bank (the “bank”), so he could pursue another opportunity as a director of a large financial institution. On that same date, the Registrant’s board of directors appointed Clifford V. Brokaw, Managing Director of Corsair Capital LLC and a director of Torus Insurance Holdings, to serve as a director of the Registrant following regulatory approval and the bank effective immediately. Mr. Brokaw was appointed to replace Mr. Raskind under the terms of an investment agreement the Registrant entered into with Corsair Georgia, L.P. as part of the Registrant’s previously announced \$380 million private placement.

Item 9.01

Financial Statements and Exhibits

- (a) Financial statements: None
 - (b) Pro forma financial information: None
 - (c) Exhibits:
 - 99.1 Press Release, dated January 25, 2012
 - 99.2 Investor Presentation, Fourth Quarter 2011
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SIGNATURES

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

UNITED COMMUNITY BANKS, INC.

By: /s/ Rex S. Schuette
Rex S. Schuette
Executive Vice President and
Chief Financial Officer

Date: January 25, 2012



For Immediate Release

For more information:

Rex S. Schuette

Chief Financial Officer

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**UNITED COMMUNITY BANKS, INC. REPORTS
EARNINGS OF \$9.9 MILLION FOR FOURTH QUARTER 2011**

- Net income of \$9.9 million, or 12 cents per share
- Loans stable with prior quarter, first time since March 2008
- Core transaction deposits up \$266 million, or 10 percent, for the year
- Nonperforming assets decline to \$160 million, or 2.3 percent of assets
- New director appointed

BLAIRSVILLE, GA – January 25, 2012 – United Community Banks, Inc. (NASDAQ: UCBI) today reported net income of \$9.9 million, or 12 cents per share, for the fourth quarter of 2011. The fourth quarter results included, among other items, a higher level of foreclosure costs reflecting an increase in sales activities, as well as the positive impact of a \$3.5 million reversal of a previously established reserve related to the settlement of a state tax dispute.

The 2011 net loss of \$227 million primarily reflects significant credit costs in the first quarter incurred in connection with United's problem asset disposition plan. The plan was executed in connection with raising \$380 million of new capital in March 2011.

"United is moving forward with a sound balance sheet and strong capital structure. This is beginning to be demonstrated in our financial results including the fourth quarter profit," stated Jimmy Tallent, United's president and chief executive officer. "Our core pre-tax, pre-credit earnings, excluding one-time items, were above the third quarter. We continued to dispose of problem assets aggressively. We believe the remaining credit challenges are manageable and while we are not invulnerable to the still-fragile economy, our expectation is continued profitability during 2012."

Total loans were \$4.1 billion at quarter-end, equal to third quarter and down \$494 million from a year earlier. "We have worked diligently to reverse the trend of declining loan balances, and achieved great progress toward that goal during 2011," stated Tallent. "The \$494 million decline included \$410 million in the first quarter, primarily from the bulk loan sale and de-risking of our balance sheet, which were strategic components of our problem asset disposition plan. We are now in a position to prudently rebuild our loan portfolio and grow net interest revenue and earnings. We are encouraged to have \$182 million of new loan commitments with \$147 million funded in the fourth quarter and \$542 million of new loan commitments with \$392 million funded in the full year. The majority were commercial loans."

The fourth quarter provision for loan losses was \$14 million, down from an operating provision of \$47.7 million a year ago which excluded a recovery of \$11.7 million related to a 2007 fraud-related loan charge-off. The third quarter 2011 provision for loan losses was \$36 million, including \$25 million specifically related to United's largest loan relationship.

Net charge-offs for the fourth quarter were \$45.6 million, compared to \$17.5 million for the third quarter and down from \$47.7 million in operating net charge-offs a year ago. Fourth quarter 2011 net charge-offs included the \$25 million charge-off related to a large loan relationship that was reserved for in the third quarter of 2011. Nonperforming assets decreased \$28 million during the fourth quarter to \$160 million at December 31, 2011, primarily related to this \$25 million partial charge-off.

"Nonperforming assets have been written down to levels that should allow for continued liquidation without significant losses," Tallent said. "Total nonperforming assets will continue to be impacted by our ability to liquidate foreclosed properties, and also could be affected by uneven levels of nonperforming loan inflows and charge-offs. Looking ahead, we expect our overall credit trends to improve during 2012, although not necessarily on a straight line."

Taxable equivalent net interest revenue of \$59.1 million declined slightly from the third quarter. Compared with the fourth quarter of 2010, net interest revenue declined \$1.1 million, primarily due to a decrease in interest revenue resulting from a \$593 million reduction in average loan balances. The effect of this reduction was significantly offset by lower interest expense due to reductions in deposit rates. Net interest margin was 3.51 percent for the fourth quarter of 2011, down seven basis points from a year ago and four basis points from the third quarter.

“Loan and deposit growth are key for increasing core earnings,” Tallent commented. “The weak economy has created a highly competitive environment for good, quality loans and recognizing this, we are gaining traction with the addition of seasoned lenders in key markets. We have had tremendous success attracting core transaction deposits – increasing the balance by \$266 million in 2011, or 10 percent, from a year ago and we remain sharply focused on growing core deposits. This focus continues in 2012.”

Fee revenue was \$12.7 million in the fourth quarter of 2011, compared to \$11.5 million in the third quarter and \$12.4 million a year ago. Service charges and fees were \$7.2 million, up \$209,000 from a year ago, due primarily to a \$434,000 increase in ATM and debit card revenue, which totaled \$3.0 million. However, these fees were partially offset by a \$295,000 decline in overdraft fees resulting from lower volumes. Mortgage fees of \$1.8 million were up \$677,000 from the third quarter and down \$43,000 from a year ago. The comparisons to prior periods are significantly influenced by the interest rate environment and refinancing activities.

Other fee revenue of \$2.8 million reflected an increase of \$828,000 from the third quarter of 2011, and an increase of \$51,000 from the fourth quarter of 2010. The increase from the third quarter was primarily due to the recognition of a \$728,000 gain from the sale of low-income housing tax credits, while the fourth quarter of 2010 included a similar gain. Also included in each period was the recognition of deferred gains relating to the ineffectiveness of terminated cash flow hedges on certain prime-based loans. Hedge ineffectiveness gains recognized in the fourth quarter were \$313,000, compared with \$575,000 in the third quarter and \$400,000 a year ago.

Excluding foreclosed property costs, fourth quarter 2011 operating expenses were \$41.8 million, down from the third quarter of 2011 and fourth quarter of 2010 by \$1.9 million and \$2.5 million, respectively. The decrease from the third quarter was mostly in salaries and employee benefits. The decrease from a year ago was mostly due to lower professional fees, a lower FDIC assessment and lower salaries and employee benefits.

Foreclosed property costs for the fourth quarter of 2011 were \$9.3 million as compared to \$2.8 million last quarter and \$20.6 million a year ago. The fourth quarter of 2011 included \$2.4 million for maintenance of foreclosed properties and \$6.9 million in net losses and write-downs on properties. For the third quarter of 2011, foreclosed property costs included \$1.8 million in maintenance and \$968,000 in net losses and write-downs. Fourth quarter 2010 costs included \$4.8 million in maintenance and \$15.8 million in net write-downs and losses.

The income tax benefit for the fourth quarter included the release of \$3.5 million from a previously established reserve for uncertain tax positions upon the settlement of a state tax dispute. United's third quarter tax benefit also included the release of approximately \$1.1 million in reserves for uncertain tax positions relating to state tax returns that have expired. Excluding these items, the tax provision for both periods was minimal due to the full deferred tax asset valuation allowance.

"Earlier this month we announced we would record a full valuation allowance for our net deferred tax asset, and that we would restate our previously filed financial reports going back to the fourth quarter of 2010," Tallent said. "This restatement results from an ongoing comment process with the SEC which we believe has now been resolved. While the comment process outcome was disappointing, it had no effect on our positive momentum and outlook."

Tallent continued, "The full valuation allowance results from a difference in judgment regarding the weighting of evidence supporting our deferred tax asset. We are now placing more weight on the objective negative evidence represented by our recent cumulative losses rather than the more subjective positive evidence represented by our future earnings forecasts. Once we have achieved sustained profitability and improved credit performance such that the weighting of the evidence shifts, we would expect to be able to reverse the valuation allowance. At December 31, 2011, the \$268 million valuation allowance reduced Tangible Book Value per share by \$4.65 and Tangible Common Equity-to-Assets ratio by approximately 2.83 percent."

As of December 31, 2011, capital ratios for United were as follows: Tier 1 Risk-Based of 13.6 percent; Tier 1 Leverage of 8.8 percent; and Total Risk-Based of 15.4 percent. The Tier 1 Common Risk-Based ratio was 8.2 and the Tangible Common Equity-to-Assets ratio was 5.4 percent.

United also reported today that Clifford V. Brokaw, a managing director of Corsair Capital LLC, United's largest shareholder, has been named to its board of directors, subject to regulatory approval, and to its wholly owned subsidiary, United Community Bank. Brokaw succeeds Corsair Capital's previous board appointee, Peter Raskind, who is expected to be named a director of one of the nation's largest banks. Under regulatory requirements he is unable to serve as a board member simultaneously on more than one large bank holding company or bank board. In addition to Corsair, Brokaw has been a managing director of the financial institutions group at Goldman Sachs & Co, worked in the mergers and acquisitions group of J.P. Morgan, and is a director of Torus Insurance Holdings.

"We are delighted to have Cliff join our board," Tallent said. "He has already been a valuable source for guidance and direction as a board observer over the past nine months, and we look forward to his counsel in an official capacity going forward."

Conference Call

United will hold a conference call today, Thursday, January 26, 2012, 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 41622107. The conference call also will be webcast and can be accessed by selecting 'Calendar of Events' within the Investor Relations section of the United's website at www.ucbi.com.

About United Community Banks, Inc.

Headquartered in Blairsville, United Community Banks, Inc. is the third-largest bank holding company in Georgia. United has assets of \$7.0 billion and operates 27 community banks with 106 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina and east Tennessee. United specializes in providing personalized community banking services to individuals and small to mid-size businesses and also offers the convenience of 24-hour access through a network of ATMs, telephone and on-line banking. United's common stock is listed on the Nasdaq Global Select Market under the symbol UCBI. Additional information may be found at United'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 United's financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United's filings with the Securities and Exchange Commission including its 2010 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q for the periods ended June 30, 2011 and September 30, 2011 under the sections entitled "Forward-Looking Statements" and "Risk Factors" and in United's Current Reports on Form 8-K. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

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UNITED COMMUNITY BANKS, INC.
Financial Highlights
Selected Financial Information

(in thousands, except per share data; taxable equivalent)	2011				2010	Fourth Quarter	For the Twelve Months Ended		YTD
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2011-2010	2011	2010	2011-2010
						Change			Change
INCOME SUMMARY									
Interest revenue	\$ 71,905	\$ 74,543	\$ 76,931	\$ 75,965	\$ 81,215		\$ 299,344	\$ 343,123	
Interest expense	12,855	15,262	17,985	19,573	21,083		65,675	100,071	
Net interest revenue	59,050	59,281	58,946	56,392	60,132	(2) %	233,669	243,052	(4) %
Operating provision for loan losses (1)	14,000	36,000	11,000	190,000	47,750		251,000	234,750	
Fee revenue (2)	12,667	11,498	13,905	11,838	12,442	2	49,908	48,548	3
Total operating revenue (1)(2)	57,717	34,779	61,851	(121,770)	24,824		32,577	56,850	
Operating expenses (3)	51,080	46,520	48,728	115,271	64,918	(21)	261,599	242,952	8
Loss on sale of nonperforming assets	-	-	-	-	-		-	45,349	
Operating income (loss) from continuing operations before income taxes	6,637	(11,741)	13,123	(237,041)	(40,094)		(229,022)	(231,451)	
Operating income tax expense (benefit)	(3,264)	(402)	1,095	295	144,760		(2,276)	73,218	
Net operating income (loss) from continuing operations (1)(2)(3)	9,901	(11,339)	12,028	(237,336)	(184,854)		(226,746)	(304,669)	
Noncash goodwill impairment charges	-	-	-	-	-		-	(210,590)	
Partial reversal of fraud loss provision	-	-	-	-	11,750		-	11,750	
Loss from discontinued operations	-	-	-	-	-		-	(101)	
Gain from sale of subsidiary	-	-	-	-	-		-	1,266	
Net income (loss)	9,901	(11,339)	12,028	(237,336)	(173,104)		(226,746)	(502,344)	
Preferred dividends and discount accretion	3,025	3,019	3,016	2,778	2,586		11,838	10,316	
Net income (loss) available to common shareholders	\$ 6,876	\$ (14,358)	\$ 9,012	\$ (240,114)	\$ (175,690)		\$ (238,584)	\$ (512,660)	
PERFORMANCE MEASURES									
Per common share:									
Diluted operating income (loss) from continuing operations (1)(2)(3)	\$.12	\$ (.25)	\$.16	\$ (13.00)	\$ (9.87)		\$ (5.97)	\$ (16.64)	
Diluted income (loss) from continuing operations	.12	(.25)	.16	(13.00)	(9.25)		(5.97)	(27.15)	
Diluted income (loss)	.12	(.25)	.16	(13.00)	(9.25)		(5.97)	(27.09)	
Book value	6.62	6.77	7.11	2.20	15.40		6.62	15.40	(57)
Tangible book value (5)	6.47	6.61	6.94	1.69	14.80	(56)	6.47	14.80	(56)
Key performance ratios:									
Return on equity (4)(6)	7.40%	(15.06) %	42.60%	(526.54) %	(196.10) %		(93.57) %	(85.08) %	
Return on assets (6)	.56	(.64)	.66	(13.04)	(9.47)		(3.15)	(6.61)	
Net interest margin (6)	3.51	3.55	3.41	3.30	3.58		3.44	3.56	
Operating efficiency ratio from continuing operations (2)(3)	71.23	65.73	66.88	169.08	89.45		92.27	98.98	
Equity to assets	8.28	8.55	8.06	6.15	7.80		7.75	10.77	
Tangible equity to assets (5)	8.16	8.42	7.93	6.01	7.64		7.62	8.88	
Tangible common equity to assets (5)	5.38	5.65	1.37	2.70	5.22		3.74	6.52	
Tangible common equity to risk-weighted assets (5)	8.22	8.52	8.69	.75	5.64		8.22	5.64	
ASSET QUALITY *									
Non-performing loans	\$ 127,479	\$ 144,484	\$ 71,065	\$ 83,769	\$ 179,094		\$ 127,479	\$ 179,094	
Foreclosed properties	32,859	44,263	47,584	54,378	142,208		32,859	142,208	
Total non-performing assets (NPAs)	160,338	188,747	118,649	138,147	321,302		160,338	321,302	
Allowance for loan losses	114,468	146,092	127,638	133,121	174,695		114,468	174,695	
Operating net charge-offs (1)	45,624	17,546	16,483	231,574	47,668		311,227	215,657	
Allowance for loan losses to loans	2.79%	3.55%	3.07%	3.17%	3.79%		2.79%	3.79%	
Operating net charge-offs to average loans (1)(6)	4.39	1.68	1.58	20.71	4.03		7.33	4.42	
NPAs to loans and foreclosed properties	3.87	4.54	2.82	3.25	6.77		3.87	6.77	
NPAs to total assets	2.30	2.74	1.66	1.79	4.42		2.30	4.42	
AVERAGE BALANCES (\$ in millions)									
Loans	\$ 4,175	\$ 4,194	\$ 4,266	\$ 4,599	\$ 4,768	(12)	\$ 4,307	\$ 4,961	(13)
Investment securities	2,141	2,150	2,074	1,625	1,354	58	1,999	1,453	38
Earning assets	6,688	6,630	6,924	6,902	6,680	-	6,785	6,822	(1)
Total assets	7,019	7,000	7,363	7,379	7,254	(3)	7,189	7,605	(5)
Deposits	6,115	6,061	6,372	6,560	6,294	(3)	6,275	6,373	(2)
Shareholders' equity	581	598	594	454	566	3	557	819	(32)
Common shares - basic (thousands)	57,646	57,599	25,427	18,466	18,984		39,943	18,925	
Common shares - diluted (thousands)	57,646	57,599	57,543	18,466	18,984		39,943	18,925	
AT PERIOD END (\$ in millions)									
Loans *	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	\$ 4,604	(11)	\$ 4,110	\$ 4,604	(11)
Investment securities	2,120	2,123	2,188	1,884	1,490	42	2,120	1,490	42
Total assets	6,983	6,894	7,152	7,709	7,276	(4)	6,983	7,276	(4)
Deposits	6,098	6,005	6,183	6,598	6,469	(6)	6,098	6,469	(6)
Shareholders' equity	575	583	603	586	469	23	575	469	23
Common shares outstanding (thousands)	57,561	57,510	57,469	20,903	18,937		57,561	18,937	

(1) Excludes the partial reversal of a previously established provision for fraud-related loan losses of \$11.8 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.
Selected Financial Information
For the Years Ended December 31,
(in thousands, except per share data; taxable equivalent)

