



January 24, 2013

## United Community Banks, Inc. Reports Earnings of \$9.3 Million for Fourth Quarter 2012

BLAIRSVILLE, GA -- (Marketwire) -- 01/24/13 -- United Community Banks, Inc. (NASDAQ: UCBI)

- Net income of \$9.3 million, or 11 cents per share
- Loans up \$37.2 million from third quarter, or 4 percent annualized
- Core transaction deposits up \$75.2 million in fourth quarter, or 10 percent annualized
- Solid improvement in credit quality

United Community Banks, Inc. (NASDAQ: UCBI) today reported net income of \$9.3 million, or 11 cents per share, for the fourth quarter of 2012, and net income of \$37.9 million, or 44 cents per share, for the year. The results for the fourth quarter and year reflect modest loan growth, improved credit quality, strong core transaction deposit growth, an increase in fee revenue, and lower operating expenses compared with the same periods a year ago.

"We had another positive quarter and a very productive year in rebuilding our core earnings and positioning United for future growth," said Jimmy Tallent, president and chief executive officer. "In the fourth quarter we achieved meaningful improvement in every key measure of credit quality, and we continued to build strong momentum in growing new customer loan and deposit relationships."

Tallent continued, "We grew our loan portfolio by \$37 million from the third quarter, for an annualized rate of 4 percent. That was no easy accomplishment in the current business environment. Additionally, our core transaction deposits increased by \$75 million, or 10 percent annualized. At the same time we lowered nonperforming assets by 10 percent, to \$128 million. This total includes our lowest level of foreclosed properties since 2007, at \$18 million. Even more encouraging was the significant drop in net charge-offs to \$14.5 million, the lowest level since the second quarter of 2008."

"This was a good way to end a successful year," Tallent stated. "During 2012, we achieved \$65 million in net new loan growth and we increased core transaction deposits by \$311 million or 11 percent. Continued growth in quality loan and deposit relationships remains a top priority."

The fourth quarter provision for loan losses was \$14 million, equal to a year ago and down \$1.5 million from the third quarter. Fourth quarter net charge-offs were \$14.5 million compared to \$20.6 million in the third quarter and \$45.6 million in the fourth quarter of 2011.

"The inflow of nonperforming loans in the fourth quarter was \$20 million, the lowest quarterly total since the beginning of the economic cycle," Tallent said. "We expect this trend will lead to lower quarterly charge-offs and loan loss provisions during 2013."

Taxable equivalent net interest revenue totaled \$56.0 million, down \$1.34 million from the third quarter of 2012 and down \$3.02 million from the fourth quarter of 2011. "The decrease primarily reflects lower yields on our investment securities and loan portfolios, as well as the overlap of new senior debt issued at the beginning of the fourth quarter that was used to repay subordinated debt that matured late in the fourth quarter," said Tallent.

"The lower yield on our loan portfolio reflects ongoing pricing pressure on new and renewed loans," Tallent continued. "Our investment securities interest decline was due to reinvestment of cash flows at record low rates. We continue to look for reinvestment opportunities with a focus on floating-rate securities to alleviate market and duration risk. Floating-rate securities, which account for 38 percent of the total investment securities portfolio, improve our interest sensitivity position by reducing our exposure to rising interest rates," Tallent continued.

The taxable equivalent net interest margin was down 16 basis points from the third quarter and 7 basis points from a year ago to 3.44 percent. "Five of the 16 basis point linked-quarter margin decline was due to the overlap in the replacement of maturing subordinated debt," stated Tallent. "Another five basis points was due to the scheduled repricing of certain corporate bonds from a fixed to floating rate. These floating rate securities were part of a planned strategy to maintain a neutral to slightly asset-sensitive interest rate position. The balance of the decrease was due to a new loan product offering with a low introductory rate that will reprice in 2013 and continued loan pricing pressures."

Fee revenue was \$14.8 million for the fourth quarter, compared to \$13.8 million for the third quarter and \$12.7 million a year

ago. The increase from prior quarters was primarily due to the higher level of mortgage loans closed and related fees. Mortgage refinancing activity continued at a strong pace through the fourth quarter as mortgage rates remained at record low levels. Closed mortgage loans totaled \$100 million in the fourth quarter compared with \$108 million in the third quarter and \$78.8 million in the fourth quarter of 2011. Service charges and fees on deposit accounts were also up from a year ago due to new fees on low balance deposit accounts that became effective in the first quarter of 2012, and to higher debit card interchange fees.

Other fee revenue was down \$217,000 from the third quarter of 2012 and \$466,000 from the fourth quarter of 2011 to \$2.34 million. The decrease was primarily due to lower hedge ineffectiveness gains and to a fourth quarter 2011 gain of \$728,000 from the sale of state low-income housing tax credits.

Operating expenses, excluding foreclosed property costs, were \$42.1 million for the fourth quarter of 2012 compared to \$41.1 million for the third quarter and \$41.8 million a year ago. The increase from a year ago was due primarily to a \$2.24 million, one-time credit adjustment in the fourth quarter of 2011 related to our retirement plan that reduced salary and employee benefit expense in that period. Excluding the foreclosed property costs and the one-time credit adjustment, quarterly operating expenses were down \$1.9 million from a year ago. Reduced staff levels and related costs were the primary drivers of the decrease. United had 164 fewer staff positions in the fourth quarter of 2012 compared to the fourth quarter of 2011.

Foreclosed property costs for the fourth quarter of 2012 were \$4.6 million, compared to \$3.7 million in the third quarter and \$9.3 million a year ago. Fourth quarter 2012 costs included \$1.4 million for maintenance and \$3.2 million in net losses and write-downs. For the third quarter of 2012, foreclosed property costs included \$962,000 in maintenance and \$2.7 million in net losses and write-downs. Fourth quarter 2011 foreclosed property costs included \$2.4 million in maintenance and \$6.9 million in net losses and write-downs.

As of December 31, 2012, capital ratios were as follows: Tier 1 Risk-Based of 14.2 percent; Tier 1 Leverage of 9.7 percent; Total Risk-Based of 15.8 percent; Tier 1 Common Risk-Based of 8.9 percent; and, Tangible Equity-to-Assets of 8.6 percent.

"By every measure, 2012 has been a year of significant improvement for United Community Banks," Tallent said. "Reflecting on all that this banking team has accomplished in restoring credit quality, regaining momentum in new business growth, and improving operating efficiency, I cannot help but look forward with excitement.