	2011	2010	2009	2008	2007
INCOME SUMMARY					
Net interest revenue	\$ 233,669	\$ 243,052	\$ 245,227	\$ 238,704	\$ 274,483
Operating provision for loan losses ⁽¹⁾	251,000	234,750	310,000	184,000	37,600
Operating fee revenue ⁽²⁾	49,908	48,548	50,964	46,081	53,701
Total operating revenue ⁽¹⁾⁽²⁾	32,577	56,850	(13,809)	100,785	290,584
Operating expenses ⁽³⁾	261,599	242,952	217,050	200,335	181,730
Loss on sale of nonperforming assets	-	45,349	-	-	-
Operating (loss) income from continuing operations before taxes	(229,022)	(231,451)	(230,859)	(99,550)	108,854
Operating income taxes	(2,276)	73,218	(91,754)	(35,651)	40,266
Net operating (loss) income from continuing operations	(226,746)	(304,669)	(139,105)	(63,899)	68,588
Gain from acquisition, net of tax	-	-	7,062	-	-
Noncash goodwill impairment charges	-	(210,590)	(95,000)	-	-
Severance cost, net of tax benefit	-	-	(1,797)	-	-
Fraud loss provision and subsequent recovery, net of tax benefit	-	11,750	-	-	(10,998)
Net (loss) income from discontinued operations	-	(101)	513	449	403
Gain from sale of subsidiary, net of income taxes and selling costs	-	1,266	-	-	-
Net (loss) income	(226,746)	(502,344)	(228,327)	(63,450)	57,993
Preferred dividends and discount accretion	11,838	10,316	10,242	724	18
Net (loss) income available to common shareholders	\$ (238,584)	\$ (512,660)	\$ (238,569)	\$ (64,174)	\$ 57,975

PERFORMANCE MEASURES

Per common share:

Diluted operating (loss) earnings from continuing operations ⁽¹⁾⁽²⁾⁽³⁾	\$ (5.97)	\$ (16.64)	\$ (12.37)	\$ (6.82)	\$ 7.36
Diluted (loss) earnings from continuing operations	(5.97)	(27.15)	(19.80)	(6.82)	6.18
Diluted (loss) earnings	(5.97)	(27.09)	(19.76)	(6.77)	6.22
Cash dividends declared (rounded)	-	-	-	.87	1.73
Stock dividends declared ⁽⁶⁾	-	-	3 for 130	2 for 130	-
Book value	6.62	15.40	41.78	84.75	88.52
Tangible book value ⁽⁵⁾	6.47	14.80	30.09	51.93	54.62

Key performance ratios:

Return on equity ⁽⁴⁾	(93.57) %	(85.08) %	(34.40) %	(7.82) %	7.79 %
Return on assets	(3.15)	(6.61)	(2.76)	(.76)	.75
Net interest margin	3.44	3.56	3.29	3.18	3.88
Operating efficiency ratio from continuing operations ⁽²⁾⁽³⁾	92.27	98.98	73.97	70.00	55.53
Equity to assets	7.75	10.77	11.12	10.22	9.61
Tangible equity to assets ⁽⁵⁾	7.62	8.88	8.33	6.67	6.63
Tangible common equity to assets ⁽⁵⁾	3.74	6.52	6.15	6.57	6.63
Tangible common equity to risk-weighted assets ⁽⁵⁾	8.22	5.64	10.39	8.34	8.21

ASSET QUALITY *

Non-performing loans	\$ 127,479	\$ 179,094	\$ 264,092	\$ 190,723	\$ 28,219
Foreclosed properties	32,859	142,208	120,770	59,768	18,039
Total non-performing assets (NPAs)	160,338	321,302	384,862	250,491	46,258
Allowance for loan losses	114,468	174,695	155,602	122,271	89,423
Operating net charge-offs ⁽¹⁾	311,227	215,657	276,669	151,152	21,834
Allowance for loan losses to loans	2.79%	3.79%	3.02%	2.14%	1.51%
Operating net charge-offs to average loans ⁽¹⁾	7.33	4.42	5.03	2.57	.38
NPAs to loans and foreclosed properties	3.87	6.77	7.30	4.35	.78
NPAs to total assets	2.30	4.42	4.81	2.92	.56

AVERAGE BALANCES (\$ in millions)

Loans	\$ 4,307	\$ 4,961	\$ 5,548	\$ 5,891	\$ 5,735
Investment securities	1,999	1,453	1,656	1,489	1,278
Earning assets	6,785	6,822	7,465	7,504	7,071
Total assets	7,189	7,605	8,269	8,319	7,731
Deposits	6,275	6,373	6,713	6,524	6,029
Shareholders' equity	557	819	920	850	743
Common shares - Basic (thousands)	39,943	18,925	12,075	9,474	9,190
Common shares - Diluted (thousands)	39,943	18,925	12,075	9,474	9,319

AT YEAR END (\$ in millions)

Loans *	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929
Investment securities	2,120	1,490	1,530	1,617	1,357
Total assets	6,983	7,276	8,000	8,592	8,207
Deposits	6,098	6,469	6,628	7,004	6,076
Shareholders' equity	575	469	962	989	832
Common shares outstanding (thousands)	57,561	18,937	18,809	9,602	9,381

⁽¹⁾ Excludes pre-tax provision for fraud-related loan losses and related charge-offs of \$18 million, net of income tax benefit of \$7 million in 2007 and subsequent recovery of \$11.8 million in 2010. ⁽²⁾ Excludes the gain from acquisition of \$11.4 million, net of income tax expense of \$4.3 million in 2009. ⁽³⁾ Excludes the goodwill impairment charges of \$211 million and \$95 million in 2010 and 2009, respectively, and severance costs of \$2.9 million, net of income tax benefit of \$1.1 million in 2009. ⁽⁴⁾ Net (loss) income 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⁾ Number of new shares issued for shares currently held.

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

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

(in thousands, except per share data; taxable equivalent)	2011				2010	For the Twelve Months Ended				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2011	2010	2009	2008	2007
Interest revenue reconciliation										
Interest revenue - taxable equivalent	\$ 71,905	\$ 74,543	\$ 76,931	\$ 75,965	\$ 81,215	\$ 299,344	\$ 343,123	\$ 404,961	\$ 466,969	\$ 550,917
Taxable equivalent adjustment	(423)	(420)	(429)	(435)	(497)	(1,707)	(2,001)	(2,132)	(2,261)	(1,881)
Interest revenue (GAAP)	\$ 71,482	\$ 74,123	\$ 76,502	\$ 75,530	\$ 80,718	\$ 297,637	\$ 341,122	\$ 402,829	\$ 464,708	\$ 549,036
Net interest revenue reconciliation										
Net interest revenue - taxable equivalent	\$ 59,050	\$ 59,281	\$ 58,946	\$ 56,392	\$ 60,132	\$ 233,669	\$ 243,052	\$ 245,227	\$ 238,704	\$ 274,483
Taxable equivalent adjustment	(423)	(420)	(429)	(435)	(497)	(1,707)	(2,001)	(2,132)	(2,261)	(1,881)
Net interest revenue (GAAP)	\$ 58,627	\$ 58,861	\$ 58,517	\$ 55,957	\$ 59,635	\$ 231,962	\$ 241,051	\$ 243,095	\$ 236,443	\$ 272,602
Provision for loan losses reconciliation										
Operating provision for loan losses	\$ 14,000	\$ 36,000	\$ 11,000	\$ 190,000	\$ 47,750	\$ 251,000	\$ 234,750	\$ 310,000	\$ 184,000	\$ 37,600
Provision for special fraud-related loan loss and partial recovery	-	-	-	-	(11,750)	-	(11,750)	-	-	18,000
Provision for loan losses (GAAP)	\$ 14,000	\$ 36,000	\$ 11,000	\$ 190,000	\$ 36,000	\$ 251,000	\$ 223,000	\$ 310,000	\$ 184,000	\$ 55,600
Fee revenue reconciliation										
Operating fee revenue	\$ 12,667	\$ 11,498	\$ 13,905	\$ 11,838	\$ 12,442	\$ 49,908	\$ 48,548	\$ 50,964	\$ 46,081	\$ 53,701
Gain from acquisition	-	-	-	-	-	-	-	11,390	-	-
Fee revenue (GAAP)	\$ 12,667	\$ 11,498	\$ 13,905	\$ 11,838	\$ 12,442	\$ 49,908	\$ 48,548	\$ 62,354	\$ 46,081	\$ 53,701
Total revenue reconciliation										
Total operating revenue	\$ 57,717	\$ 34,779	\$ 61,851	\$ (121,770)	\$ 24,824	\$ 32,577	\$ 56,850	\$ (13,809)	\$ 100,785	\$ 290,584
Taxable equivalent adjustment	(423)	(420)	(429)	(435)	(497)	(1,707)	(2,001)	(2,132)	(2,261)	(1,881)
Gain from acquisition	-	-	-	-	-	-	-	11,390	-	-
Provision for special fraud-related loan loss and partial recovery	-	-	-	-	11,750	-	11,750	-	-	(18,000)
Total revenue (GAAP)	\$ 57,294	\$ 34,359	\$ 61,422	\$ (122,205)	\$ 36,077	\$ 30,870	\$ 66,599	\$ (4,551)	\$ 98,524	\$ 270,703
Expense reconciliation										
Operating expense	\$ 51,080	\$ 46,520	\$ 48,728	\$ 115,271	\$ 64,918	\$ 261,599	\$ 288,301	\$ 217,050	\$ 200,335	\$ 181,730
Noncash goodwill impairment charge	-	-	-	-	-	-	210,590	95,000	-	-
Severance costs	-	-	-	-	-	-	-	2,898	-	-
Operating expense (GAAP)	\$ 51,080	\$ 46,520	\$ 48,728	\$ 115,271	\$ 64,918	\$ 261,599	\$ 498,891	\$ 314,948	\$ 200,335	\$ 181,730
Income (loss) from continuing operations before taxes reconciliation										
Operating income (loss) from continuing operations before taxes	\$ 6,637	\$ (11,741)	\$ 13,123	\$ (237,041)	\$ (40,094)	\$ (229,022)	\$ (231,451)	\$ (230,859)	\$ (99,550)	\$ 108,854
Taxable equivalent adjustment	(423)	(420)	(429)	(435)	(497)	(1,707)	(2,001)	(2,132)	(2,261)	(1,881)
Gain from acquisition	-	-	-	-	-	-	-	11,390	-	-
Noncash goodwill impairment charge	-	-	-	-	-	-	(210,590)	(95,000)	-	-
Severance costs	-	-	-	-	-	-	-	(2,898)	-	-
Provision for special fraud-related loan loss and partial recovery	-	-	-	-	11,750	-	11,750	-	-	(18,000)
Income (loss) from continuing operations before taxes (GAAP)	\$ 6,214	\$ (12,161)	\$ 12,694	\$ (237,476)	\$ (28,841)	\$ (230,729)	\$ (432,292)	\$ (319,499)	\$ (101,811)	\$ 88,973
Income tax (benefit) expense reconciliation										
Operating income tax (benefit) expense	\$ (3,264)	\$ (402)	\$ 1,095	\$ 295	\$ 144,760	\$ (2,276)	\$ 73,218	\$ (91,754)	\$ (35,651)	\$ 40,266
Taxable equivalent adjustment	(423)	(420)	(429)	(435)	(497)	(1,707)	(2,001)	(2,132)	(2,261)	(1,881)
Gain from acquisition, tax expense	-	-	-	-	-	-	-	4,328	-	-
Severance costs, tax benefit	-	-	-	-	-	-	-	(1,101)	-	-
Provision for special fraud-related loan loss tax benefit	-	-	-	-	-	-	-	-	-	(7,002)
Income tax (benefit) expense (GAAP)	\$ (3,687)	\$ (822)	\$ 666	\$ (140)	\$ 144,263	\$ (3,983)	\$ 71,217	\$ (90,659)	\$ (37,912)	\$ 31,383
Diluted earnings (loss) from continuing operations per common share reconciliation										
Diluted operating earnings (loss) from continuing operations per common share	\$.12	\$ (.25)	\$.16	\$ (13.00)	\$ (9.87)	\$ (5.97)	\$ (16.64)	\$ (12.37)	\$ (6.82)	\$ 7.36
Gain from acquisition	-	-	-	-	-	-	-	.58	-	-
Noncash goodwill impairment charge	-	-	-	-	-	-	(11.13)	(7.86)	-	-
Severance costs	-	-	-	-	-	-	-	(.15)	-	-
Provision for special fraud-related loan loss and partial recovery	-	-	-	-	.62	-	.62	-	-	(1.18)
Diluted earnings (loss) from continuing operations per common share (GAAP)	\$.12	\$ (.25)	\$.16	\$ (13.00)	\$ (9.25)	\$ (5.97)	\$ (27.15)	\$ (19.80)	\$ (6.82)	\$ 6.18
Book value per common share reconciliation										
Tangible book value per common share	\$ 6.47	\$ 6.61	\$ 6.94	\$ 1.69	\$ 14.80	\$ 6.47	\$ 14.80	\$ 30.09	\$ 51.93	\$ 54.62
Effect of goodwill and other intangibles	.15	.16	.17	.51	.60	.15	.60	11.69	32.82	33.90
Book value per common share (GAAP)	\$ 6.62	\$ 6.77	\$ 7.11	\$ 2.20	\$ 15.40	\$ 6.62	\$ 15.40	\$ 41.78	\$ 84.75	\$ 88.52
Efficiency ratio from continuing operations reconciliation										
Operating efficiency ratio from continuing operations	71.23%	65.73%	66.88%	169.08%	89.45%	92.27%	98.98%	73.97%	70.00%	55.53%
Gain from acquisition	-	-	-	-	-	-	(2.77)	-	-	-
Noncash goodwill impairment charge	-	-	-	-	-	-	72.29	31.17	-	-
Severance costs	-	-	-	-	-	-	-	.95	-	-
Efficiency ratio from continuing operations (GAAP)	71.23%	65.73%	66.88%	169.08%	89.45%	92.27%	171.27%	103.32%	70.00%	55.53%
Average equity to assets reconciliation										
Tangible common equity to assets	5.38%	5.65%	1.37%	2.70%	5.22%	3.74%	6.52%	6.15%	6.57%	6.63%
Effect of preferred equity	2.78	2.77	6.56	3.31	2.42	3.88	2.36	2.18	.10	-
Tangible equity to assets	8.16	8.42	7.93	6.01	7.64	7.62	8.88	8.33	6.67	6.63
Effect of goodwill and other intangibles	.12	.13	.13	.14	.16	.13	1.89	2.79	3.55	2.98
Equity to assets (GAAP)	8.28%	8.55%	8.06%	6.15%	7.80%	7.75%	10.77%	11.12%	10.22%	9.61%
Actual tangible common equity to risk-weighted assets reconciliation										
Tangible common equity to risk-weighted assets	8.22%	8.52%	8.69%	.75%	5.64%	8.22%	5.64%	10.39%	8.34%	8.21%
Effect of other comprehensive income	(.03)	(.29)	(.42)	(.32)	(.42)	(.03)	(.42)	(.87)	(.91)	(.23)
Effect of deferred tax limitation	-	-	-	-	-	-	-	(1.27)	-	-
Effect of trust preferred	1.18	1.19	1.15	1.13	1.06	1.18	1.06	.97	.88	.65
Effect of preferred equity	4.27	4.33	4.20	5.87	3.53	4.27	3.53	3.19	2.90	-
Tier 1 capital ratio (Regulatory)	13.64%	13.75%	13.62%	7.43%	9.81%	13.64%	9.81%	12.41%	11.21%	8.63%
Net charge-offs reconciliation										
Operating net charge-offs	\$ 45,624	\$ 17,546	\$ 16,483	\$ 231,574	\$ 47,668	\$ 311,227	\$ 215,657	\$ 276,669	\$ 151,152	\$ 21,834
Subsequent partial recovery of fraud-related charge-off	-	-	-	-	(11,750)	-	(11,750)	-	-	18,000
Net charge-offs (GAAP)	\$ 45,624	\$ 17,546	\$ 16,483	\$ 231,574	\$ 35,918	\$ 311,227	\$ 203,907	\$ 276,669	\$ 151,152	\$ 39,834
Net charge-offs to average loans reconciliation										
Operating net charge-offs to average loans	4.39%	1.68%	1.58%	20.71%	4.03%	7.33%	4.42%	5.03%	2.57%	.38%
Subsequent partial recovery of fraud-related charge-off	-	-	-	-	(1.00)	-	(.25)	-	-	.31
Net charge-offs to average loans (GAAP)	4.39%	1.68%	1.58%	20.71%	3.03%	7.33%	4.17%	5.03%	2.57%	.69%

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Loan Portfolio Composition at Period-End ⁽¹⁾

<i>(in millions)</i>	2011				2010	Linked Quarter Change	Year over Year Change
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter		
LOANS BY CATEGORY							
Commercial (sec.by RE)	\$ 1,822	\$ 1,771	\$ 1,742	\$ 1,692	\$ 1,761	\$ 51	\$ 61
Commercial construction	164	169	195	213	297	(5)	(133)
Commercial & industrial	428	429	428	431	441	(1)	(13)
Total commercial	2,414	2,369	2,365	2,336	2,499	45	(85)
Residential construction	448	474	502	550	695	(26)	(247)
Residential mortgage	1,135	1,150	1,177	1,187	1,279	(15)	(144)
Consumer / installment	113	117	119	121	131	(4)	(18)
Total loans	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	\$ 4,604	-	(494)
LOANS BY MARKET							
Atlanta MSA	\$ 1,220	\$ 1,192	\$ 1,188	\$ 1,179	\$ 1,310	28	(90)
Gainesville MSA	265	272	275	282	312	(7)	(47)
North Georgia	1,426	1,478	1,500	1,531	1,689	(52)	(263)
Western North Carolina	597	607	626	640	702	(10)	(105)
Coastal Georgia	346	316	325	312	335	30	11
East Tennessee	256	245	249	250	256	11	-
Total loans	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	\$ 4,604	-	(494)
RESIDENTIAL CONSTRUCTION							
Dirt loans							
Acquisition & development	\$ 88	\$ 97	\$ 105	\$ 116	\$ 174	(9)	(86)
Land loans	61	60	62	69	99	1	(38)
Lot loans	207	216	218	228	275	(9)	(68)
Total	356	373	385	413	548	(17)	(192)
House loans							
Spec	59	64	74	88	97	(5)	(38)
Sold	33	37	43	49	50	(4)	(17)
Total	92	101	117	137	147	(9)	(55)
Total residential construction	\$ 448	\$ 474	\$ 502	\$ 550	\$ 695	(26)	(247)
RESIDENTIAL CONSTRUCTION - ATLANTA MSA							
Dirt loans							
Acquisition & development	\$ 17	\$ 19	\$ 20	\$ 22	\$ 30	(2)	(13)
Land loans	14	15	16	19	23	(1)	(9)
Lot loans	22	22	22	24	32	-	(10)
Total	53	56	58	65	85	(3)	(32)
House loans							
Spec	27	28	30	34	38	(1)	(11)
Sold	6	8	9	11	10	(2)	(4)
Total	33	36	39	45	48	(3)	(15)
Total residential construction	\$ 86	\$ 92	\$ 97	\$ 110	\$ 133	(6)	(47)

⁽¹⁾ Excludes total loans of \$54.5 million, \$57.8 million, \$70.8 million, \$63.3 million and \$68.2 million as of December 31, 2011, September 30, 2011, June 30, 2011, March 31, 2011 and December 31, 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 Year-End ⁽¹⁾

<i>(in millions)</i>	2011	2010	2009	2008	2007
LOANS BY CATEGORY					
Commercial (sec. by RE)	\$ 1,822	\$ 1,761	\$ 1,779	\$ 1,627	\$ 1,476
Commercial construction	164	297	363	500	527
Commercial & industrial	428	441	390	410	418
Total commercial	2,414	2,499	2,532	2,537	2,421
Residential construction	448	695	1,050	1,479	1,829
Residential mortgage	1,135	1,279	1,427	1,526	1,502
Consumer / installment	113	131	142	163	177
Total loans	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929
LOANS BY MARKET					
Atlanta MSA	\$ 1,220	\$ 1,310	\$ 1,435	\$ 1,706	\$ 2,002
Gainesville MSA	265	312	390	420	399
North Georgia	1,426	1,689	1,884	2,040	2,060
Western North Carolina	597	702	772	810	806
Coastal Georgia	346	335	405	464	416
East Tennessee	256	256	265	265	246
Total loans	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929

⁽¹⁾ Excludes total loans of \$54.5 million, \$68.2 million and \$85.1 million as of December 31, 2011, 2010 and 2009, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

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

(in thousands)	Fourth Quarter 2011			Third Quarter 2011			Second Quarter 2011		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY									
Commercial (sec.by RE)	\$ 27,322	\$ 9,745	\$ 37,067	\$ 21,998	\$ 8,880	\$ 30,878	\$ 17,764	\$ 6,796	\$ 24,560
Commercial construction	16,655	3,336	19,991	11,370	5,862	17,232	2,782	6,764	9,546
Commercial & industrial	34,613	-	34,613	53,009	-	53,009	1,998	-	1,998
Total commercial	78,590	13,081	91,671	86,377	14,742	101,119	22,544	13,560	36,104
Residential construction	25,523	12,851	38,374	34,472	21,561	56,033	22,643	24,968	47,611
Residential mortgage	22,358	6,927	29,285	22,671	7,960	30,631	24,809	9,056	33,865
Consumer / installment	1,008	-	1,008	964	-	964	1,069	-	1,069
Total NPAs	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649
Balance as a % of Unpaid Principal	71.3%	35.9%	59.3%	77.8%	33.4%	59.3%	64.5%	32.6%	46.3%
NPAs BY MARKET									
Atlanta MSA	\$ 14,480	\$ 6,169	\$ 20,649	\$ 13,350	\$ 12,971	\$ 26,321	\$ 14,700	\$ 11,239	\$ 25,939
Gainesville MSA	2,069	3,760	5,829	5,311	2,495	7,806	4,505	3,174	7,679
North Georgia	88,600	15,136	103,736	105,078	17,467	122,545	28,117	21,278	49,395
Western North Carolina	15,100	5,365	20,465	13,243	7,941	21,184	15,153	8,953	24,106
Coastal Georgia	5,248	1,620	6,868	5,600	2,354	7,954	5,357	2,564	7,921
East Tennessee	1,982	809	2,791	1,902	1,035	2,937	3,233	376	3,609
Total NPAs	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649
NPA ACTIVITY									
Beginning Balance	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649	\$ 83,769	\$ 54,378	\$ 138,147
Loans placed on non-accrual	45,675	-	45,675	103,365	-	103,365	35,911	-	35,911
Payments received	(1,884)	-	(1,884)	(3,995)	-	(3,995)	(7,702)	-	(7,702)
Loan charge-offs	(44,757)	-	(44,757)	(15,335)	-	(15,335)	(18,888)	-	(18,888)
Foreclosures	(16,039)	16,039	-	(10,616)	10,616	-	(22,025)	22,025	-
Capitalized costs	-	141	141	-	818	818	-	20	20
Note / property sales	-	(20,651)	(20,651)	-	(13,787)	(13,787)	-	(28,939)	(28,939)
Write downs	-	(3,893)	(3,893)	-	(1,772)	(1,772)	-	(3,118)	(3,118)
Net gains (losses) on sales	-	(3,040)	(3,040)	-	804	804	-	3,218	3,218
Ending Balance	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649

(in thousands)	Fourth Quarter 2011		Third Quarter 2011		Second Quarter 2011 ⁽²⁾	
	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽³⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽³⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽³⁾
NET CHARGE-OFFS BY CATEGORY						
Commercial (sec.by RE)	\$ 4,962	1.09%	\$ 2,192	.50%	\$ 3,259	.76%
Commercial construction	3,318	7.88	1,625	3.54	869	1.70
Commercial & industrial	18,940	17.47	420	.39	523	.49
Total commercial	27,220	4.51	4,237	.71	4,651	.79
Residential construction	12,090	10.36	6,381	5.19	6,629	5.04
Residential mortgage	5,887	2.04	6,110	2.09	4,589	1.55
Consumer / installment	427	1.47	818	2.75	614	2.04
Total	\$ 45,624	4.39	\$ 17,546	1.68	\$ 16,483	1.58
NET CHARGE-OFFS BY MARKET						
Atlanta MSA	\$ 4,195	1.37%	\$ 2,813	.94%	\$ 2,920	.99%
Gainesville MSA	2,572	3.84	1,804	2.64	2,318	3.36
North Georgia	34,970	9.46	8,124	2.16	6,575	1.72
Western North Carolina	3,180	2.10	3,608	2.31	3,522	2.21
Coastal Georgia	335	.41	709	.88	815	1.02
East Tennessee	372	.59	488	.78	333	.54
Total	\$ 45,624	4.39	\$ 17,546	1.68	\$ 16,483	1.58

⁽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⁾ 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.

⁽³⁾ Annualized.

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Net Charge-Off Summary⁽¹⁾

	Second Quarter 2011			First Quarter 2011			First Six Months 2011		
	Other	Problem Asset Disposition Plan	Total	Other	Problem Asset Disposition Plan	Total	Other	Problem Asset Disposition Plan	Total
<i>(in thousands)</i>									
BY CATEGORY									
Commercial (sec. by RE)	\$ 4,972	\$ (1,713)	\$ 3,259	\$ 2,842	\$ 45,765	\$ 48,607	\$ 7,814	\$ 44,052	\$ 51,866
Commercial construction	2,201	(1,332)	869	1,146	48,569	49,715	3,347	47,237	50,584
Commercial & industrial	639	(116)	523	513	3,527	4,040	1,152	3,411	4,563
Total commercial	7,812	(3,161)	4,651	4,501	97,861	102,362	12,313	94,700	107,013
Residential construction	9,471	(2,842)	6,629	10,643	81,495	92,138	20,114	78,653	98,767
Residential mortgage	5,844	(1,255)	4,589	4,989	31,394	36,383	10,833	30,139	40,972
Consumer / installment	625	(11)	614	383	308	691	1,008	297	1,305
Total	\$ 23,752	\$ (7,269)	\$ 16,483	\$ 20,516	\$ 211,058	\$ 231,574	\$ 44,268	\$ 203,789	\$ 248,057
BY MARKET									
Atlanta MSA	\$ 4,875	\$ (1,955)	\$ 2,920	\$ 3,296	\$ 53,193	\$ 56,489	\$ 8,171	\$ 51,238	\$ 59,409
Gainesville MSA	2,576	(258)	2,318	954	7,662	8,616	3,530	7,404	10,934
North Georgia	10,360	(3,785)	6,575	8,544	114,761	123,305	18,904	110,976	129,880
Western North Carolina	4,263	(741)	3,522	6,749	19,698	26,447	11,012	18,957	29,969
Coastal Georgia	1,206	(391)	815	341	11,662	12,003	1,547	11,271	12,818
East Tennessee	472	(139)	333	632	4,082	4,714	1,104	3,943	5,047
Total	\$ 23,752	\$ (7,269)	\$ 16,483	\$ 20,516	\$ 211,058	\$ 231,574	\$ 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 December 31,		Twelve Months Ended December 31,	
	2011	2010	2011	2010
<i>(in thousands, except per share data)</i>				
Interest revenue:				
Loans, including fees	\$ 57,697	\$ 66,659	\$ 239,056	\$ 277,904
Investment securities, including tax exempt of \$255, \$251, \$1,009 and \$1,137	13,296	13,215	56,260	59,958
Federal funds sold, commercial paper and deposits in banks	489	844	2,321	3,260
Total interest revenue	<u>71,482</u>	<u>80,718</u>	<u>297,637</u>	<u>341,122</u>
Interest expense:				
Deposits:				
NOW	807	1,662	3,998	6,966
Money market	800	2,036	5,456	7,552
Savings	41	81	234	331
Time	7,338	12,868	39,151	66,883
Total deposit interest expense	<u>8,986</u>	<u>16,647</u>	<u>48,839</u>	<u>81,732</u>
Federal funds purchased, repurchase agreements and other short-term borrowings	1,053	1,073	4,250	4,235
Federal Home Loan Bank advances	441	608	2,042	3,355
Long-term debt	2,375	2,755	10,544	10,749
Total interest expense	<u>12,855</u>	<u>21,083</u>	<u>65,675</u>	<u>100,071</u>
Net interest revenue	58,627	59,635	231,962	241,051
Provision for loan losses	14,000	36,000	251,000	223,000
Net interest revenue after provision for loan losses	<u>44,627</u>	<u>23,635</u>	<u>(19,038)</u>	<u>18,051</u>
Fee revenue:				
Service charges and fees	7,248	7,039	29,110	30,127
Mortgage loan and other related fees	1,825	1,868	5,419	7,019
Brokerage fees	782	778	2,986	2,662
Securities gains, net	4	-	842	2,552
Loss from prepayment of debt	-	-	(791)	(2,233)
Other	2,808	2,757	12,342	8,421
Total fee revenue	<u>12,667</u>	<u>12,442</u>	<u>49,908</u>	<u>48,548</u>
Total revenue	<u>57,294</u>	<u>36,077</u>	<u>30,870</u>	<u>66,599</u>
Operating expenses:				
Salaries and employee benefits	23,473	23,777	100,095	96,618
Communications and equipment	3,129	3,377	13,135	13,781
Occupancy	3,972	4,024	15,645	15,394
Advertising and public relations	944	1,102	4,291	4,625
Postage, printing and supplies	1,017	1,063	4,256	4,072
Professional fees	1,996	3,016	9,727	9,254
Foreclosed property	9,302	20,602	78,905	65,707
FDIC assessments and other regulatory charges	2,599	3,299	14,259	13,747
Amortization of intangibles	746	771	3,016	3,160
Other	3,902	3,887	18,270	16,594
Goodwill impairment	-	-	-	210,590
Loss on sale of nonperforming assets	-	-	-	45,349
Total operating expenses	<u>51,080</u>	<u>64,918</u>	<u>261,599</u>	<u>498,891</u>
Loss from continuing operations before income taxes	6,214	(28,841)	(230,729)	(432,292)
Income tax benefit	(3,687)	144,263	(3,983)	71,217
Net loss from continuing operations	<u>9,901</u>	<u>(173,104)</u>	<u>(226,746)</u>	<u>(503,509)</u>
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	<u>9,901</u>	<u>(173,104)</u>	<u>(226,746)</u>	<u>(502,344)</u>
Preferred stock dividends and discount accretion	3,025	2,586	11,838	10,316
Net loss available to common shareholders	<u>\$ 6,876</u>	<u>\$ (175,690)</u>	<u>\$ (238,584)</u>	<u>\$ (512,660)</u>
Loss from continuing operations per common share - Basic	\$.12	\$ (9.25)	\$ (5.97)	\$ (27.15)
Loss from continuing operations per common share - Diluted	.12	(9.25)	(5.97)	(27.15)
Loss per common share - Basic	.12	(9.25)	(5.97)	(27.09)
Loss per common share - Diluted	.12	(9.25)	(5.97)	(27.09)
Weighted average common shares outstanding - Basic	57,646	18,984	39,943	18,925
Weighted average common shares outstanding - Diluted	57,646	18,984	39,943	18,925

UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet

<i>(in thousands, except share and per share data)</i>	December 31, 2011 <i>(unaudited)</i>	December 31, 2010 <i>(audited)</i>
ASSETS		
Cash and due from banks	\$ 53,807	\$ 95,994
Interest-bearing deposits in banks	139,609	111,901
Federal funds sold, reverse repurchase agreements, commercial paper and short-term investments	185,000	441,562
Cash and cash equivalents	378,416	649,457
Securities available for sale	1,790,047	1,224,417
Securities held to maturity (fair value \$333,912 and \$267,988)	330,203	265,807
Mortgage loans held for sale	23,881	35,908
Loans, net of unearned income	4,109,614	4,604,126
Less allowance for loan losses	114,468	174,695
Loans, net	3,995,146	4,429,431
Assets covered by loss sharing agreements with the FDIC	78,145	131,887
Premises and equipment, net	175,088	178,239
Accrued interest receivable	20,693	24,299
Goodwill and other intangible assets	8,428	11,446
Foreclosed property	32,859	142,208
Other assets	150,514	183,160
Total assets	\$ 6,983,420	\$ 7,276,259
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Demand	\$ 992,109	\$ 793,414
NOW	1,509,896	1,424,781
Money market	1,038,778	891,252
Savings	199,007	183,894
Time:		
Less than \$100,000	1,332,394	1,496,700
Greater than \$100,000	847,152	1,002,359
Brokered	178,647	676,772
Total deposits	6,097,983	6,469,172
Federal funds purchased, repurchase agreements, and other short-term borrowings	102,577	101,067
Federal Home Loan Bank advances	40,625	55,125
Long-term debt	120,225	150,146
Unsettled securities purchases	10,325	-
Accrued expenses and other liabilities	36,199	32,171
Total liabilities	6,407,934	6,807,681
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
Series B; \$1,000 stated value; 180,000 shares issued and outstanding	177,092	175,711
Series D; \$1,000 stated value; 16,613 shares issued and outstanding	16,613	-
Common stock, \$1 par value; 100,000,000 shares authorized;		
41,647,100 and 18,937,001 shares issued and outstanding	41,647	18,937
Common stock, non-voting, \$1 par value; 30,000,000 shares authorized;		
15,914,209 shares issued and outstanding	15,914	-
Common stock issuable; 93,681 and 67,287 shares	3,233	3,894
Capital surplus	1,054,940	741,244
Accumulated deficit	(730,861)	(492,276)
Accumulated other comprehensive income	(3,309)	20,851
Total shareholders' equity	575,486	468,578
Total liabilities and shareholders' equity	\$ 6,983,420	\$ 7,276,259

UNITED COMMUNITY BANKS, INC.
Average Consolidated Balance Sheets and Net Interest Analysis
For the Three Months Ended December 31,