"We know that challenges remain as the economy continues to be sluggish and rates are at record lows," Tallent continued. "At the same time we expect credit measures to continue to improve, and this will translate into lower levels of charge-offs and provisioning. We see opportunities to grow our mortgage and advisory services businesses, and will look to expand both. We believe we can grow our loan portfolio and we will accomplish this by continuing to add lenders in key markets, as well as expanding into new markets, like Greenville, South Carolina, where we recently opened a loan production office."

Tallent concluded, "We constantly evaluate and find ways to improve this company -- to make it more productive and efficient while continuing to deliver the best customer service in the industry. Ultimately we are committed to delivering superior financial results on behalf of our shareholders. We are committed, we are up to the challenge, and we look ahead with determination and optimism."

#### Conference Call

United will hold a conference call today, Thursday, January 24, 2013, 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 86024021. The conference call also will be webcast and can be accessed by selecting 'Calendar of Events' within the Investor Relations section of United's website at [www.ucbi.com](http://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 \$6.8 billion and operates 105 banking offices throughout north Georgia, the Atlanta region, coastal Georgia, western North Carolina, east Tennessee and northwest South Carolina. 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 website at [www.ucbi.com](http://www.ucbi.com).

#### Safe Harbor

This news release contains forward-looking statements, as defined by federal securities laws, including statements about 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 2011 Annual Report on Form 10-K under the sections entitled "Forward-Looking Statements" and "Risk Factors." Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

	2012				2011
	Fourth	Third	Second	First	Fourth
(in thousands, except per share data; taxable data; taxable equivalent)	Quarter	Quarter	Quarter	Quarter	Quarter
INCOME SUMMARY					
Interest revenue	\$ 64,450	\$ 65,978	\$ 66,780	\$ 70,221	\$ 71,905
Interest expense	8,422	8,607	9,944	11,357	12,855
Net interest revenue	56,028	57,371	56,836	58,864	59,050
Provision for loan losses	14,000	15,500	18,000	15,000	14,000
Fee revenue	14,761	13,764	12,867	15,379	12,667
Total revenue	56,789	55,635	51,703	59,243	57,717
Operating expenses	46,726	44,783	44,310	46,955	51,080
Income (loss) before income taxes	10,063	10,852	7,393	12,288	6,637
Income tax expense					

(benefit)	802	284	894	760	(3,264)
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Net income (loss)	9,261	10,568	6,499	11,528	9,901
Preferred dividends and discount accretion	3,045	3,041	3,032	3,030	3,025
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Net income (loss) available to common shareholders	\$ 6,216	\$ 7,527	\$ 3,467	\$ 8,498	\$ 6,876
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PERFORMANCE MEASURES

Per common share:

Diluted income (loss)	\$ .11	\$ .13	\$ .06	\$ .15	\$ .12
Book value	6.74	6.75	6.61	6.68	6.62
Tangible book value (2)	6.64	6.64	6.48	6.54	6.47

Key performance ratios:

Return on equity

(1)(3)	6.03%	7.43%	3.51%	8.78%	7.40%
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Return on assets (3)	.54	.63	.37	.66	.56
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Net interest margin

(3)	3.44	3.60	3.43	3.53	3.51
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Efficiency ratio	66.04	62.95	63.84	63.31	71.23
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Equity to assets	8.63	8.75	8.33	8.19	8.28
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Tangible equity to

assets (2)	8.55	8.66	8.24	8.08	8.16
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Tangible common equity

to assets (2)	5.67	5.73	5.45	5.33	5.38
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Tangible common equity

to risk- weighted

assets (2)	8.33	8.44	8.37	8.21	8.25
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ASSET QUALITY \*

Non-performing loans	\$109,894	\$115,001	\$115,340	\$129,704	\$127,479
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Foreclosed properties	18,264	26,958	30,421	31,887	32,859
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Total non-performing

assets (NPAs)	128,158	141,959	145,761	161,591	160,338
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Allowance for loan

losses	107,137	107,642	112,705	113,601	114,468
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Net charge-offs	14,505	20,563	18,896	15,867	45,624
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Allowance for loan

losses to loans	2.57%	2.60%	2.74%	2.75%	2.79%
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Net charge-offs to

average loans (3)	1.39	1.99	1.85	1.55	4.39
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NPAs to loans and

foreclosed properties	3.06	3.41	3.51	3.88	3.87
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NPAs to total assets	1.88	2.12	2.16	2.25	2.30
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AVERAGE BALANCES(\$ in

millions)

Loans	\$ 4,191	\$ 4,147	\$ 4,156	\$ 4,168	\$ 4,175
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Investment securities	2,088	1,971	2,145	2,153	2,141
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Earning assets	6,482	6,346	6,665	6,700	6,688
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Total assets	6,778	6,648	6,993	7,045	7,019
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Deposits	5,873	5,789	5,853	6,028	6,115
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Shareholders' equity	585	582	583	577	581
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Common shares - basic

(thousands)	57,971	57,880	57,840	57,764	57,646
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Common shares - diluted

(thousands)	57,971	57,880	57,840	57,764	57,646
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AT PERIOD END(\$ in  
millions)

Loans *	\$ 4,175	\$ 4,138	\$ 4,119	\$ 4,128	\$ 4,110
Investment securities	2,079	2,025	1,984	2,202	2,120
Total assets	6,802	6,699	6,737	7,174	6,983
Deposits	5,952	5,823	5,822	6,001	6,098
Shareholders' equity	585	585	576	580	575
Common shares					
outstanding (thousands)	57,741	57,710	57,641	57,603	57,561

(1) 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). (2) Excludes effect of acquisition related intangibles and associated amortization. (3) Annualized.

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

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

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			Fourth		
(in thousands,	2012	2011	Quarter	For the Twelve	YTD

except per share data; taxable equivalent)	----- Fourth Quarter -----	----- Fourth Quarter -----	2012- 2011 Change -----	Months Ended		2012- 2011 Change -----
				2012	2011	
INCOME SUMMARY						
Interest revenue	\$ 64,450	\$ 71,905		\$267,429	\$ 299,344	
Interest expense	8,422	12,855		38,330	65,675	
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Net interest						
revenue	56,028	59,050	(5)%	229,099	233,669	(2)%
Provision for						
loan losses	14,000	14,000		62,500	251,000	
Fee revenue	14,761	12,667	17	56,771	49,908	14
	-----	-----		-----	-----	
Total revenue	56,789	57,717		223,370	32,577	
Operating						
expenses	46,726	51,080	(9)	182,774	261,599	(30)
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Income (loss)						
before						
income taxes	10,063	6,637	52	40,596	(229,022)	
Income tax						
expense						
(benefit)	802	(3,264)		2,740	(2,276)	
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Net income						
(loss)	9,261	9,901	(6)	37,856	(226,746)	
Preferred						
dividends and						
discount						
accretion	3,045	3,025		12,148	11,838	

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Net income (loss)					
available to					
common					
shareholders	\$ 6,216	\$ 6,876	(10)	\$ 25,708	\$(238,584)
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PERFORMANCE

MEASURES

Per common

share:

Diluted

income

(loss) \$ .11 \$ .12 (8) \$ .44 \$ (5.97)

Book value 6.74 6.62 2 6.74 6.62 2

Tangible book

value (2) 6.64 6.47 3 6.64 6.47 3

Key performance

ratios:

Return on

equity

(1)(3) 6.03% 7.40% 6.43% (93.57)%

Return on

assets (3)

.54 .56 .55 (3.15)

Net interest

margin (3)

3.44 3.51 3.50 3.44

Efficiency

ratio

66.04 71.23 64.02 92.27

Equity to

assets

8.63 8.28 8.47 7.75



Tangible				
equity to				
assets (2)	8.55	8.16	8.38	7.62
Tangible				
common				
equity to				
assets (2)	5.67	5.38	5.54	3.74
Tangible				
common				
equity to				
risk-				
weighted				
assets (2)	8.33	8.25	8.33	8.25

ASSET QUALITY \*

Non-performing				
loans	\$109,894	\$127,479	\$109,894	\$ 127,479
Foreclosed				
properties	18,264	32,859	18,264	32,859
	-----	-----	-----	-----
Total non-				
performing				
assets				
(NPAs)	128,158	160,338	128,158	160,338
Allowance for				
loan losses	107,137	114,468	107,137	114,468
Net charge-offs	14,505	45,624	69,831	311,227
Allowance for				
loan losses to				
loans	2.57%	2.79%	2.57%	2.79%
Net charge-offs				

to average					
loans (3)	1.39	4.39		1.69	7.33
NPAs to loans					
and foreclosed					
properties	3.06	3.87		3.06	3.87
NPAs to total					
assets	1.88	2.30		1.88	2.30

#### AVERAGE BALANCES

(\$ in millions)

Loans	\$ 4,191	\$ 4,175	-	\$ 4,166	\$ 4,307	(3)
Investment						
securities	2,088	2,141	(2)	2,089	1,999	5
Earning assets	6,482	6,688	(3)	6,547	6,785	(4)
Total assets	6,778	7,019	(3)	6,865	7,189	(5)
Deposits	5,873	6,115	(4)	5,885	6,275	(6)
Shareholders'						
equity	585	581	1	582	557	4
Common shares -						
basic						
(thousands)	57,971	57,646		57,857	39,943	
Common shares -						
diluted						
(thousands)	57,971	57,646		57,857	39,943	

#### AT PERIOD END (\$

in millions)

Loans *	\$ 4,175	\$ 4,110	2	\$ 4,175	\$ 4,110	2
Investment						
securities	2,079	2,120	(2)	2,079	2,120	(2)
Total assets	6,802	6,983	(3)	6,802	6,983	(3)

Deposits	5,952	6,098	(2)	5,952	6,098	(2)
Shareholders'						
equity	585	575	2	585	575	2
Common shares						
outstanding						
(thousands)	57,741	57,561		57,741	57,561	

(1) 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). (2) Excludes effect of acquisition related intangibles and associated amortization. (3) 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,

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(in thousands, except  
per share data;

taxable equivalent)	2012	2011	2010	2009	2008
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INCOME SUMMARY

Net interest revenue	\$ 229,099	\$ 233,669	\$ 243,052	\$ 245,227	\$ 238,704
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Operating provision					
for loan losses (1)	62,500	251,000	234,750	310,000	184,000
Operating fee revenue					
(2)	56,771	49,908	48,548	50,964	46,081
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Total operating					
revenue (1)(2)	223,370	32,577	56,850	(13,809)	100,785
Operating expenses					
(3)	182,774	261,599	242,952	217,050	200,335
Loss on sale of					
nonperforming assets	-	-	45,349	-	-
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Operating income					
(loss) from					
continuing					
operations					
before taxes	40,596	(229,022)	(231,451)	(230,859)	(99,550)
Operating income					
taxes	2,740	(2,276)	73,218	(91,754)	(35,651)
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Net operating					
income (loss)					
from continuing					
operations	37,856	(226,746)	(304,669)	(139,105)	(63,899)
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	-	-
Net income (loss)					
from discontinued					
operations	-	-	(101)	513	449
Gain from sale of					
subsidiary, net of					
income taxes and					
selling costs	-	-	1,266	-	-
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Net income (loss)	37,856	(226,746)	(502,344)	(228,327)	(63,450)
Preferred dividends					
and discount					
accretion	12,148	11,838	10,316	10,242	724
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Net income (loss)					
available to					
common					
shareholders	\$ 25,708	\$(238,584)	\$(512,660)	\$(238,569)	\$(64,174)
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PERFORMANCE MEASURES

Per common share:

Diluted operating  
earnings (loss)  
from continuing  
operations

(1)(2)(3)      \$      .44    \$    (5.97)    \$    (16.64)    \$    (12.37)    \$    (6.82)

Diluted earnings

(loss) from					
continuing					
operations	.44	(5.97)	(27.15)	(19.80)	(6.82)
Diluted earnings					
(loss)	.44	(5.97)	(27.09)	(19.76)	(6.77)
Cash dividends					
declared					
(rounded)	-	-	-	-	.87
Stock dividends				3 for	2 for
declared (6)	-	-	-	130	130
Book value	6.74	6.62	15.40	41.78	84.75
Tangible book					
value (5)	6.64	6.47	14.80	30.09	51.93
Key performance					
ratios:					
Return on equity					
(4)	6.43	(93.57)%	(85.08)%	(34.40)%	(7.82)%
Return on assets	.55	(3.15)	(6.61)	(2.76)	(.76)
Net interest					
margin	3.50	3.44	3.56	3.29	3.18
Operating					
efficiency ratio					
from continuing					
operations					
(2)(3)	64.02	92.27	98.98	73.97	70.00
Equity to assets	8.47	7.75	10.77	11.12	10.22
Tangible equity					
to assets (5)	8.38	7.62	8.88	8.33	6.67
Tangible common					
equity to assets					

(5)	5.54	3.74	6.52	6.15	6.57
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Tangible common  
equity to risk-  
weighted assets