<i>(dollars in thousands, taxable equivalent)</i>	2011			2010		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
Assets:						
Interest-earning assets:						
Loans, net of unearned income ⁽¹⁾⁽²⁾	\$ 4,175,320	\$ 57,773	5.49%	\$ 4,768,120	\$ 66,750	5.55%
Taxable securities ⁽³⁾	2,114,069	13,041	2.47	1,327,999	12,964	3.90
Tax-exempt securities ⁽¹⁾⁽³⁾	27,224	417	6.13	25,917	410	6.33
Federal funds sold and other interest-earning assets	371,606	674	.73	558,143	1,091	.78
Total interest-earning assets	6,688,219	71,905	4.27	6,680,179	81,215	4.83
Non-interest-earning assets:						
Allowance for loan losses	(145,559)			(185,300)		
Cash and due from banks	54,485			112,923		
Premises and equipment	176,182			178,729		
Other assets ⁽³⁾	245,664			467,871		
Total assets	\$ 7,018,991			\$ 7,254,402		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,451,581	807	.22	\$ 1,436,976	1,662	.46
Money market	1,041,375	800	.30	870,884	2,036	.93
Savings	198,541	41	.08	184,651	81	.17
Time less than \$100,000	1,358,367	3,668	1.07	1,489,933	6,292	1.68
Time greater than \$100,000	875,434	2,867	1.30	1,010,104	4,736	1.86
Brokered	180,933	803	1.76	491,477	1,840	1.49
Total interest-bearing deposits	5,106,231	8,986	.70	5,484,025	16,647	1.20
Federal funds purchased and other borrowings	102,776	1,053	4.06	102,830	1,073	4.14
Federal Home Loan Bank advances	40,625	441	4.31	58,712	608	4.11
Long-term debt	120,217	2,375	7.84	150,137	2,755	7.28
Total borrowed funds	263,618	3,869	5.82	311,679	4,436	5.65
Total interest-bearing liabilities	5,369,849	12,855	.95	5,795,704	21,083	1.44
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,008,327			809,604		
Other liabilities	59,908			83,452		
Total liabilities	6,438,084			6,688,760		
Shareholders' equity	580,907			565,642		
Total liabilities and shareholders' equity	\$ 7,018,991			\$ 7,254,402		
Net interest revenue		\$ 59,050			\$ 60,132	
Net interest-rate spread			3.32%			3.39%
Net interest margin ⁽⁴⁾			3.51%			3.58%

(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 \$31.3 million in 2011 and \$40.8 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 Twelve Months Ended December 31,

	2011			2010		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<i>(dollars in thousands, taxable equivalent)</i>						
Assets:						
Interest-earning assets:						
Loans, net of unearned income ⁽¹⁾⁽²⁾	\$ 4,307,111	\$ 239,195	5.55%	\$ 4,960,805	\$ 278,149	5.61%
Taxable securities ⁽³⁾	1,973,678	55,251	2.80	1,425,322	58,821	4.13
Tax-exempt securities ⁽¹⁾⁽³⁾	25,693	1,651	6.43	27,827	1,860	6.68
Federal funds sold and other interest-earning assets	478,403	3,247	.68	408,359	4,293	1.05
Total interest-earning assets	6,784,885	299,344	4.41	6,822,313	343,123	5.03
Non-interest-earning assets:						
Allowance for loan losses	(145,656)			(190,227)		
Cash and due from banks	90,212			106,582		
Premises and equipment	178,061			180,379		
Other assets ⁽³⁾	281,233			685,547		
Total assets	\$ 7,188,735			\$ 7,604,594		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,348,493	3,998	.30	\$ 1,360,729	6,966	.51
Money market	993,871	5,456	.55	780,982	7,552	.97
Savings	195,468	234	.12	184,479	331	.18
Time less than \$100,000	1,471,596	18,648	1.27	1,581,750	30,260	1.91
Time greater than \$100,000	948,659	14,347	1.51	1,084,967	23,114	2.13
Brokered	401,393	6,156	1.53	610,483	13,509	2.21
Total interest-bearing deposits	5,359,480	48,839	.91	5,603,390	81,732	1.46
Federal funds purchased and other borrowings	102,727	4,250	4.14	103,479	4,235	4.09
Federal Home Loan Bank advances	47,220	2,042	4.32	90,137	3,355	3.72
Long-term debt	139,666	10,544	7.55	150,107	10,749	7.16
Total borrowed funds	289,613	16,836	5.81	343,723	18,339	5.34
Total interest-bearing liabilities	5,649,093	65,675	1.16	5,947,113	100,071	1.68
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	915,649			769,395		
Other liabilities	66,809			69,367		
Total liabilities	6,631,551			6,785,875		
Shareholders' equity	557,184			818,719		
Total liabilities and shareholders' equity	\$ 7,188,735			\$ 7,604,594		
Net interest revenue		\$ 233,669			\$ 243,052	
Net interest-rate spread			3.25%			3.35%
Net interest margin ⁽⁴⁾			3.44%			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 \$32.2 million in 2011 and \$43.2 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.
Previously Reported Financial Information - As Restated for Full Valuation Allowance on Net Deferred Tax Asset

(in thousands, except per share data; taxable equivalent)	For the Three Months Ended											
	September 30, 2011			June 30, 2011			March 31, 2011			December 31, 2010		
	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated
Consolidated Statement of Operations												
Income tax expense (benefit)	\$ (5,959)	\$ 5,137	\$ (822)	\$ 5,077	\$ (4,411)	\$ 666	\$ (94,990)	\$ 94,850	\$ (140)	\$ (12,446)	\$ 156,709	\$ 144,263
Net income (loss) from continuing operations	(6,202)	(5,137)	(11,339)	7,617	4,411	12,028	(142,486)	(94,850)	(237,336)	(16,395)	(156,709)	(173,104)
Net operating income (loss) from continuing operations	(6,202)	(5,137)	(11,339)	7,617	4,411	12,028	(142,486)	(94,850)	(237,336)	(23,574)	(161,280)	(184,854)
Net income (loss)	(6,202)	(5,137)	(11,339)	7,617	4,411	12,028	(142,486)	(94,850)	(237,336)	(16,395)	(156,709)	(173,104)
Net income (loss) available to common shareholders	(9,221)	(5,137)	(14,358)	4,601	4,411	9,012	(145,264)	(94,850)	(240,114)	(18,981)	(156,709)	(175,690)
Per Share Information												
Income (loss) from continuing operations - basic	\$ (.16)	\$ (.09)	\$ (.25)	\$.18	\$.17	\$.35	\$ (7.87)	\$ (5.13)	\$ (13.00)	\$ (1.00)	\$ (8.25)	\$ (9.25)
Income (loss) from continuing operations - diluted	(.16)	(.09)	(.25)	.08	.08	.16	(7.87)	(5.13)	(13.00)	(1.00)	(8.25)	(9.25)
Operating income (loss) from continuing operations - diluted	(.16)	(.09)	(.25)	.08	.08	.16	(7.87)	(5.13)	(13.00)	(1.38)	(8.49)	(9.87)
Income (loss) - basic	(.16)	(.09)	(.25)	.18	.17	.35	(7.87)	(5.13)	(13.00)	(1.00)	(8.25)	(9.25)
Income (loss) - diluted	(.16)	(.09)	(.25)	.08	.08	.16	(7.87)	(5.13)	(13.00)	(1.00)	(8.25)	(9.25)
Key Performance Measures												
Return on equity (%)	(5.72)	(9.34)	(15.06)	5.34	37.26	42.60	(147.11)	(379.43)	(526.54)	(17.16)	(178.94)	(196.10)
Return on assets (%)	(.34)	(.30)	(.64)	.40	.26	.66	(7.61)	(5.43)	(13.04)	(.89)	(8.58)	(9.47)
Equity to assets (%)	11.83	(3.28)	8.55	11.21	(3.15)	8.06	8.82	(2.67)	6.15	8.85	(1.05)	7.80
Tangible equity to assets (%)	11.76	(3.34)	8.42	11.13	(3.20)	7.93	8.73	(2.72)	6.01	8.75	(1.11)	7.64
Tangible common equity to assets (%)	9.09	(3.44)	5.65	4.79	(3.42)	1.37	5.51	(2.81)	2.70	6.35	(1.13)	5.22
Tangible common equity to risk-weighted assets (%)	14.41	(5.89)	8.52	14.26	(5.57)	8.69	6.40	(5.65)	.75	9.05	(3.41)	5.64
Average total assets (\$ in millions)	\$ 7,261	\$ (261)	\$ 7,000	\$ 7,624	\$ (261)	\$ 7,363	\$ 7,595	\$ (216)	\$ 7,379	\$ 7,338	\$ (84)	\$ 7,254
Average shareholders' equity (\$ in millions)	859	(261)	598	854	(260)	594	670	(216)	454	649	(83)	566
Regulatory Capital Ratios - Holding Company												
Tier 1 leverage ratio (%)	8.97	(.18)	8.79	8.71	(.19)	8.52	4.95	(.20)	4.75	6.75	.01	6.76
Tier 1 risk-based capital ratio (%)	13.97	(.22)	13.75	13.88	(.26)	13.62	7.67	(.24)	7.43	9.67	.14	9.81
Total risk-based capital ratio (%)	15.84	(.21)	15.63	16.40	(.24)	16.16	15.34	(.49)	14.85	12.11	.14	12.25
Regulatory Capital Ratios - Bank												
Tier 1 leverage ratio (%)	8.84	(.18)	8.66	8.54	(.19)	8.35	8.34	(.22)	8.12	7.45	-	7.45
Tier 1 risk-based capital ratio (%)	13.80	(.26)	13.54	13.62	(.29)	13.33	12.95	(.24)	12.71	10.72	.13	10.85
Total risk-based capital ratio (%)	15.07	(.25)	14.82	15.41	(.29)	15.12	14.73	(.24)	14.49	12.48	.13	12.61

UNITED COMMUNITY BANKS, INC.
Previously Reported Financial Information - As Restated for Full Valuation Allowance on Net Deferred Tax Asset

(in thousands, except per share data; taxable equivalent)	For the Year to Date Period Ended											
	September 30, 2011			June 30, 2011			March 31, 2011			December 31, 2010		
	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated
Consolidated Statement of Operations												
Income tax expense (benefit)	\$ (95,872)	\$ 95,576	\$ (296)	\$ (89,913)	\$ 90,439	\$ 526	\$ (94,990)	\$ 94,850	\$ (140)	\$ (85,492)	\$ 156,709	\$ 71,217
Net income (loss) from continuing operations	(141,071)	(95,576)	(236,647)	(134,869)	(90,439)	(225,308)	(142,486)	(94,850)	(237,336)	(346,800)	(156,709)	(503,509)
Net operating income (loss) from continuing operations	(141,071)	(95,576)	(236,647)	(134,869)	(90,439)	(225,308)	(142,486)	(94,850)	(237,336)	(143,389)	(161,280)	(304,669)
Net income (loss)	(141,071)	(95,576)	(236,647)	(134,869)	(90,439)	(225,308)	(142,486)	(94,850)	(237,336)	(345,635)	(156,709)	(502,344)
Net income (loss) available to common shareholders	(149,884)	(95,576)	(245,460)	(140,663)	(90,439)	(231,102)	(145,264)	(94,850)	(240,114)	(355,951)	(156,709)	(512,660)
Per Share Information												
Income (loss) from continuing operations - basic	\$ (4.41)	\$ (2.82)	\$ (7.23)	\$ (6.40)	\$ (4.12)	\$ (10.52)	\$ (7.87)	\$ (5.13)	\$ (13.00)	\$ (18.87)	\$ (8.28)	\$ (27.15)
Income (loss) from continuing operations - diluted	(4.41)	(2.82)	(7.23)	(6.40)	(4.12)	(10.52)	(7.87)	(5.13)	(13.00)	(18.87)	(8.28)	(27.15)
Operating income (loss) from continuing operations - diluted	(4.41)	(2.82)	(7.23)	(6.40)	(4.12)	(10.52)	(7.87)	(5.13)	(13.00)	(8.12)	(8.52)	(16.64)
Income (loss) - basic	(4.41)	(2.82)	(7.23)	(6.40)	(4.12)	(10.52)	(7.87)	(5.13)	(13.00)	(18.81)	(8.28)	(27.09)
Income (loss) - diluted	(4.41)	(2.82)	(7.23)	(6.40)	(4.12)	(10.52)	(7.87)	(5.13)	(13.00)	(18.81)	(8.28)	(27.09)
Consolidated Statement of Changes in Shareholders' Equity												
Net income (loss)	\$ (141,071)	\$ (95,576)	\$ (236,647)	\$ (134,869)	\$ (90,439)	\$ (225,308)	\$ (142,486)	\$ (94,850)	\$ (237,336)	\$ (345,635)	\$ (156,709)	\$ (502,344)
Unrealized holding gains (losses) on available for sale securities	2,910	1,678	4,588	5,133	2,870	8,003	(1,003)	(674)	(1,677)	(4,986)	(3,165)	(8,151)
Reclassification adjustment for gains on securities available for sale included in fee revenue	-	-	-	-	-	-	-	-	-	(1,559)	(993)	(2,552)
Unrealized losses on derivative financial instruments qualifying as cash flow hedges	(7,680)	(4,890)	(12,570)	(5,879)	(3,743)	(9,622)	(2,580)	(1,643)	(4,223)	(10,011)	(6,070)	(16,081)
Comprehensive income (loss)	(145,841)	(98,788)	(244,629)	(135,615)	(91,312)	(226,927)	(146,069)	(97,167)	(243,236)	(362,191)	(166,937)	(529,128)
Penalty received on incomplete private equity transaction	2,375	875	3,250	2,375	875	3,250	-	-	-	-	-	-
Consolidated Statement of Cash Flows												
Net income (loss)	\$ (141,071)	\$ (95,576)	\$ (236,647)	\$ (134,869)	\$ (90,439)	\$ (225,308)	\$ (142,486)	\$ (94,850)	\$ (237,336)	\$ (345,635)	\$ (156,709)	\$ (502,344)
Deferred income tax benefit	-	-	-	-	-	-	-	-	-	(87,455)	156,709	69,254
Net change in other assets and accrued interest receivable	(35,735)	95,576	59,841	(49,255)	90,439	41,184	(90,321)	94,850	4,529	-	-	-
Key Performance Measures												
Return on equity (%)	(43.31)	(108.01)	(151.32)	(76.07)	(269.79)	(345.86)	(147.11)	(379.43)	(526.54)	(57.08)	(27.98)	(85.06)
Return on assets (%)	(2.52)	(1.85)	(4.37)	(3.57)	(2.59)	(6.16)	(7.61)	(5.43)	(13.04)	(4.53)	(2.08)	(6.61)
Equity to assets (%)	10.61	(3.03)	7.58	10.02	(2.91)	7.11	8.82	(2.67)	6.15	11.01	(.24)	10.77
Tangible equity to assets (%)	10.53	(3.08)	7.45	9.94	(2.96)	6.98	8.73	(2.72)	6.01	9.15	(.32)	8.83
Tangible common equity to assets (%)	6.44	(3.23)	3.21	5.15	(3.12)	2.03	5.51	(2.81)	2.70	6.80	(.32)	6.48
Tangible common equity to risk-weighted assets (%)	14.41	(5.89)	8.52	14.26	(5.57)	8.69	6.40	(5.65)	.75	9.05	(3.41)	5.64
Average total assets (\$ in millions)	\$ 7,492	\$ (246)	\$ 7,246	\$ 7,609	\$ (238)	\$ 7,371	\$ 7,595	\$ (216)	\$ 7,379	\$ 7,626	\$ (21)	\$ 7,605
Average shareholders' equity (\$ in millions)	795	(246)	549	763	(239)	524	670	(216)	454	840	(21)	819

UNITED COMMUNITY BANKS, INC.
Previously Reported Financial Information - As Restated for Full Valuation Allowance on Net Deferred Tax Asset

(in thousands, except per share data; taxable equivalent)	As Of											
	September 30, 2011			June 30, 2011			March 31, 2011			December 31, 2010		
	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated	As Reported	Adjustment	As Restated
Consolidated Balance Sheet												
Net deferred tax asset	\$ 264,275	\$ (264,275)	\$ -	\$ 261,268	\$ (261,268)	\$ -	\$ 266,367	\$ (266,367)	\$ -	\$ 166,937	\$ (166,937)	\$ -
Other assets	153,329	(575)	152,754	172,074	3,894	175,968	174,742	2,263	177,005	183,160	-	183,160
Total assets	7,159,123	(264,850)	6,894,273	7,409,669	(257,374)	7,152,295	7,973,592	(264,104)	7,709,488	7,443,196	(166,937)	7,276,259
Capital surplus	1,052,690	875	1,053,565	1,051,607	875	1,052,482	738,963	-	738,963	741,244	-	741,244
(Accumulated deficit) retained earnings	(485,451)	(252,285)	(737,736)	(476,230)	(247,148)	(723,378)	(480,831)	(251,559)	(732,390)	(335,567)	(156,709)	(492,276)
Accumulated other comprehensive income	26,309	(13,440)	12,869	30,333	(11,101)	19,232	27,496	(12,545)	14,951	31,079	(10,228)	20,851
Total shareholders' equity	848,217	(264,850)	583,367	859,975	(257,374)	602,601	850,148	(264,104)	586,044	635,515	(166,937)	468,578
Total liabilities and shareholders' equity	7,159,123	(264,850)	6,894,273	7,409,669	(257,374)	7,152,295	7,973,592	(264,104)	7,709,488	7,443,196	(166,937)	7,276,259
Key Performance Measures												
Book value per share	\$ 11.37	\$ (4.60)	\$ 6.77	\$ 11.59	\$ (4.48)	\$ 7.11	\$ 14.78	\$ (12.58)	\$ 2.20	\$ 24.48	\$ (9.08)	\$ 15.40
Tangible book value per share	11.26	(4.65)	6.61	11.47	(4.53)	6.94	14.44	(12.75)	1.69	23.78	(8.98)	14.80
Nonperforming assets to total assets (%)	2.64	.10	2.74	1.60	.06	1.66	1.73	.06	1.79	4.32	.10	4.42

United Community Banks, Inc.