(5)	8.33	8.25	5.64	10.39	8.34
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ASSET QUALITY \*

Non-performing

loans	\$ 109,894	\$ 127,479	\$ 179,094	\$ 264,092	\$ 190,723
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Foreclosed

properties	18,264	32,859	142,208	120,770	59,768
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Total non-  
performing

assets (NPAs)	128,158	160,338	321,302	384,862	250,491
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Allowance for loan

losses	107,137	114,468	174,695	155,602	122,271
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Operating net

charge-offs (1)	69,831	311,227	215,657	276,669	151,152
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Allowance for loan

losses to loans	2.57%	2.79%	3.79%	3.02%	2.14%
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Operating net

charge-offs to

average loans (1)	1.69	7.33	4.42	5.03	2.57
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NPAs to loans and

foreclosed

properties	3.06	3.87	6.77	7.30	4.35
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NPAs to total

assets	1.88	2.30	4.42	4.81	2.92
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AVERAGE BALANCES (\$

in millions)

Loans	\$ 4,166	\$ 4,307	\$ 4,961	\$ 5,548	\$ 5,891
Investment					
securities	2,089	1,999	1,453	1,656	1,489
Earning assets	6,547	6,785	6,822	7,465	7,504
Total assets	6,865	7,189	7,605	8,269	8,319
Deposits	5,885	6,275	6,373	6,713	6,524
Shareholders'					
equity	582	557	819	920	850
Common shares -					
Basic (thousands)	57,857	39,943	18,925	12,075	9,474
Common shares -					
Diluted					
(thousands)	57,857	39,943	18,925	12,075	9,474

AT YEAR END (\$ in  
millions)

Loans *	\$ 4,175	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705
Investment					
securities	2,079	2,120	1,490	1,530	1,617
Total assets	6,802	6,983	7,276	8,000	8,592
Deposits	5,952	6,098	6,469	6,628	7,004
Shareholders'					
equity	585	575	469	962	989
Common shares					
outstanding					
(thousands)	57,741	57,561	18,937	18,809	9,602

(1) Excludes the subsequent recovery of \$11.8 million in previously recognized fraud related loan losses 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 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 income (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) 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.

Non-GAAP Performance Measures Reconciliation

Selected Financial Information

	2012				2011
	Fourth	Third	Second	First	Fourth
(in thousands, except per share data; taxable equivalent)	Quarter	Quarter	Quarter	Quarter	Quarter
Interest revenue reconciliation					
Interest revenue - taxable equivalent	\$64,450	\$65,978	\$66,780	\$70,221	\$71,905
Taxable equivalent adjustment	(381)	(419)	(444)	(446)	(423)

	-----	-----	-----	-----	-----
Interest revenue (GAAP)	\$64,069	\$65,559	\$66,336	\$69,775	\$71,482
	=====	=====	=====	=====	=====
Net interest revenue reconciliation					
Net interest revenue - taxable equivalent	\$56,028	\$57,371	\$56,836	\$58,864	\$59,050
Taxable equivalent adjustment	(381)	(419)	(444)	(446)	(423)
	-----	-----	-----	-----	-----
Net interest revenue (GAAP)	\$55,647	\$56,952	\$56,392	\$58,418	\$58,627
	=====	=====	=====	=====	=====
Provision for loan losses reconciliation					
Operating provision for loan losses	\$14,000	\$15,500	\$18,000	\$15,000	\$14,000
Partial recovery of special fraud-related loan loss	-	-	-	-	-
	-----	-----	-----	-----	-----
Provision for loan losses (GAAP)	\$14,000	\$15,500	\$18,000	\$15,000	\$14,000
	=====	=====	=====	=====	=====
Fee revenue reconciliation					
Operating fee revenue	\$14,761	\$13,764	\$12,867	\$15,379	\$12,667
Gain from acquisition	-	-	-	-	-
	-----	-----	-----	-----	-----
Fee revenue (GAAP)	\$14,761	\$13,764	\$12,867	\$15,379	\$12,667
	=====	=====	=====	=====	=====

Total revenue reconciliation					
Total operating revenue	\$56,789	\$55,635	\$51,703	\$59,243	\$57,717
Taxable equivalent adjustment	(381)	(419)	(444)	(446)	(423)
Gain from acquisition	-	-	-	-	-
Partial recovery of special					
fraud-related loan loss	-	-	-	-	-
	-----	-----	-----	-----	-----
Total revenue (GAAP)	\$56,408	\$55,216	\$51,259	\$58,797	\$57,294
	=====	=====	=====	=====	=====
Expense reconciliation					
Operating expense	\$46,726	\$44,783	\$44,310	\$46,955	\$51,080
Noncash goodwill impairment					
charge	-	-	-	-	-
Severance costs	-	-	-	-	-
	-----	-----	-----	-----	-----
Operating expense (GAAP)	\$46,726	\$44,783	\$44,310	\$46,955	\$51,080
	=====	=====	=====	=====	=====
Income (loss) before taxes					
reconciliation					
Income (loss) before taxes	\$10,063	\$10,852	\$ 7,393	\$12,288	\$ 6,637
Taxable equivalent adjustment	(381)	(419)	(444)	(446)	(423)
Gain from acquisition	-	-	-	-	-
Noncash goodwill impairment					
charge	-	-	-	-	-
Severance costs	-	-	-	-	-
Partial recovery of special					
fraud-related loan loss	-	-	-	-	-
	-----	-----	-----	-----	-----
Income (loss) before taxes					

(GAAP)	\$ 9,682	\$10,433	\$ 6,949	\$11,842	\$ 6,214
	=====	=====	=====	=====	=====
Income tax (benefit) expense reconciliation					
Income tax (benefit) expense	\$ 802	\$ 284	\$ 894	\$ 760	\$(3,264)
Taxable equivalent adjustment	(381)	(419)	(444)	(446)	(423)
Gain from acquisition, tax expense	-	-	-	-	-
Severance costs, tax benefit	-	-	-	-	-
	-----	-----	-----	-----	-----
Income tax (benefit) expense (GAAP)	\$ 421	\$ (135)	\$ 450	\$ 314	\$(3,687)
	=====	=====	=====	=====	=====
Diluted earnings (loss) from continuing operations per common share reconciliation					
Diluted operating earnings (loss) from continuing operations per common share	\$ .11	\$ .13	\$ .06	\$ .15	\$ .12
Gain from acquisition	-	-	-	-	-
Noncash goodwill impairment charge	-	-	-	-	-
Severance costs	-	-	-	-	-
Partial recovery of special fraud-related loan loss	-	-	-	-	-
	-----	-----	-----	-----	-----
Diluted earnings (loss) from continuing operations per common share (GAAP)	\$ .11	\$ .13	\$ .06	\$ .15	\$ .12