Investor Presentation

Fourth Quarter 2011

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#1 in Customer Satisfaction
As ranked by Consumer Research

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Cautionary Statement

This news release contains forward-looking statements, as defined by federal securities laws, including statements about United's financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United Community Banks, Inc.'s filings with the Securities and Exchange Commission including its 2010 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q for the periods ended June 30, 2011 and September 30, 2011 under the sections entitled "Forward-Looking Statements" and "Risk Factors" and in United's Current Reports on Form 8-K. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

Non-GAAP Measures

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

Management uses these non-GAAP financial measures because we believe it is useful for evaluating our operations and performance over periods of time, as well as in managing and evaluating our business and in discussions about our operations and performance. Management believes these non-GAAP financial measures provide users of our financial information with a meaningful measure for assessing our financial results and credit trends, as well as for comparison to financial results for prior periods. These non-GAAP financial measures should not be considered as a substitute for financial measures determined in accordance with GAAP and may not be comparable to other similarly titled financial measures used by other companies. For a reconciliation of the differences between our non-GAAP financial measures and the most comparable GAAP measures, please refer to the ‘Non-GAAP Reconciliation Tables’ at the end of the Appendix to this presentation.

Highlights Fourth Quarter

4

- **Net Income of \$9.9 Million, or 12 Cents per Share**
 - Second quarterly profit in 2011

- **Loan Growth Stable with Prior Quarter**
 - First time since March 2008

- **Strong Core Deposit Growth**

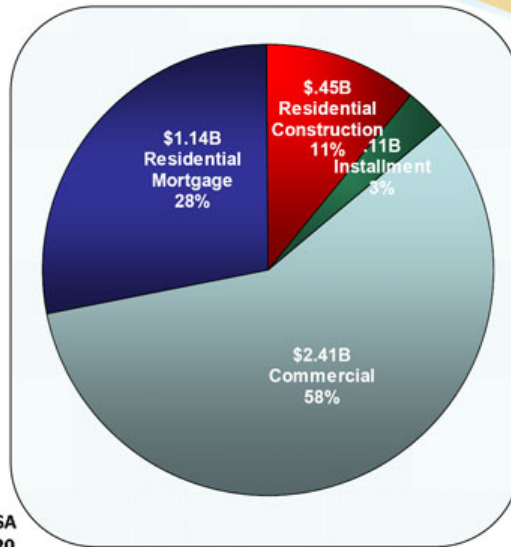
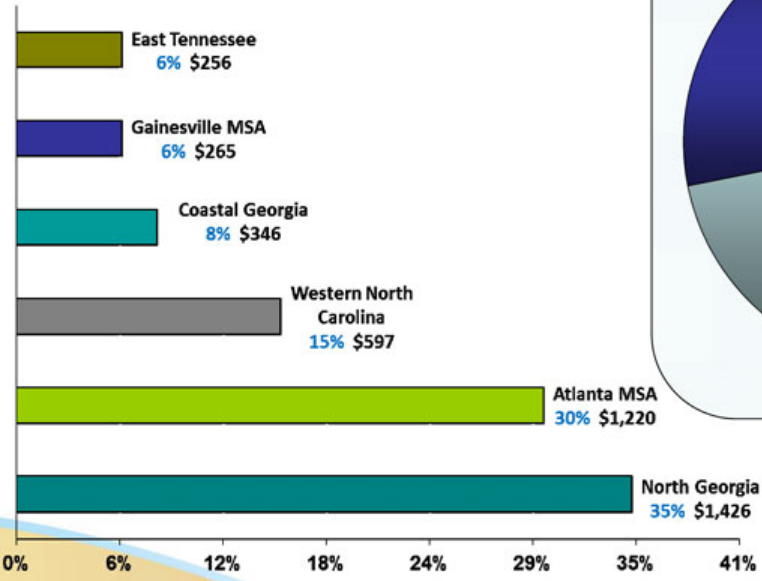
- **Nonperforming Assets Decline to \$160 Million, or 2.3% of Assets**



Loan Portfolio (total \$4.11 billion)

Geographic Diversity

\$ in millions



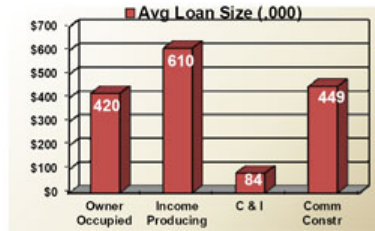
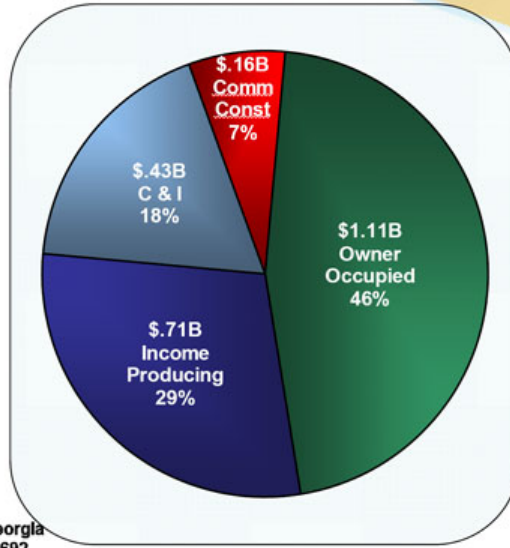
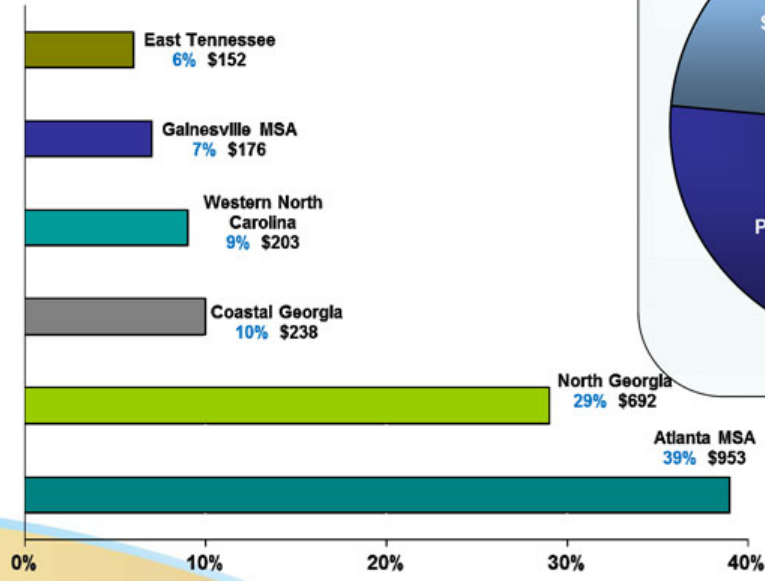
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Commercial Loans (total \$2.41 billion)

Geographic Diversity

\$ in millions



(in millions)

Loan Type	December 31, 2011			
	Owner Occupied	Income Producing	Total	Percent
Office Buildings	\$ 285	\$ 211	\$ 496	27 %
Retail	120	145	265	15
Small Warehouses/Storage	115	78	193	11
Multi-Residential Properties	60	84	144	8
Churches	139	-	139	8
Hotels/Motels	-	92	92	5
Convenience Stores	63	22	85	5
Franchise / Restaurants	37	34	71	4
Farmland	63	-	63	3
Manufacturing Facility	51	10	61	3
Golf Course/Recreation	60	-	60	3
Auto Dealership/Service	44	8	52	3
Leasehold Property	17	7	24	1
Daycare Facility	16	10	26	1
Carwash	19	1	20	1
Other Small Business	10	8	18	1
Funeral Home	12	1	13	1
Total	\$ 1,111	\$ 711	\$ 1,822	

Portfolio Characteristics

- 61% owner-occupied
- Small business, doctors, dentists, attorneys, CPAs
- \$12 million project limit
- Average Loan Size
 - \$468 Composite CRE
 - \$420 Owner Occupied
 - \$610 Income Producing

Commercial Construction *(by loan type)*

(in millions)

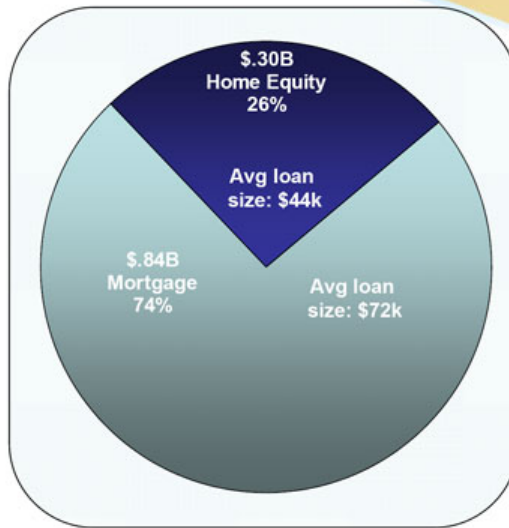
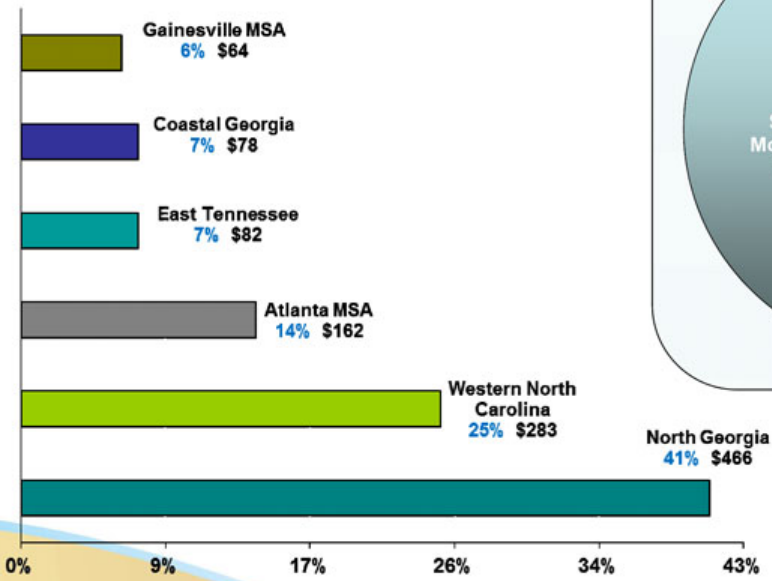
Loan Type	December 31, 2011	
	Amount	Percent
Land Develop - Vacant (Improved)	\$ 65	39 %
Raw Land - Vacant (Unimproved)	57	35
Commercial Land Development	25	15
Golf Course/Country Club	6	4
Office Buildings	3	2
Churches	3	2
Warehouse	2	1
Miscellaneous Construction	3	2
Total Commercial Construction	\$ 164	100 %

Portfolio Characteristics

■ Average loan size: \$449k

Geographic Diversity

\$ in millions



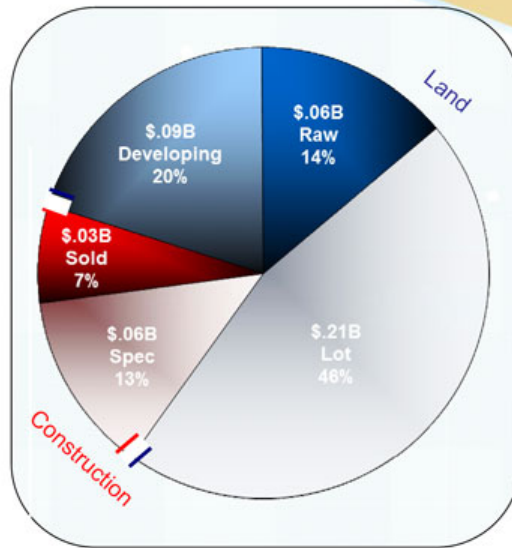
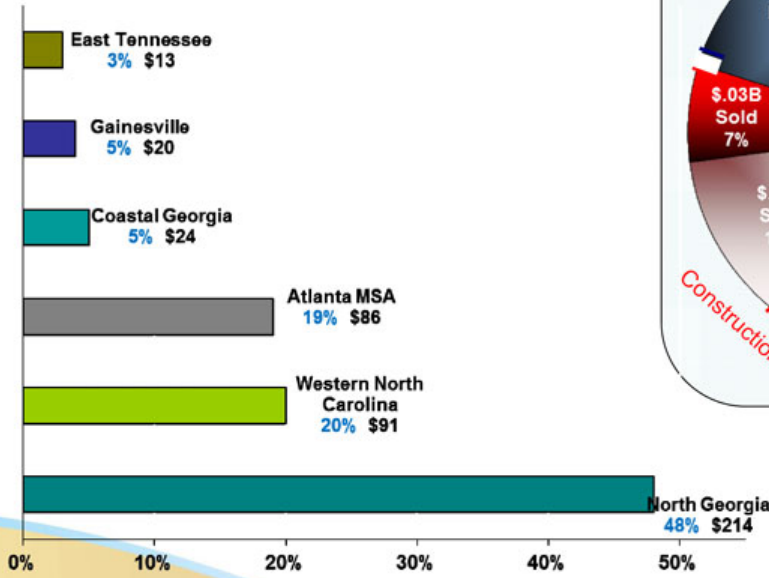
Origination Characteristics

- No broker loans
- Policy Max LTV: 80-85%
- 53.8% of HE Primary Lien



Geographic Diversity

\$ in millions



Average Loan Size

Spec	\$223k	Develop	\$619k
Sold	\$132k	Raw Land	\$150k
		Lot	\$88k



Residential Construction – Total Company

12

<i>(in millions)</i>	4Q11	3Q11	2Q11	1Q11	4Q10	4Q11 vs. 4Q10
Land Loans						
Developing Land	\$ 88	\$ 97	\$ 105	\$ 116	\$ 174	\$ (86)
Raw Land	61	60	62	69	99	(38)
Lot Loans	207	216	218	228	275	(68)
Total	356	373	385	413	548	(192)
Construction Loans						
Spec	59	64	74	88	97	(38)
Sold	33	37	43	49	50	(17)
Total	92	101	117	137	147	(55)
Total Res Construction	\$ 448	\$ 474	\$ 502	\$ 550	\$ 695	\$ (247)

By Region						
Atlanta	\$ 86	\$ 92	\$ 97	\$ 110	\$ 133	\$ (47)
Gainesville MSA	20	25	25	26	36	(16)
North Georgia	214	229	249	266	339	(125)
North Carolina	91	92	95	106	140	(49)
Coastal Georgia	24	24	24	27	30	(6)
Tennessee	13	12	12	15	17	(4)
Total Res Construction	\$ 448	\$ 474	\$ 502	\$ 550	\$ 695	\$ (247)

(in millions)

CATEGORY	2011		MARKET	2011	
	4Q	YTD		4Q	YTD
Commercial RE:			Atlanta	\$ 56.1	\$ 138.4
Owner Occupied	\$ 54.1	\$ 146.8	N. Georgia	30.0	113.3
Income Producing	24.1	66.1	Coastal Georgia	35.6	73.0
Total Commercial RE	78.2	212.9	North Carolina	7.2	25.2
Commercial C & I	41.4	79.6	Tennessee	12.7	25.0
Commercial Constr.	2.1	6.7	Gainesville	5.7	17.4
Residential	19.2	60.8	Total Markets	\$ 147.3	\$ 392.3
Residential Constr.	5.5	28.5			
Consumer	.9	3.8			
Total Categories	\$ 147.3	\$ 392.3			

(in millions)

CATEGORY	2011		MARKET	2011	
	4Q	YTD		4Q	YTD
Commercial RE:			Atlanta	\$ 69.3	\$ 206.5
Owner Occupied	\$ 56.7	\$ 152.1	N. Georgia	40.0	155.2
Income Producing	25.4	72.7	Coastal Georgia	38.1	81.3
Total Commercial RE	82.1	224.8	North Carolina	10.1	38.8
Commercial C & I	52.6	130.6	Tennessee	17.3	36.7
Commercial Constr.	5.2	20.4	Gainesville	7.2	23.7
Residential	23.4	74.1	Total Markets	\$ 182.0	\$ 542.2
Residential Constr.	17.2	87.1			
Consumer	1.5	5.2			
Total Categories	\$ 182.0	\$ 542.2			

(in millions)

	4Q11	3Q11	2Q11	1Q11	4Q10
Operating Net Charge-offs⁽¹⁾	\$ 20.6	\$ 17.5	\$ 16.5	\$ 231.6	\$ 47.7
as % of Average Loans ⁽¹⁾	1.99 %	1.68 %	1.58 %	20.71 %	4.03 %
Allowance for Loan Losses	\$ 114.5	\$ 146.1	\$ 127.6	\$ 133.1	\$ 174.7
as % of Total Loans	2.79 %	3.55 %	3.07 %	3.17 %	3.79 %
as % of NPLs	90	101	180	159	98
Past Due Loans (30 - 89 Days)	.75 %	.70 %	.65 %	1.26 %	1.26 %
Non-Performing Loans	\$ 127.5	\$ 144.5	\$ 71.0	\$ 83.7	\$ 179.1
OREO	32.8	44.2	47.6	54.4	142.2
Total NPAs	\$ 160.3	\$ 188.7	\$ 118.6	\$ 138.1	\$ 321.3
Accruing TDRs	\$ 105.8	\$ 69.8	\$ 41.5	\$ 44.4	\$ 100.7
As % of Original Principal Balance					
Non-Performing Loans	71.3 %	77.8 %	64.5 %	57.3 %	67.2 %
OREO	35.9	33.4	32.6	30.3	64.4
Total NPAs					
as % of Total Assets	2.30	2.74	1.66	1.79	4.42
as % of Loans & OREO	3.87	4.54	2.82	3.25	6.77

(1) Excludes \$25 million of charge-offs for largest loan relationship in 4Q11 and \$11.75 million partial recovery of 2007 fraud loss in 4Q10.

Quarterly NPL Inflows Since 2009 (\$mm)



Total NPLs (\$mm)



Net Charge-offs by Loan Category

17

(in thousands)

	4Q11 ⁽¹⁾		% of Average Loans (Annualized)		
	Total	% of Avg Loans	3Q11	2Q11 ⁽²⁾	1Q11 ⁽²⁾
Commercial (Sec. by RE):					
Owner Occupied	\$ 3,019	1.16 %	.34 %	.89 %	.89 %
Income Producing	1,042	.57	.71	1.54	.33
Total Comm (Sec. by RE)	4,061	.90	.50	1.16	.65
Commercial Construction	455	1.08	3.54	4.31	1.77
Commercial & Industrial	1,894	1.75	.39	.59	.46
Total Commercial	6,410	1.06	.71	1.33	.73
Residential Construction	7,900	6.77	5.19	7.19	6.72
Residential Mortgage	5,887	2.04	2.09	1.97	1.59
Consumer/ Installment	427	1.47	2.75	2.07	1.19
Total Net Charge-offs	\$ 20,624	1.99	1.68	2.27	1.84

(1) Excludes charge-offs for largest loan relationship of Commercial Construction \$2,863; Commercial & Industrial \$17,046; CRE Income Producing \$901; and, Residential Construction \$4,190

(2) Calculated excluding losses related to asset disposition plans.

Net Charge-offs by Market

18

(in thousands)

	4Q11 ⁽¹⁾		% of Average Loans (Annualized)		
	Total	% of Avg Loans	3Q11	2Q11 ⁽²⁾	1Q11 ⁽²⁾
Atlanta MSA	\$ 4,195	1.37 %	.94 %	1.66 %	1.04 %
Gainesville MSA	2,572	3.84	2.64	3.73	1.32
North Georgia	9,970	2.70	2.16	2.71	2.06
Western North Carolina	3,180	2.10	2.31	2.67	3.98
Coastal Georgia	335	.41	.88	1.52	0.42
East Tennessee	372	.59	.78	.76	1.00
Total	\$ 20,624	1.99	1.68	2.27	1.84

(1) Excludes charge-offs for largest loan relationship of Commercial Construction \$2,863; Commercial & Industrial \$17,046; CRE Income Producing \$901; and, Residential Construction \$4,190

(2) Calculated excluding losses related to asset disposition plans.

NPAs by Loan Category and Market

19

(in thousands)

	4Q11				4Q11		
	NPLs	OREO	Total NPAs		NPLs	OREO	Total NPAs
LOAN CATEGORY				MARKETS			
Commercial (sec. by RE):				Atlanta MSA	\$ 14,480	\$ 6,169	\$ 20,649
Owner Occupied	\$ 15,490	\$ 6,931	\$ 22,189	Gainesville MSA	2,069	3,760	5,829
Income Producing	11,832	2,814	14,621	North Georgia	88,600	15,136	103,736
Commercial Construction	16,655	3,336	19,991	Western N. Carolina	15,100	5,365	20,465
Commercial & Industrial	34,613	-	34,613	Coastal Georgia	5,248	1,620	6,868
Total Commercial	78,590	13,081	91,414	East Tennessee	1,982	809	2,791
				Total	\$ 127,479	\$ 32,859	\$ 160,338
Residential Construction	25,523	12,851	38,374				
Residential Mortgage	22,358	6,927	29,285				
Consumer/ Installment	1,008	-	1,008				
Total	\$ 127,479	\$ 32,859	\$ 160,081				



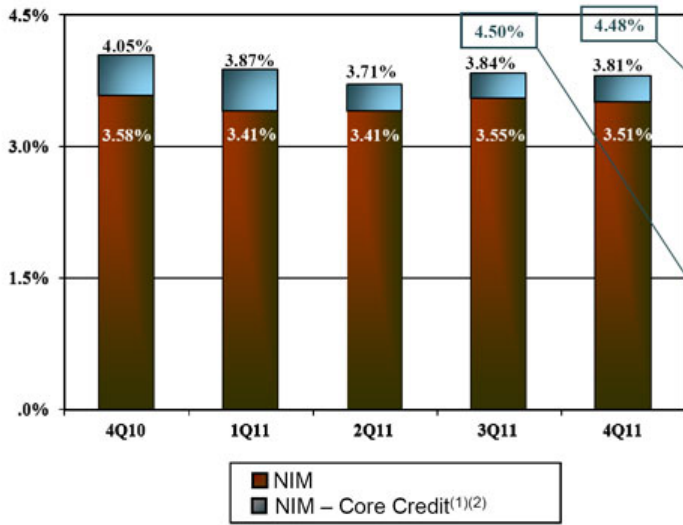
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(In Thousands)

	4Q11	Variance - Incr / (Decr)	
		3Q11	4Q10
Net Interest Revenue	\$ 59,050	\$ (231)	\$ (1,082)
Fee Revenue	11,442	133	294
Gross Revenue	70,492	(98)	(788)
Operating Expense (Excl OREO)	43,843	(250)	(261)
Pre-Tax, Pre-Credit (Core)	\$ 26,649	\$ 152	\$ (527)

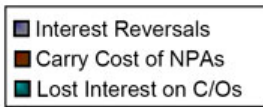
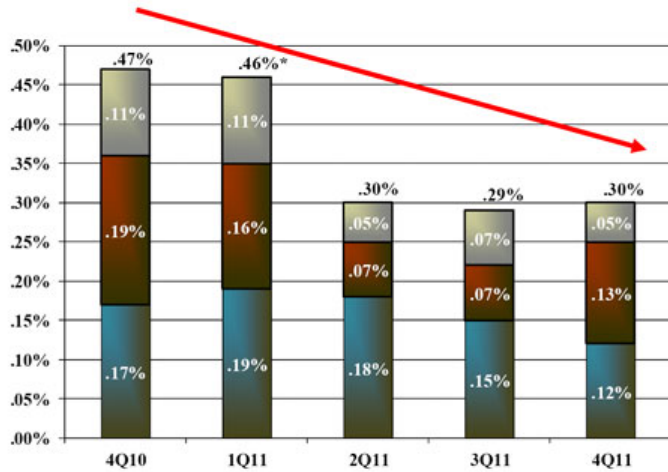
Net Interest Margin	3.51 %	(.04) %	(.07) %
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NIM Characteristics

- Margin changes
-4 bps vs. 3Q11
-7 bps vs. 4Q10
- Lowered Core and CD Deposit Pricing
- Loan Pricing at risk
- 4Q Excess liquidity – lowered Margin by 67 bps and 66 bps in Q3

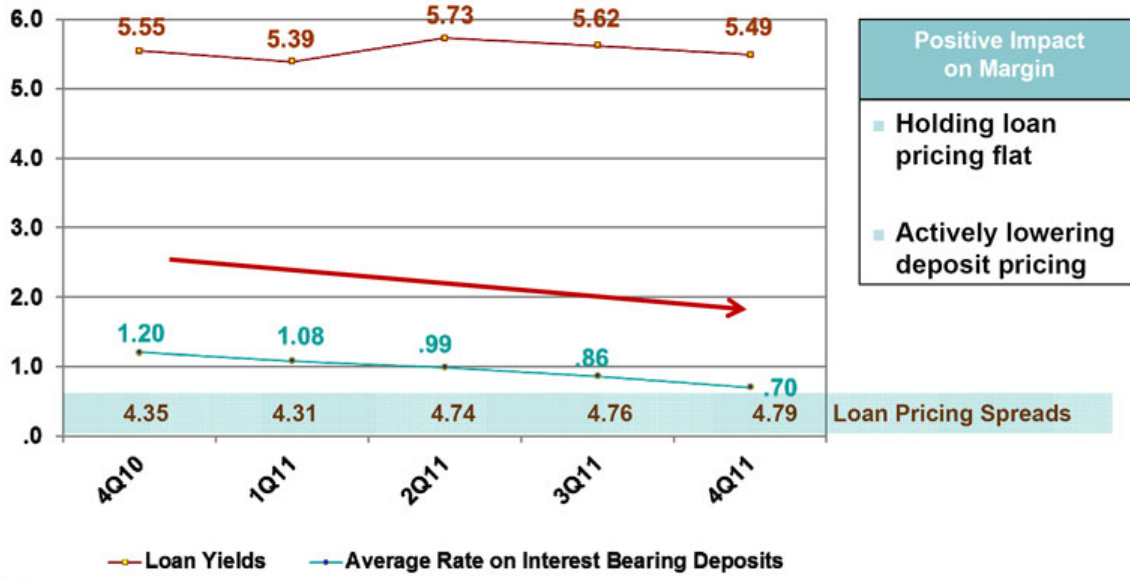
(1) Excludes impact of reversal of interest on performing loans classified as held for sale – Q1 2011
 (2) Excluding impact of nonaccrual loans, OREO and interest reversals

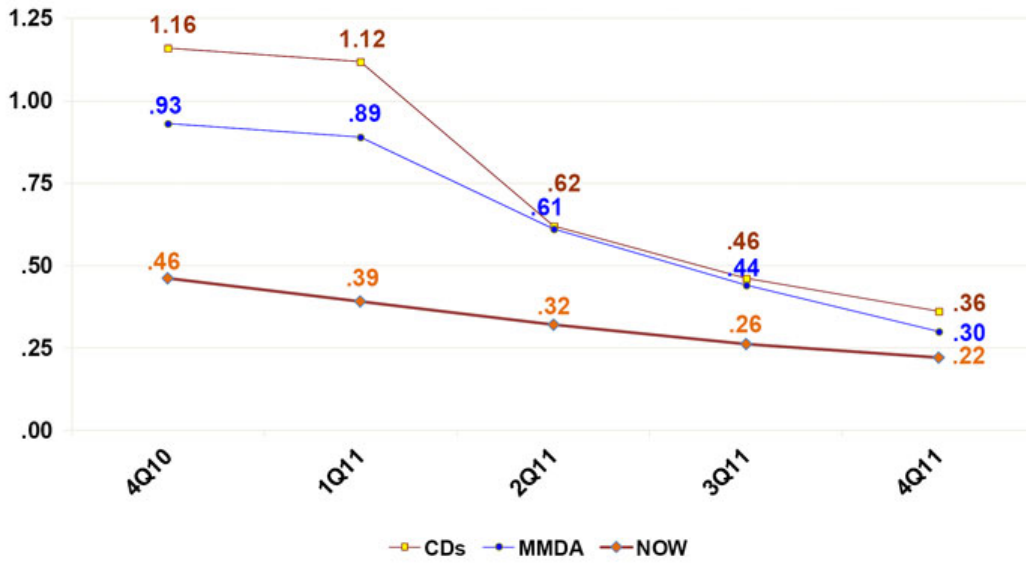


Credit Costs Impacting Margin

- Historically 8 to 12 bps
- Significant improvement with de-risking balance sheet first quarter
- Cost 4Q11 vs. Historical – 18 bps (annual earnings impact of \$12.1 million)
- 1 bps = \$670 thousand in NIR

*Excludes bulk loan sale impact of 10 bps



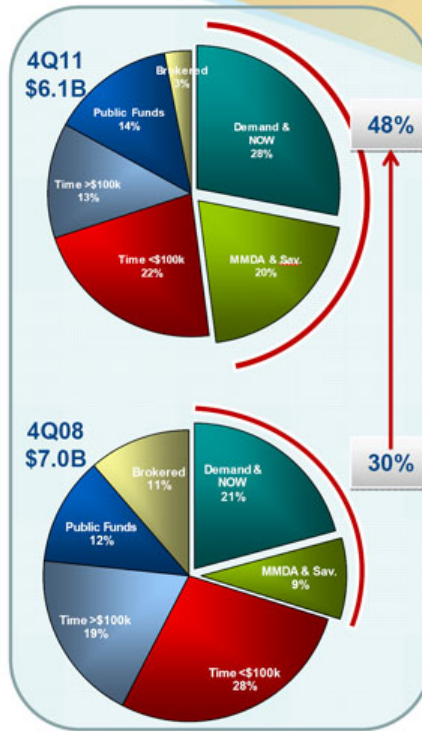


Note – CD pricing reflects the quarter-ending new and renewed yield. MMDA / NOW pricing reflects the deposit yield for each quarter

Deposit Mix (total \$6.1 billion)

(\$ in millions)

	4Q11	3Q11	4Q10	4Q08
Demand / NOW	\$ 1,674	\$ 1,686	\$ 1,573	\$ 1,457
MMDA / Savings	1,228	1,220	1,063	630
Core Transaction	2,902	2,906	2,636	2,087
		-4	+266	
		10% Growth		
		+815		
		39% Growth		
Time < \$100,000	1,326	1,387	1,491	1,945 ↓
Public Deposits	844	597	663	755
Total Core	5,072	4,890	4,790	4,787
Time > \$100,000	807	867	940	1,336 ↓
Public Deposits	40	38	62	87
Total Customer	5,919	5,795	5,792	6,210
Brokered Deposits	179	210	677	793 ↓
Total Deposits	\$ 6,098	\$ 6,005	\$ 6,469	\$ 7,003



(in millions, excluding public)

CATEGORY	2011	
	4Q	YTD
Demand	\$ 8.8	\$ 185.7
MM Accounts	8.7	149.8
Savings	(1.3)	14.9
NOW	(20.1)	(84.1)
Total Categories	\$ (3.9)	\$ 266.3

MARKET	2011	
	4Q	YTD
Atlanta	\$ 10.2	\$ 102.4
N. Georgia	(12.8)	80.8
North Carolina	(3.6)	27.4
Tennessee	1.6	20.7
Coastal Georgia	(5.9)	19.6
Gainesville	6.6	15.4
Total Markets	\$ (3.9)	\$ 266.3

Fee Revenue - Core

28

(In Thousands)

	Variance - Incr / (Decr)		
	4Q11	3Q11	4Q10
NSF & Overdraft Fees	\$ 3,537	\$ (4)	\$ (295)
ATM Fees & Debit Card	2,969	(333)	434
Other Service Charges	742	51	70
Total Service Charges and Fees	7,248	(286)	209
Mortgage Loan & Related Fees	1,825	677	(43)
Brokerage Fees	782	(54)	4
Other	1,587	(204)	124
Total	\$ 11,442	\$ 133	\$ 294

Excludes net securities gains and charges on prepayment of FHLB advances, hedge ineffectiveness gains, gains from the sale of low income housing tax credits and mark to market adjustments on United's deferred compensation plan assets.

Operating Expenses - Core

29

(In Thousands)

	4Q11	Variance - Incr / (Decr)	
		3Q11	4Q10
Salaries & Employee Benefits	\$ 25,538	\$ (110)	1,973
Communications & Equipment	3,129	(155)	(248)
Occupancy	3,972	178	(52)
FDIC Assessment	2,599	(4)	(700)
Advertising & Public Relations	944	(108)	(158)
Postage, Printing & Supplies	1,017	(19)	(46)
Professional Fees	1,996	(55)	(1,020)
Other Expense	4,648	23	(10)
	<u>\$ 43,843</u>	<u>\$ (250)</u>	<u>\$ (261)</u>

Excludes foreclosed property costs, adjustment to reclassify pension plan actuarial gains and losses and unamortized prior service costs to other comprehensive income, and mark to market adjustments on United's deferred compensation plan liability.