	=====	=====	=====	=====	=====
Book value per common share					
reconciliation					
Tangible book value per common					
share	\$ 6.64	\$ 6.64	\$ 6.48	\$ 6.54	\$ 6.47
Effect of goodwill and other					
intangibles	.10	.11	.13	.14	.15
	-----	-----	-----	-----	-----
Book value per common share					
(GAAP)	\$ 6.74	\$ 6.75	\$ 6.61	\$ 6.68	\$ 6.62
	=====	=====	=====	=====	=====

Efficiency ratio from					
continuing operations					
reconciliation					
Operating efficiency ratio from					
continuing operations	66.04%	62.95%	63.84%	63.31%	71.23%
Gain from acquisition	-	-	-	-	-
Noncash goodwill impairment					
charge	-	-	-	-	-
Severance costs	-	-	-	-	-
	-----	-----	-----	-----	-----
Efficiency ratio from					
continuing operations (GAAP)	66.04%	62.95%	63.84%	63.31%	71.23%
	=====	=====	=====	=====	=====

Average equity to assets					
reconciliation					
Tangible common equity to					
assets	5.67%	5.73%	5.45%	5.33%	5.38%

Effect of preferred equity	2.88	2.93	2.79	2.75	2.78
	-----	-----	-----	-----	-----
Tangible equity to assets	8.55	8.66	8.24	8.08	8.16
Effect of goodwill and other					
intangibles	.08	.09	.09	.11	.12
	-----	-----	-----	-----	-----
Equity to assets (GAAP)	8.63%	8.75%	8.33%	8.19%	8.28%
	=====	=====	=====	=====	=====
Tangible common equity to risk-					
weighted assets reconciliation					
Tangible common equity to risk-					
weighted assets	8.33%	8.44%	8.37%	8.21%	8.25%
Effect of other comprehensive					
income	.51	.36	.28	.10	(.03)
Effect of deferred tax					
limitation	-	-	-	-	-
Effect of trust preferred	1.15	1.17	1.19	1.15	1.18
Effect of preferred equity	4.24	4.29	4.35	4.23	4.29
	-----	-----	-----	-----	-----
Tier I capital ratio					
(Regulatory)	14.23%	14.26%	14.19%	13.69%	13.69%
	=====	=====	=====	=====	=====
Net charge-offs reconciliation					
Operating net charge-offs	\$14,505	\$20,563	\$18,896	\$15,867	\$45,624
Subsequent partial recovery of					
fraud-related charge-off	-	-	-	-	-
	-----	-----	-----	-----	-----
Net charge-offs (GAAP)	\$14,505	\$20,563	\$18,896	\$15,867	\$45,624
	=====	=====	=====	=====	=====

Net charge-offs to average loans reconciliation					
Operating net charge-offs to average loans	1.39%	1.99%	1.85%	1.55%	4.39%
Subsequent partial recovery of fraud-related charge-off	-	-	-	-	-
	-----	-----	-----	-----	-----
Net charge-offs to average loans (GAAP)	1.39%	1.99%	1.85%	1.55%	4.39%
	=====	=====	=====	=====	=====

UNITED COMMUNITY BANKS, INC.

Non-GAAP Performance Measures Reconciliation

Selected Financial Information

	-----				
(in thousands, except per share data; taxable equivalent)	For the Twelve Months Ended				
	-----				
	2012	2011	2010	2009	2008
	-----	-----	-----	-----	-----

Interest revenue reconciliation					
Interest revenue - taxable equivalent	\$ 267,429	\$ 299,344	\$ 343,123	\$ 404,961	\$ 466,969
Taxable equivalent					

adjustment	(1,690)	(1,707)	(2,001)	(2,132)	(2,261)
	-----	-----	-----	-----	-----
Interest revenue					
(GAAP)	\$ 265,739	\$ 297,637	\$ 341,122	\$ 402,829	\$ 464,708
	=====	=====	=====	=====	=====
Net interest revenue					
reconciliation					
Net interest revenue					
- taxable equivalent	\$ 229,099	\$ 233,669	\$ 243,052	\$ 245,227	\$ 238,704
Taxable equivalent					
adjustment	(1,690)	(1,707)	(2,001)	(2,132)	(2,261)
	-----	-----	-----	-----	-----
Net interest					
revenue (GAAP)	\$ 227,409	\$ 231,962	\$ 241,051	\$ 243,095	\$ 236,443
	=====	=====	=====	=====	=====
Provision for loan					
losses					
reconciliation					
Operating provision					
for loan losses	\$ 62,500	\$ 251,000	\$ 234,750	\$ 310,000	\$ 184,000
Partial recovery of					
special fraud-					
related loan loss	-	-	(11,750)	-	-
	-----	-----	-----	-----	-----
Provision for loan					
losses (GAAP)	\$ 62,500	\$ 251,000	\$ 223,000	\$ 310,000	\$ 184,000
	=====	=====	=====	=====	=====

Fee revenue



reconciliation

Operating fee revenue	\$ 56,771	\$ 49,908	\$ 48,548	\$ 50,964	\$ 46,081
Gain from acquisition	-	-	-	11,390	-
	-----	-----	-----	-----	-----
Fee revenue (GAAP)	\$ 56,771	\$ 49,908	\$ 48,548	\$ 62,354	\$ 46,081
	=====	=====	=====	=====	=====

Total revenue

reconciliation

Total operating

revenue	\$ 223,370	\$ 32,577	\$ 56,850	\$ (13,809)	\$ 100,785
---------	------------	-----------	-----------	-------------	------------

Taxable equivalent

adjustment	(1,690)	(1,707)	(2,001)	(2,132)	(2,261)
------------	---------	---------	---------	---------	---------

Gain from acquisition	-	-	-	11,390	-
-----------------------	---	---	---	--------	---

Partial recovery of

special fraud-

related loan loss	-	-	11,750	-	-
	-----	-----	-----	-----	-----

Total revenue

(GAAP)	\$ 221,680	\$ 30,870	\$ 66,599	\$ (4,551)	\$ 98,524
	=====	=====	=====	=====	=====

Expense

reconciliation

Operating expense	\$ 182,774	\$ 261,599	\$ 288,301	\$ 217,050	\$ 200,335
-------------------	------------	------------	------------	------------	------------