Net Operating Loss

30

(In Thousands)

	4Q11	3Q11	4Q10
Pre-Tax, Pre-Credit (Core)	\$ 26,649	\$ 26,497	\$ 27,176
Provision for Loan Loss	(14,000)	(36,000)	(47,750)
<i>Foreclosed Property Costs:</i>			
Write-downs	(3,892)	(1,772)	(8,031)
Gains (Losses) on Sales	(3,041)	804	(7,818)
Maintenance, Taxes, Etc.	(2,369)	(1,845)	(4,753)
Total Foreclosed Property Costs	(9,302)	(2,813)	(20,602)
Hedge Ineffectiveness Gains	313	575	400
Securities Gains, Net	4	-	-
Gains from Sale of Low Income Housing Tax Credits	728	-	682
Reclassification of Actuarial Gains and Losses and Prior Service Cost to OCI	2,245	-	-
Income Tax (Expense) Benefit	3,264	402	(144,760)
Net Operating Income (Loss)	\$ 9,901	\$ (11,339)	\$ (184,854)
Partial Recovery of 2007 Fraud Loss	-	-	11,750
Net Income (Loss)	\$ 9,901	\$ (11,339)	\$ (173,104)

Net Operating Income (Loss) Per Share	\$.12	\$ (.25)	\$ (9.87)
--	---------------	-----------------	------------------

Net Income (Loss)

31

(In Thousands)

	4Q11	3Q11	4Q10
Net Income (Loss)	\$ 9,901	\$ (11,339)	\$ (173,104)
Preferred Stock Dividends	(3,025)	(3,019)	(2,586)
Net Income (Loss) Available to Common Shareholders	<u>\$ 6,876</u>	<u>\$ (14,358)</u>	<u>\$ (175,690)</u>

Net Income (Loss) Per Share	\$.12	\$ (.25)	\$ (9.25)
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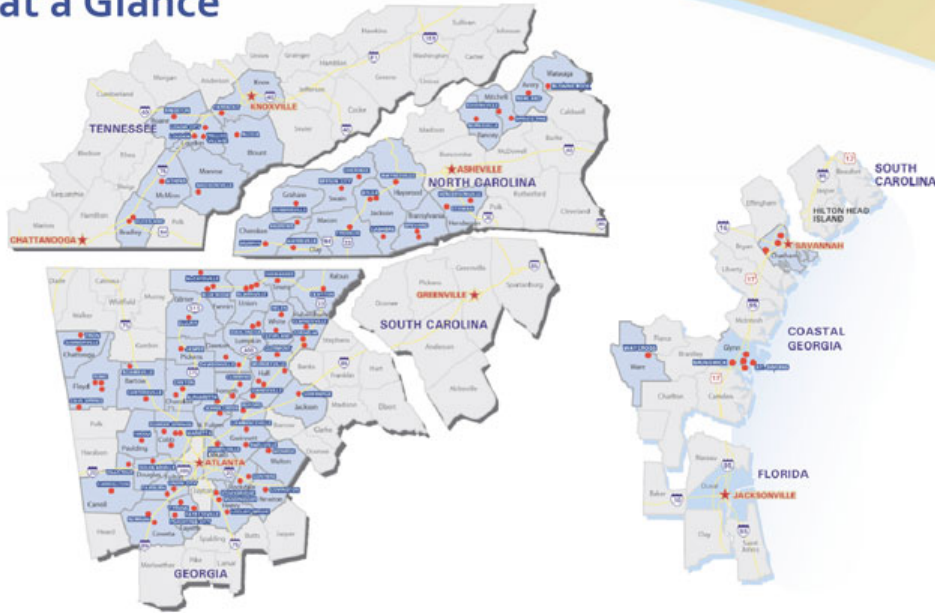
Tangible Book Value	\$ 6.47	\$ 6.61	\$ 14.80
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Shares Outstanding (millions)	57.6	57.5	18.9
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	<u>Well-Capitalized</u>	<u>Minimum Guideline</u>	<u>DEC '11</u>	<u>SEP '11</u>	<u>JUN '11</u>
Bank					
Tier 1 RBC	6 %	10 %	13.6 %	13.5 %	13.3 %
Total RBC	10	11	14.8	14.8	15.1
Leverage	5	8	8.8	8.7	8.4
Holding Company					
Tier 1 RBC	6	10	13.6	13.8	13.6
Total RBC	10	11	15.4	15.6	16.2
Leverage	5	8	8.8	8.8	8.5
Tier I Common RBC	4.5	7	8.2	8.2	8.3
Tangible Equity to Assets			8.2	8.4	7.9
Tangible Common to Assets			5.4	5.7	5.6 ⁽¹⁾

(1) As of quarter-end (capital raise conversion)





■ Assets \$7.0 Billion
 ■ Deposits \$6.1 Billion

■ Banks 27
 ■ Offices 106

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		Joined <u>UCBI</u>	Years in <u>Banking</u>
Jimmy Tallent	President & CEO	1984	37
Rex Schuette	Chief Financial Officer	2001	34
David Shearrow	Chief Risk Officer	2007	30
Craig Metz	Marketing & Retail Banking	2002	19

Regional Presidents:

Bill Gilbert	North & Coastal Georgia	2000	35
Tim Schools	North Carolina & Tennessee	2011	12
Glenn White	Atlanta	2007	37

“Community bank service, large bank resources”

- **Twenty-seven “community banks”**
 - *Local CEOs with deep roots in their communities*
 - *Resources of \$7.0 billion bank*

- **Service is point of differentiation**
 - *#1 in Customer Satisfaction according to Customer Service Profiles*
 - *J.D. Power Customer Service Champion*
 - ✓ *Recognized 40 companies in the U.S.*
 - ✓ *Only bank to be recognized*
 - *Golden rule of banking*
 - ✓ *“The Bank That **SERVICE** Built”*
 - *Ongoing customer surveys*
 - ✓ *95% satisfaction rate in 2011*

- **Strategic footprint with substantial banking opportunities**
 - *Operates in a number of the more demographically attractive markets in the U.S.*

- **Disciplined growth strategy**
 - *Organic supported by de novos and selective acquisitions*

Markets ¹	Population <i>(in thousands)</i>	Population Growth (%)	
		Actual 2000 - 2010	Projected 2010 - 2015
North Georgia	394	23 %	7 %
Atlanta MSA	5,611	32	10
Gainesville MSA	191	37	13
Coastal Georgia	373	11	5
Western North Carolina	429	12	4
East Tennessee	860	14	6
Total Markets			
Georgia	10,014	22	7
North Carolina	9,552	19	8
Tennessee	6,366	12	5
United States	311,213	11	4

¹ Population data is for 2010 and includes those markets where United takes deposits.
Source: SNL

Market Share Opportunities

(excellent growth prospects)

Markets	Market Deposits (in billions) ⁽¹⁾	United Deposits ⁽²⁾	Banks	Offices	Deposit Share ⁽¹⁾	Rank ⁽¹⁾
North Georgia	\$ 6.8	\$ 2.0	11	23	33 %	1
Atlanta MSA	48.2	2.1	10	38	4	7
Gainesville MSA	2.5	.3	1	5	14	3
Coastal Georgia	7.0	.4	2	8	6	7
Western North Carolina	7.3	1.0	1	21	13	3
East Tennessee	15.9	.3	2	11	2	10
Total Markets	\$ 87.7	\$ 6.1	27	106		

¹ FDIC deposit market share and rank as of 6/11 for markets where United takes deposits. Source: SNL and FDIC.

² Based on current quarter.

Rank	Ticker	Company ⁽¹⁾	State	Total Assets (\$ B)	2010 - 2015 Population Growth ⁽²⁾
1	CFR	Cullen/Frost Bankers, Inc.	TX	\$19.5	9.07%
2	WAL	Western Alliance Bancorporation	AZ	6.5	7.60
3	FCNCA	First Citizens Bancshares, Inc.	NC	21.0	7.41
4	GBCI	Glacier Bancorp, Inc.	MT	7.0	7.19
5	PRSP	Prosperity Bancshares, Inc.	TX	9.6	7.18
6	IBOC	International Bancshares Corporation	TX	11.6	7.06
7	UCBI	United Community Banks, Inc.	GA	7.0	7.06
8	TCBI	Texas Capital Bancshares, Inc.	TX	7.7	6.37
9	HBHC	Hancock Holding Company	MS	19.4	6.29
10	FCBN	First Citizens Bancorporation, Inc.	SC	8.3	6.05
11	FIBK	First Interstate BancSystem, Inc.	MT	7.3	5.93
12	BOKF	BOK Financial Corporation	OK	25.1	5.91
13	SNV	Synovus Financial Corp.	GA	28.3	4.84
14	STSA	Sterling Financial Corporation	WA	9.2	4.51
15	FHN	First Horizon National Corporation	TN	25.6	4.43

Note: Financial information as of September 30, 2011
⁽¹⁾ Includes publicly traded companies with assets between \$5.0 – 50.0 billion as of September 30, 2011
⁽²⁾ Population growth weighted by county (cumulative)
Data Source: SNL Financial

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

- **Process**
 - *Continuous external loan review*
 - *Intensive executive management involvement:*
 - *Weekly past due meetings*
 - *Weekly NPA/ORE meetings*
 - *Quarterly criticized watch loan review meetings*
 - *Quarterly pass commercial and CRE portfolio review meetings*
 - *Internal loan review of new credit relationships*

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

Performing Classified Loans

41

(in millions)

	<u>4Q11</u>	<u>3Q11</u>	<u>2Q11</u>	<u>1Q11</u>	<u>4Q10</u>
LOANS BY CATEGORY					
Commercial (Sec. by RE):					
Owner Occupied	\$ 79	\$ 69	\$ 72	\$ 75	\$ 86
Income Producing	<u>64</u>	<u>65</u>	<u>46</u>	<u>45</u>	<u>71</u>
Total Comm (Sec. by RE)	143	134	118	120	157
Commercial Construction	18	26	31	35	90
Commercial & Industrial	<u>16</u>	<u>25</u>	<u>17</u>	<u>16</u>	<u>17</u>
TOTAL COMMERCIAL	177	185	166	171	264
Consumer / Installment	3	3	3	2	3
Residential Construction	72	76	74	81	159
Residential Mortgage	<u>76</u>	<u>77</u>	<u>70</u>	<u>69</u>	<u>86</u>
LOANS	<u>\$ 328</u>	<u>\$ 341</u>	<u>\$ 313</u>	<u>\$ 323</u>	<u>\$ 512</u>

<i>(in millions)</i>	<u>4Q11</u>	<u>3Q11</u>	<u>2Q11</u>	<u>1Q11</u>	<u>4Q10</u>	<u>4Q11 vs. 4Q10</u>
LOANS BY CATEGORY						
Commercial (Sec. by RE):						
Owner Occupied	\$ 1,111	\$ 1,037	\$ 1,014	\$ 994	\$ 980	\$ 131
Income Producing	711	734	728	698	781	(70)
Total Comm (Sec. by RE)	1,822	1,771	1,742	1,692	1,761	61
Commercial Construction	164	169	195	213	297	(133)
Commercial & Industrial	428	429	428	431	441	(13)
Total Commercial	2,414	2,369	2,365	2,336	2,499	(85)
Residential Construction	448	474	502	550	695	(247)
Residential Mortgage	1,135	1,150	1,177	1,187	1,279	(144)
Consumer / Installment	113	117	119	121	131	(18)
TOTAL LOANS	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	\$ 4,604	\$ (494)

(in millions)

	<u>4Q11</u>	<u>3Q11</u>	<u>2Q11</u>	<u>1Q11</u>	<u>4Q10</u>	<u>4Q11 vs. 4Q10</u>
LOANS BY MARKET						
Atlanta MSA	\$ 1,220	\$ 1,192	\$ 1,188	\$ 1,179	\$ 1,310	\$ (90)
Gainesville MSA	265	272	275	282	312	(47)
North Georgia	1,426	1,478	1,500	1,531	1,689	(263)
Western North Carolina	597	607	626	640	702	(105)
Coastal Georgia	346	316	325	312	335	11
East Tennessee	256	245	249	250	256	-
Total	\$ 4,110	\$ 4,110	\$ 4,163	\$ 4,194	\$ 4,604	\$ (494)

<i>(in millions)</i>	<u>4Q11</u>	<u>3Q11</u>	<u>2Q11</u>	<u>1Q11</u>	<u>4Q10</u>	<u>4Q11 vs. 4Q10</u>
Land Loans						
Developing Land	\$ 44	\$ 51	\$ 58	\$ 62	\$ 88	\$ (44)
Raw Land	26	25	25	27	40	(14)
Lot Loans	118	124	129	131	159	(41)
Total	188	200	212	220	287	(99)
Construction Loans						
Spec	12	15	18	25	31	(19)
Sold	14	14	19	21	21	(7)
Total	26	29	37	46	52	(26)
Total Res Construction	\$ 214	\$ 229	\$ 249	\$ 266	\$ 339	\$ (125)

<i>(in millions)</i>	<u>4Q11</u>	<u>3Q11</u>	<u>2Q11</u>	<u>1Q11</u>	<u>4Q10</u>	<u>4Q11 vs. 4Q10</u>
<i>Land Loans</i>						
Developing Land	\$ 17	\$ 19	\$ 20	\$ 22	\$ 30	\$ (13)
Raw Land	14	15	16	19	23	(9)
Lot Loans	22	22	22	24	32	(10)
Total	53	56	58	65	85	(32)
<i>Construction Loans</i>						
Spec	27	28	30	34	38	(11)
Sold	6	8	9	11	10	(4)
Total	33	36	39	45	48	(15)
Total Res Construction	\$ 86	\$ 92	\$ 97	\$ 110	\$ 133	\$ (47)

(in millions)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
LOANS BY CATEGORY					
Commercial (Sec. by RE)	\$ 1,822	\$ 1,761	\$ 1,779	\$ 1,627	\$ 1,476
Commercial Construction	164	297	363	500	527
Commercial & Industrial	428	441	390	410	418
Total Commercial	2,414	2,499	2,532	2,537	2,421
Residential Construction	448	695	1,050	1,479	1,829
Residential Mortgage	1,135	1,279	1,427	1,526	1,502
Consumer / Installment	113	131	142	163	177
TOTAL LOANS	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705	\$ 5,929

(in millions)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
LOANS BY MARKET					
Atlanta MSA	\$ 1,220	\$ 1,310	\$ 1,435	\$ 1,706	\$ 2,002
Gainesville MSA	265	312	390	420	399
North Georgia	1,426	1,689	1,884	2,040	2,060
Western North Carolina	597	702	772	810	806
Coastal Georgia	346	335	405	464	416
East Tennessee	256	256	265	265	246
Total	<u>\$ 4,110</u>	<u>\$ 4,604</u>	<u>\$ 5,151</u>	<u>\$ 5,705</u>	<u>\$ 5,929</u>

Lending – Credit Summary

48

(in millions)

■ Legal lending limit	\$156
■ House lending limit	20
✓ Project lending limit	12
■ Top 25 relationships	414

Regional credit review – Standard underwriting

NPAs by Loan Category, Market, and Activity

49

Credit Quality ⁽¹⁾

(in thousands)	Fourth Quarter 2011			Third Quarter 2011			Second Quarter 2011		
	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs	Non-performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY									
Commercial (sec by RE)	\$ 27,322	\$ 9,745	\$ 37,067	\$ 21,998	\$ 8,880	\$ 30,878	\$ 17,764	\$ 6,796	\$ 24,560
Commercial construction	16,655	3,336	19,991	11,370	5,862	17,232	2,782	6,764	9,546
Commercial & industrial	34,613	-	34,613	53,009	-	53,009	1,998	-	1,998
Total commercial	78,590	13,081	91,671	86,377	14,742	101,119	22,544	13,560	36,104
Residential construction	25,523	12,851	38,374	34,472	21,561	56,033	22,643	24,968	47,611
Residential mortgage	22,358	6,927	29,285	22,671	7,960	30,631	24,809	9,056	33,865
Consumer / installment	1,008	-	1,008	964	-	964	1,069	-	1,069
Total NPAs	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649
Balance as a % of Unpaid Principal	71.3%	35.9%	59.3%	77.8%	33.4%	59.3%	64.5%	32.6%	46.3%
NPAs BY MARKET									
Atlanta MSA	\$ 14,480	\$ 6,169	\$ 20,649	\$ 13,350	\$ 12,971	\$ 26,321	\$ 14,700	\$ 11,239	\$ 25,939
Gainesville MSA	2,069	3,760	5,829	5,311	2,495	7,806	4,505	3,174	7,679
North Georgia	88,600	15,136	103,736	105,078	17,467	122,545	28,117	21,278	49,395
Western North Carolina	15,100	5,365	20,465	13,243	7,941	21,184	15,153	8,953	24,106
Coastal Georgia	5,248	1,620	6,868	5,600	2,354	7,954	5,357	2,564	7,921
East Tennessee	1,982	809	2,791	1,902	1,035	2,937	3,233	376	3,609
Total NPAs	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649
NPA ACTIVITY									
Beginning Balance	\$ 144,484	\$ 44,263	\$ 188,747	\$ 71,065	\$ 47,584	\$ 118,649	\$ 83,769	\$ 54,378	\$ 138,147
Loans placed on non-accrual	45,675	-	45,675	103,365	-	103,365	35,911	-	35,911
Payments received	(1,884)	-	(1,884)	(3,995)	-	(3,995)	(7,702)	-	(7,702)
Loan charge-offs	(44,757)	-	(44,757)	(15,335)	-	(15,335)	(18,888)	-	(18,888)
Foreclosures	(16,039)	16,039	-	(10,616)	10,616	-	(22,025)	22,025	-
Capitalized costs	-	141	141	-	818	818	-	20	20
Note / property sales	-	(20,651)	(20,651)	-	(13,787)	(13,787)	-	(28,939)	(28,939)
Write downs	-	(3,893)	(3,893)	-	(1,772)	(1,772)	-	(3,118)	(3,118)
Net gains (losses) on sales	-	(3,040)	(3,040)	-	804	804	-	3,218	3,218
Ending Balance	\$ 127,479	\$ 32,859	\$ 160,338	\$ 144,484	\$ 44,263	\$ 188,747	\$ 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.

Net Charge-offs by Category and Market

50

Credit Quality ⁽¹⁾

	Fourth Quarter 2011		Third Quarter 2011		Second Quarter 2011 ⁽²⁾	
	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽³⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽³⁾	Net Charge-Offs	Net Charge-Offs to Average Loans ⁽³⁾
<i>(in thousands)</i>						
NET CHARGE-OFFS BY CATEGORY						
Commercial (sec. by RE)	\$ 4,962	1.09 %	\$ 2,192	.50 %	\$ 3,259	.76 %
Commercial construction	3,318	7.88	1,625	3.54	869	1.70
Commercial & industrial	18,940	17.47	420	.39	523	.49
Total commercial	27,220	4.51	4,237	.71	4,651	.79
Residential construction	12,090	10.36	6,381	5.19	6,629	5.04
Residential mortgage	5,887	2.04	6,110	2.09	4,589	1.55
Consumer / installment	427	1.47	818	2.75	614	2.04
Total	\$ 45,624	4.39	\$ 17,546	1.68	\$ 16,483	1.58
NET CHARGE-OFFS BY MARKET						
Atlanta MSA	\$ 4,195	1.37 %	\$ 2,813	.94 %	\$ 2,920	.99 %
Gainesville MSA	2,572	3.84	1,804	2.64	2,318	3.36
North Georgia	34,970	9.46	8,124	2.16	6,575	1.72
Western North Carolina	3,180	2.10	3,608	2.31	3,522	2.21
Coastal Georgia	335	.41	709	.88	815	1.02
East Tennessee	372	.59	488	.78	333	.54
Total	\$ 45,624	4.39	\$ 17,546	1.68	\$ 16,483	1.58

⁽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⁾ 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.

⁽³⁾ Annualized.

Net Charge-offs by Category and Market

Asset Disposition Plan *as of March 31, 2011*

51

Credit Quality - Net Charge-Offs First Quarter 2011 ⁽¹⁾

<i>(in thousands)</i>	Asset Disposition Plan						First Quarter 2011 Net Charge- Offs
	Bulk Loan Sale ⁽²⁾		Other Bulk Loan Sales ⁽³⁾	Foreclosure Charge-Offs ⁽⁴⁾	Other Net Charge-Offs		
	Performing Loans	Nonperforming Loans					
NET CHARGE-OFFS BY CATEGORY							
Commercial (sec. by RE)	\$ 29,451	\$ 11,091	\$ 3,318	\$ 1,905	\$ 2,842	\$ 48,607	
Commercial construction	32,530	15,328	292	419	1,146	49,715	
Commercial & industrial	365	2,303	859	-	513	4,040	
Total commercial	62,346	28,722	4,469	2,324	4,501	102,362	
Residential construction	43,018	23,459	3,325	11,693	10,643	92,138	
Residential mortgage	13,917	14,263	1,676	1,538	4,989	36,383	
Consumer / installment	86	168	30	24	383	691	
Total	\$ 119,367	\$ 66,612	\$ 9,500	\$ 15,579	\$ 20,516	\$ 231,574	
NET CHARGE-OFFS BY MARKET							
Atlanta MSA	\$ 37,186	\$ 8,545	\$ 1,428	\$ 6,034	\$ 3,296	\$ 56,489	
Gainesville MSA	3,563	2,442	957	700	954	8,616	
North Georgia	57,969	47,699	2,508	6,585	8,544	123,305	
Western North Carolina	11,138	4,743	2,415	1,402	6,749	26,447	
Coastal Georgia	6,835	2,180	2,013	634	341	12,003	
East Tennessee	2,676	1,003	179	224	632	4,714	
Total	\$ 119,367	\$ 66,612	\$ 9,500	\$ 15,579	\$ 20,516	\$ 231,574	

⁽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⁾ Charge-offs totaling \$186 million were recognized on the bulk loan sale in the first quarter of 2011. The loans were transferred to the loans held for sale category in anticipation of the second quarter bulk loan sale that was completed on April 18, 2011.

⁽³⁾ Losses on smaller bulk sale transactions completed during the first quarter of 2011.

⁽⁴⁾ Loan charge-offs recognized in the first quarter of 2011 related to loans transferred to foreclosed properties. Such charge-offs were elevated in the first quarter as a result of the asset disposition plan, which called for aggressive write downs to expedite sales in the second and third quarters of 2011.

as of March 31, 2011

Credit Quality - Bulk Loan Sale Summary ⁽¹⁾

(in thousands)	Performing Loans			Nonperforming Loans			Total Loans		
	Carrying Amount ⁽²⁾	Charge-Offs ⁽³⁾	Loans Held for Sale ⁽⁴⁾	Carrying Amount ⁽²⁾	Charge-Offs ⁽³⁾	Loans Held for Sale ⁽⁴⁾	Carrying Amount ⁽²⁾	Charge-Offs ⁽³⁾	Loans Held for Sale ⁽⁴⁾
BY CATEGORY									
Commercial (sec. by RE)	\$ 40,902	\$ 29,451	\$ 11,451	\$ 17,202	\$ 11,090	\$ 6,112	\$ 58,104	\$ 40,541	\$ 17,563
Commercial construction	45,490	32,530	12,960	22,440	15,328	7,112	67,930	47,858	20,072
Commercial & industrial	504	365	139	3,397	2,302	1,095	3,901	2,667	1,234
Total commercial	86,896	62,346	24,550	43,039	28,720	14,319	129,935	91,066	38,869
Residential construction	59,747	43,018	16,729	35,508	23,459	12,049	95,255	66,477	28,778
Residential mortgage	19,342	13,917	5,425	21,716	14,262	7,454	41,058	28,179	12,879
Consumer / installment	120	86	34	238	169	69	358	255	103
Total	\$ 166,105	\$ 119,367	\$ 46,738	\$ 100,501	\$ 66,610	\$ 33,891	\$ 266,606	\$ 185,977	\$ 80,629
BY MARKET									
Atlanta MSA	\$ 51,647	\$ 37,186	\$ 14,461	\$ 13,755	\$ 8,545	\$ 5,210	\$ 65,402	\$ 45,731	\$ 19,671
Gainesville MSA	4,949	3,563	1,386	3,695	2,442	1,253	8,644	6,005	2,639
North Georgia	80,831	57,969	22,862	70,900	47,698	23,202	151,731	105,667	46,064
Western North Carolina	15,468	11,138	4,330	7,228	4,743	2,485	22,696	15,881	6,815
Coastal Georgia	9,493	6,835	2,658	3,527	2,179	1,348	13,020	9,014	4,006
East Tennessee	3,717	2,676	1,041	1,396	1,003	393	5,113	3,679	1,434
Total	\$ 166,105	\$ 119,367	\$ 46,738	\$ 100,501	\$ 66,610	\$ 33,891	\$ 266,606	\$ 185,977	\$ 80,629

⁽¹⁾ This schedule presents a summary of classified loans included in the bulk loan sale transaction that closed on April 18, 2011.

⁽²⁾ This column represents the book value, or carrying amount, of the loans prior to charge offs to mark loans to expected proceeds from sale.

⁽³⁾ This column represents the charge-offs required to adjust the loan balances to the expected proceeds from the sale based on indicative bids received from prospective buyers, including principal payments received or committed advances made after the cutoff date through March 31, 2011 that are part of the settlement.

⁽⁴⁾ This column represents the expected proceeds from the bulk sale based on indicative bids received from prospective buyers and equals the balance shown on the consolidated balance sheet as loans held for sale.

Loans / Deposits – Liquidity

53

(in millions)

	4Q11	3Q11	4Q10	Variance	
				vs 3Q11	vs 4Q10
Loans	\$ 4,110	\$ 4,110	\$ 4,604	\$ -	\$ (494)
Core (DDA, MMDA, Savings)	\$ 2,902	\$ 2,906	\$ 2,636	\$ (4)	\$ 266
Public Funds	884	635	725	249	159
CD's	2,133	2,254	2,431	(121)	(298)
Total Deposits (excl Brokered)	\$ 5,919	\$ 5,795	\$ 5,792	\$ 124	\$ 127
Loan to Deposit Ratio	69%	71%	79%		
Investment Securities:					
Available for Sale	\$ 1,227	\$ 1,173	\$ 1,120	\$ 54	\$ 107
Held to Maturity	330	354	266	(24)	64
Total Investment Securities	1,557	1,527	1,386	30	171
Floating Rate CMD, Bonds	563	596	104	(33)	459
Total Securities Portfolio	2,120	2,123	1,490	(3)	630
Percent of Assets (Excludes Floaters)	22%	22%	19%		
Commercial & Short-Term Paper	\$ 185	\$ -	\$ 442	\$ 185	\$ (257)
Floating Rate Securities	563	596	104	(33)	459
Excess Fed and Other Cash	140	230	112	(90)	28
Total Excess Liquidity	\$ 888	\$ 826	\$ 658	\$ 62	\$ 230

Wholesale Borrowings - Liquidity

54

(in millions)

	Unused Capacity	4Q11	3Q11	4Q10	Variance vs 3Q11 vs 4Q10	
Wholesale Borrowings						
Brokered Deposits	\$ 1,567	\$ 179	\$ 210	\$ 677	\$ (31)	\$ (498)
FHLB	1,058	41	41	55	-	(14)
Fed Funds	50	-	-	-	-	-
Other Wholesale	453	103	103	101	-	2
Total	\$ 3,128	\$ 323	\$ 354	\$ 833	\$ (31)	\$ (510)
Long-Term Debt						
Sub-Debt		\$ 65	\$ 65	\$ 95	\$ -	\$ (30)
Trust Preferred Securities		55	55	55	-	-
Total Long-Term Debt		\$ 120	\$ 120	\$ 150	\$ -	\$ (30)

(in millions)

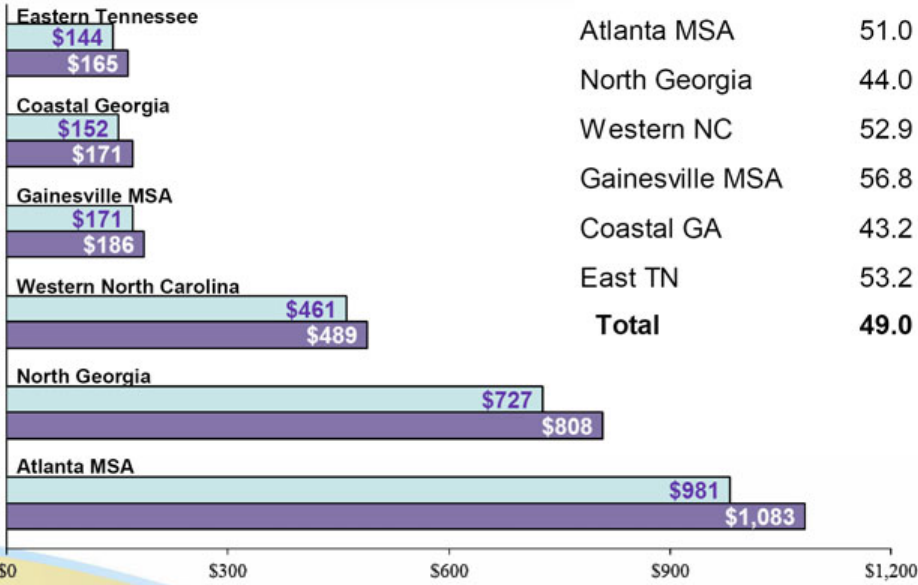
DEPOSITS BY CATEGORY	4Q11	3Q11	2Q11	1Q11	4Q10	4Q11 vs. 4Q10
Demand & Now	\$ 1,674	\$ 1,686	\$ 1,620	\$ 1,576	\$ 1,573	\$ 101
MMDA & Savings	1,228	1,220	1,174	1,149	1,063	165
Core Transaction Deposits	2,902	2,906	2,794	2,725	2,636	266
Time < \$100,000	1,326	1,387	1,503	1,570	1,491	(165)
Public Deposits	844	597	605	628	663	181
Total Core Deposits	5,072	4,890	4,902	4,923	4,790	282
Time > \$100,000	807	867	936	946	940	(133)
Public Deposits	40	38	44	44	62	(22)
Total Customer Deposits	5,919	5,795	5,882	5,913	5,792	127
Brokered Deposits	179	210	301	685	677	(498)
Total Deposits	\$ 6,098	\$ 6,005	\$ 6,183	\$ 6,598	\$ 6,469	\$ (371)

Core Transaction Deposits

Geographic Diversity

□ 4Q 10 ■ 4Q 11

\$ in millions



Core Transactions / Total Deposits (%)

	4Q11	4Q10
Atlanta MSA	51.0 %	50.3 %
North Georgia	44.0	39.5
Western NC	52.9	48.2
Gainesville MSA	56.8	51.2
Coastal GA	43.2	39.5
East TN	53.2	44.1
Total	49.0 %	45.5 %

Sold \$103 Million NPA's – With a \$65 Million Capital Option and Warrant

- Completed sale on April 30, 2010
- Accelerates disposition of the more illiquid assets

CATEGORY <i>(in millions)</i>		MARKETS <i>(in millions)</i>	
Commercial	\$ 29.4	Atlanta	\$ 10.7
Commercial Construction	11.3	Gainesville	13.5
Residential Construction	62.4	N. Georgia	50.0
Total	<u>\$ 103.1</u>	Coastal Georgia	7.6
		North Carolina	21.3
			<u>\$ 103.1</u>

Fair Value Accounting – Warrant / Option to Purchase Equity

- Increase to Capital Surplus - \$39.8 million
- Pre-tax expense charge - \$45.3 million; after-tax cost - \$30.0 million
- GAAP Capital +\$9.8million – Slight Negative to "Regulatory Capital" (DTA)

(in millions)

	<u>Income Statement</u>	<u>Capital Surplus</u>
Fair Value of Warrants / Option	\$ (39.8)	\$ 39.8
Loan Discount (3.5% to 5.8%)	(4.5)	
Closing Costs	(1.0)	
Total Charge to Expense	<u>(45.3)</u>	
Tax Benefit	15.3	
Impact on Net Loss	<u>\$ (30.0)</u>	<u>\$ 39.8</u>
Impact on GAAP Equity	↪ <u>\$ +9.8</u> ↩	

(in thousands except EPS)

Operating Earnings to GAAP Earnings Reconciliation

Core net interest revenue reconciliation

	4Q11	3Q11	4Q10
Core net interest revenue	\$ 59,050	\$ 59,281	\$ 60,132
Taxable equivalent adjustment	(423)	(420)	(497)
Net interest revenue (GAAP)	\$ 58,627	\$ 58,861	\$ 59,635

Core fee revenue reconciliation

	4Q11	3Q11	4Q10
Core fee revenue	\$ 11,442	\$ 11,309	\$ 11,148
Securities gains, net	4	-	-
Gains from sales of low income housing tax credits	728	-	682
Hedge ineffectiveness gains	313	575	400
Mark to market on deferred compensation plan assets	180	(386)	212
Fee revenue (GAAP)	\$ 12,667	\$ 11,498	\$ 12,442

Core operating expense reconciliation

	4Q11	3Q11	4Q10
Core operating expense	\$ 43,843	\$ 44,093	\$ 44,104
Foreclosed property expense	9,302	2,813	20,602
Mark to market on deferred compensation plan liability	180	(386)	212
Reclassification of pension plan actuarial gains and losses and unamortized prior service costs to other comprehensive income	(2,245)	-	-
Operating expense (GAAP)	\$ 51,080	\$ 46,520	\$ 64,918

Operating Earnings to GAAP Earnings Reconciliation

	4Q11	3Q11	4Q10
Net interest margin - pre credit reconciliation			
Net interest margin - pre credit	3.81 %	3.84 %	4.05 %
Effect of interest reversals, lost interest, and carry costs of NPAs	(.30)	(.29)	(.47)
Net interest margin	3.51	3.55	3.58
Tangible common equity and tangible equity to tangible assets reconciliation			
Tangible common equity to tangible assets	5.38 %	5.65 %	5.22 %
Effect of preferred equity	2.78	2.77	2.42
Tangible equity to tangible assets	8.16	8.42	7.64
Effect of goodwill and other intangibles	.12	.13	.16
Equity to assets (GAAP)	8.28 %	8.55 %	7.80 %
Tangible common equity to risk-weighted assets reconciliation			
Tangible common equity to risk-weighted assets	8.22 %	8.52 %	5.64 %
Effect of preferred equity	4.27	4.33	3.53
Tangible equity to risk weighted assets	12.49	12.85	9.17
Effect of other comprehensive income	(.03)	(.29)	(.42)
Effect of trust preferred	1.18	1.19	1.06
Tier I capital ratio (Regulatory)	13.64 %	13.75 %	9.81 %

Analyst Coverage

61

■ **FBR Capital**

(Market Perform - Jul 28, 2011)

■ **FIG Partners**

(Market Perform - Jan 6, 2012)

■ **Guggenheim Securities, LLC**

(Neutral - Jan 6, 2012)

■ **Keefe, Bruyette & Woods**

(Market Perform - Jan 6, 2012)

■ **Macquarie Capital (USA)**

(Neutral - Jan 6, 2012)

■ **Raymond James & Assoc.**

(Market Perform - Oct 31, 2011)

■ **Sandler O'Neill & Partners**

(Hold, Jan 6, 2012)

■ **Stephens, Inc.**

(Equal Weight - Jan 23, 2012)

■ **SunTrust Robinson Humphrey**

(Neutral - Jan 6, 2012)

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Investor Presentation

Fourth Quarter 2011

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