Noncash goodwill

impairment charge	-	-	210,590	95,000	-
-------------------	---	---	---------	--------	---

Severance costs	-	-	-	2,898	-
	-----	-----	-----	-----	-----

Operating expense

(GAAP)	\$ 182,774	\$ 261,599	\$ 498,891	\$ 314,948	\$ 200,335
--------	------------	------------	------------	------------	------------

	=====	=====	=====	=====	=====
Income (loss) before					
taxes reconciliation					
Income (loss) before					
taxes	\$ 40,596	\$(229,022)	\$(231,451)	\$(230,859)	\$(99,550)
Taxable equivalent					
adjustment	(1,690)	(1,707)	(2,001)	(2,132)	(2,261)
Gain from acquisition	-	-	-	11,390	-
Noncash goodwill					
impairment charge	-	-	(210,590)	(95,000)	-
Severance costs	-	-	-	(2,898)	-
Partial recovery of					
special fraud-					
related loan loss	-	-	11,750	-	-
	-----	-----	-----	-----	-----
Income (loss)					
before taxes					
(GAAP)	\$ 38,906	\$(230,729)	\$(432,292)	\$(319,499)	\$(101,811)
	=====	=====	=====	=====	=====

Income tax (benefit)					
expense					
reconciliation					
Income tax (benefit)					
expense	\$ 2,740	\$(2,276)	\$ 73,218	\$(91,754)	\$(35,651)
Taxable equivalent					
adjustment	(1,690)	(1,707)	(2,001)	(2,132)	(2,261)
Gain from					
acquisition, tax					
expense	-	-	-	4,328	-

Severance costs, tax					
benefit	-	-	-	(1,101)	-
	-----	-----	-----	-----	-----
Income tax					
(benefit) expense					
(GAAP)	\$ 1,050	\$ (3,983)	\$ 71,217	\$ (90,659)	\$ (37,912)
	=====	=====	=====	=====	=====

Diluted earnings					
(loss) from					
continuing					
operations per					
common share					
reconciliation					
Diluted operating					
earnings (loss) from					
continuing					
operations per					
common share	\$ .44	\$ (5.97)	\$ (16.64)	\$ (12.37)	\$ (6.82)
Gain from acquisition	-	-	-	.58	-
Noncash goodwill					
impairment charge	-	-	(11.13)	(7.86)	-
Severance costs	-	-	-	(.15)	-
Partial recovery of					
special fraud-					
related loan loss	-	-	.62	-	-
	-----	-----	-----	-----	-----

Diluted earnings  
(loss) from  
continuing  
operations per

common share

(GAAP) \$ .44 \$ (5.97) \$ (27.15) \$ (19.80) \$ (6.82)

=====

Book value per common

share reconciliation

Tangible book value

per common share \$ 6.64 \$ 6.47 \$ 14.80 \$ 30.09 \$ 51.93

Effect of goodwill

and other

intangibles .10 .15 .60 11.69 32.82

-----

Book value per

common share

(GAAP) \$ 6.74 \$ 6.62 \$ 15.40 \$ 41.78 \$ 84.75

=====

Efficiency ratio from

continuing

operations

reconciliation

Operating efficiency

ratio from

continuing

operations 64.02% 92.27% 98.98% 73.97% 70.00%

Gain from acquisition

- - - (2.77) -

Noncash goodwill

impairment charge - - 72.29 31.17 -

Severance costs

- - - .95 -

-----

Efficiency ratio

from continuing					
operations (GAAP)	64.02%	92.27%	171.27%	103.32%	70.00%
	=====	=====	=====	=====	=====
Average equity to					
assets					
reconciliation					
Tangible common					
equity to assets	5.54%	3.74%	6.52%	6.15%	6.57%
Effect of preferred					
equity	2.84	3.88	2.36	2.18	.10
	-----	-----	-----	-----	-----
Tangible equity to					
assets	8.38	7.62	8.88	8.33	6.67
Effect of goodwill					
and other					
intangibles	.09	.13	1.89	2.79	3.55
	-----	-----	-----	-----	-----
Equity to assets					
(GAAP)	8.47%	7.75%	10.77%	11.12%	10.22%
	=====	=====	=====	=====	=====
Tangible common					
equity to risk-					
weighted assets					
reconciliation					
Tangible common					
equity to risk-					
weighted assets	8.33%	8.25%	5.64%	10.39%	8.34%
Effect of other					
comprehensive income	.51	(.03)	(.42)	(.87)	(.91)

Effect of deferred					
tax limitation	-	-	-	(1.27)	-
Effect of trust					
preferred	1.15	1.18	1.06	.97	.88
Effect of preferred					
equity	4.24	4.29	3.53	3.19	2.90
	-----	-----	-----	-----	-----
Tier I capital					
ratio (Regulatory)	14.23%	13.69%	9.81%	12.41%	11.21%
	=====	=====	=====	=====	=====

Net charge-offs					
reconciliation					
Operating net charge-					
offs	\$ 69,831	\$ 311,227	\$ 215,657	\$ 276,669	\$ 151,152
Subsequent partial					
recovery of fraud-					
related charge-off	-	-	(11,750)	-	-
	-----	-----	-----	-----	-----
Net charge-offs					
(GAAP)	\$ 69,831	\$ 311,227	\$ 203,907	\$ 276,669	\$ 151,152
	=====	=====	=====	=====	=====

Net charge-offs to					
average loans					
reconciliation					
Operating net charge-					
offs to average					
loans	1.69%	7.33%	4.42%	5.03%	2.57%
Subsequent partial					
recovery of fraud-					

related charge-off	-	-	(.25)	-	-
-----					
Net charge-offs to average loans (GAAP)	1.69%	7.33%	4.17%	5.03%	2.57%
=====					

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at

Period-End (1)

	2012				2011
	Fourth	Third	Second	First	Fourth
(in millions)	Quarter	Quarter	Quarter	Quarter	Quarter
	-----	-----	-----	-----	-----
LOANS BY CATEGORY					
Owner occupied commercial RE	\$ 1,131	\$ 1,126	\$ 1,140	\$ 1,137	\$ 1,112
Income producing commercial RE	682	693	697	706	710
Commercial & industrial	458	460	450	440	428
Commercial construction	155	161	169	167	164
	-----	-----	-----	-----	-----
Total commercial	2,426	2,440	2,456	2,450	2,414
Residential mortgage	829	833	834	836	835
Home equity lines of credit	385	341	294	295	300

Residential construction	382	389	409	436	448
Consumer installment	153	135	126	111	113
-----					
Total loans	\$ 4,175	\$ 4,138	\$ 4,119	\$ 4,128	\$ 4,110
=====					

LOANS BY MARKET

North Georgia	\$ 1,364	\$ 1,383	\$ 1,387	\$ 1,408	\$ 1,426
Atlanta MSA	1,288	1,257	1,252	1,239	1,220
North Carolina	579	579	576	588	597
Coastal Georgia	400	380	369	366	346
Gainesville MSA	261	256	259	262	265
East Tennessee	283	283	276	265	256
-----					
Total loans	\$ 4,175	\$ 4,138	\$ 4,119	\$ 4,128	\$ 4,110
=====					

RESIDENTIAL CONSTRUCTION

Dirt loans

Acquisition & development	\$ 62	\$ 71	\$ 78	\$ 86	\$ 88
Land loans	46	41	45	57	61
Lot loans	193	196	203	204	207
-----					
Total	301	308	326	347	356
-----					

House loans

Spec	41	44	49	57	59
Sold	40	37	34	32	33
-----					
Total	81	81	83	89	92



Total residential construction	\$ 382	\$ 389	\$ 409	\$ 436	\$ 448
	=====	=====	=====	=====	=====

(1) Excludes total loans of \$33.4 million, \$37.0 million, \$41.5 million, \$47.2 million and \$54.5 million as of December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End (1)

	2012		2011			
(in millions)	Fourth Quarter	Third Quarter	Fourth Quarter	Quarter	Linked Change	Year over Year Change

LOANS BY CATEGORY

Owner occupied commercial RE	\$ 1,131	\$ 1,126	\$ 1,112	\$ 5	\$ 19
Income producing commercial RE	682	693	710	(11)	(28)
Commercial & industrial	458	460	428	(2)	30
Commercial construction	155	161	164	(6)	(9)
	-----	-----	-----	-----	-----
Total commercial	2,426	2,440	2,414	(14)	12

Residential mortgage	829	833	835	(4)	(6)
Home equity lines of credit	385	341	300	44	85
Residential construction	382	389	448	(7)	(66)
Consumer installment	153	135	113	18	40

-----

Total loans	\$ 4,175	\$ 4,138	\$ 4,110	37	65
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=====

#### LOANS BY MARKET

North Georgia	\$ 1,364	\$ 1,383	\$ 1,426	(19)	(62)
Atlanta MSA	1,288	1,257	1,220	31	68
North Carolina	579	579	597	-	(18)
Coastal Georgia	400	380	346	20	54
Gainesville MSA	261	256	265	5	(4)
East Tennessee	283	283	256	-	27

-----

Total loans	\$ 4,175	\$ 4,138	\$ 4,110	37	65
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#### RESIDENTIAL CONSTRUCTION

##### Dirt loans

Acquisition & development	\$ 62	\$ 71	\$ 88	(9)	(26)
Land loans	46	41	61	5	(15)
Lot loans	193	196	207	(3)	(14)

-----

Total	301	308	356	(7)	(55)
-------	-----	-----	-----	-----	------

-----

##### House loans

Spec	41	44	59	(3)	(18)
Sold	40	37	33	3	7

	-----	-----	-----		
Total	81	81	92	-	(11)
	-----	-----	-----		
Total residential construction	\$ 382	\$ 389	\$ 448	(7)	(66)
	=====	=====	=====		

(1) Excludes total loans of \$33.4 million, \$37.0 million, \$41.5 million, \$47.2 million and \$54.5 million as of December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, 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)

	-----	-----	-----	-----	-----
(in millions)	2012	2011	2010	2009	2008
	-----	-----	-----	-----	-----
LOANS BY CATEGORY					
Owner occupied commercial RE	\$ 1,131	\$ 1,112	\$ 980	\$ 963	\$ 955
Income producing commercial RE	682	710	781	816	672
Commercial & industrial	458	428	441	390	410
Commercial construction	155	164	297	363	500
	-----	-----	-----	-----	-----
Total commercial	2,426	2,414	2,499	2,532	2,537
Residential mortgage	829	835	944	1,052	1,142

Home equity lines of credit	385	300	335	375	384
Residential construction	382	448	695	1,050	1,479
Consumer / installment	153	113	131	142	163
-----					
Total loans	\$ 4,175	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705
=====					

LOANS BY MARKET

North Georgia	\$ 1,364	\$ 1,426	\$ 1,689	\$ 1,884	\$ 2,040
Atlanta MSA	1,288	1,220	1,310	1,435	1,706
North Carolina	579	597	702	772	810
Coastal Georgia	400	346	335	405	464
Gainesville MSA	261	265	312	390	420
East Tennessee	283	256	256	265	265
-----					
Total loans	\$ 4,175	\$ 4,110	\$ 4,604	\$ 5,151	\$ 5,705
=====					

(1) Excludes total loans of \$33.4 million, \$54.5 million, \$68.2 million and \$85.1 million as of December 31, 2012, 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)

-----  
 Fourth Quarter 2012  
 -----

Non-  
 performing    Foreclosed    Total  
 Loans        Properties    NPAs

(in thousands)

-----

NPAs BY CATEGORY

Owner occupied CRE	\$ 12,599	\$ 4,989	\$ 17,588
Income producing CRE	9,549	490	10,039
Commercial & industrial	31,817	-	31,817
Commercial construction	23,843	2,204	26,047

-----

Total commercial	77,808	7,683	85,491
Residential mortgage	11,151	4,753	15,904
Home equity lines of credit	1,438	-	1,438
Residential construction	18,702	5,828	24,530
Consumer installment	795	-	795

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Total NPAs	\$ 109,894	\$ 18,264	\$ 128,158
------------	------------	-----------	------------

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Balance as a % of Unpaid Principal	69.5%	39.7%	62.8%
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NPAs BY MARKET

North Georgia	\$ 69,950	\$ 8,219	\$ 78,169
Atlanta MSA	18,556	3,442	21,998
North Carolina	11,014	2,579	13,593
Coastal Georgia	3,810	1,609	5,419
Gainesville MSA	903	556	1,459
East Tennessee	5,661	1,859	7,520

	-----	-----	-----
Total NPAs	\$ 109,894	\$ 18,264	\$ 128,158
	=====	=====	=====
NPA ACTIVITY			
Beginning Balance	\$ 115,001	\$ 26,958	\$ 141,959
Loans placed on non-accrual	20,211	-	20,211
Payments received	(6,458)	-	(6,458)
Loan charge-offs	(11,722)	-	(11,722)
Foreclosures	(7,138)	7,138	-
Capitalized costs	-	201	201
Note / property sales	-	(12,845)	(12,845)
Write downs	-	(1,438)	(1,438)
Net gains (losses) on sales	-	(1,750)	(1,750)
	-----	-----	-----
Ending Balance	\$ 109,894	\$ 18,264	\$ 128,158
	=====	=====	=====

(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.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality(1)

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Third Quarter 2012

(in thousands)	Non-		
	performing Loans	Foreclosed Properties	Total NPAs
-----			
NPAs BY CATEGORY			
Owner occupied CRE	\$ 14,140	\$ 7,170	\$ 21,310
Income producing CRE	11,756	1,597	13,353
Commercial & industrial	32,678	-	32,678
Commercial construction	18,590	3,121	21,711
-----			
Total commercial	77,164	11,888	89,052
Residential mortgage	12,629	6,031	18,660
Home equity lines of credit	1,367	-	1,367
Residential construction	22,935	9,039	31,974
Consumer installment	906	-	906
-----			
Total NPAs	\$ 115,001	\$ 26,958	\$ 141,959
=====			
Balance as a % of Unpaid Principal	68.8%	36.4%	58.8%
NPAs BY MARKET			
North Georgia	\$ 72,211	\$ 14,582	\$ 86,793
Atlanta MSA	21,349	5,926	27,275
North Carolina	9,622	2,771	12,393
Coastal Georgia	6,822	864	7,686
Gainesville MSA	840	1,328	2,168
East Tennessee	4,157	1,487	5,644
-----			

Total NPAs	\$ 115,001	\$ 26,958	\$ 141,959
------------	------------	-----------	------------

=====

NPA ACTIVITY

Beginning Balance	\$ 115,340	\$ 30,421	\$ 145,761
Loans placed on non-accrual	30,535	-	30,535
Payments received	(3,646)	-	(3,646)
Loan charge-offs	(19,227)	-	(19,227)
Foreclosures	(8,001)	8,001	-
Capitalized costs	-	102	102
Note / property sales	-	(8,822)	(8,822)
Write downs	-	(2,394)	(2,394)
Net gains (losses) on sales	-	(350)	(350)

-----

Ending Balance	\$ 115,001	\$ 26,958	\$ 141,959
----------------	------------	-----------	------------

=====

(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.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality(1)

-----



Second Quarter 2012

(in thousands)	Non-		
	performing Loans	Foreclosed Properties	Total NPAs
NPAs BY CATEGORY			
Owner occupied CRE	\$ 9,399	\$ 7,914	\$ 17,313
Income producing CRE	9,716	2,672	12,388
Commercial & industrial	34,982	-	34,982
Commercial construction	18,175	2,732	20,907
Total commercial	72,272	13,318	85,590
Residential mortgage	15,272	5,591	20,863
Home equity lines of credit	1,359	-	1,359
Residential construction	25,530	11,512	37,042
Consumer installment	907	-	907
Total NPAs	\$ 115,340	\$ 30,421	\$ 145,761
Balance as a % of Unpaid Principal	68.8%	39.3%	59.4%

NPAs BY MARKET

North Georgia	\$ 77,332	\$ 13,546	\$ 90,878
Atlanta MSA	17,593	8,651	26,244
North Carolina	10,657	3,287	13,944
Coastal Georgia	5,822	785	6,607
Gainesville MSA	991	2,998	3,989
East Tennessee	2,945	1,154	4,099
Total NPAs	\$ 115,340	\$ 30,421	\$ 145,761

=====

NPA ACTIVITY

Beginning Balance	\$ 129,704	\$ 31,887	\$ 161,591
Loans placed on non-accrual	29,364	-	29,364
Payments received	(15,027)	-	(15,027)
Loan charge-offs	(19,382)	-	(19,382)
Foreclosures	(9,319)	9,319	-
Capitalized costs	-	415	415
Note / property sales	-	(10,461)	(10,461)
Write downs	-	(1,008)	(1,008)
Net gains (losses) on sales	-	269	269
	-----	-----	-----
Ending Balance	\$ 115,340	\$ 30,421	\$ 145,761
	=====	=====	=====

(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.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality(1)

	-----	-----	-----
	Fourth Quarter	Third Quarter	Second Quarter
	2012	2012	2012

	Net Charge-Offs to Net Average Loans (2)		Net Charge-Offs to Net Average Loans (2)		Net Charge-Offs to Net Average Loans (2)	
(in thousands)	Charge-Offs	Loans (2)	Charge-Offs	Loans (2)	Charge-Offs	Loans (2)
NET CHARGE-OFFS BY CATEGORY						
Owner occupied CRE	\$ 4,997	1.76%	\$ 6,192	3.56%	\$ 1,305	.46%
Income producing CRE	1,153	.67	1,982	.70	3,044	1.75
Commercial & industrial	135	.12	(259)	(.23)	775	.70
Commercial construction	1,688	4.25	3,190	7.74	88	.21
Total commercial	7,973	1.30	11,105	1.81	5,212	.86
Residential mortgage	3,254	1.55	2,846	1.40	1,971	.70
Home equity lines of credit	445	.49	681	.80	1,891	2.60
Residential construction	2,435	2.52	5,676	5.69	9,563	9.14
Consumer installment	398	1.10	255	.78	259	.88
Total	\$ 14,505	1.39	\$ 20,563	1.99	\$ 18,896	1.85

NET CHARGE-OFFS BY

MARKET

North Georgia	\$ 4,474	1.26%	\$ 6,451	1.84%	\$ 12,474	3.58%
Atlanta MSA	3,977	1.27	9,344	3.02	2,307	.75
North Carolina	2,032	1.39	1,674	1.15	3,634	2.52
Coastal Georgia	574	.60	2,486	2.67	211	.23
Gainesville MSA	1,331	2.04	294	.45	(187)	(.29)
East Tennessee	2,117	2.98	314	.45	457	.68
	-----		-----		-----	
Total	\$ 14,505	1.39	\$ 20,563	1.99	\$ 18,896	1.85
	=====		=====		=====	

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

(2) Annualized.

UNITED COMMUNITY BANKS, INC.

Consolidated Statement of  
Operations(Unaudited)

-----  
Three Months Ended      Twelve Months Ended  
December 31,              December 31,  
-----

(in thousands, except per share  
data)

-----  
2012      2011      2012      2011  
-----

Interest revenue:

Loans, including fees	\$ 53,335	\$ 57,697	\$ 217,140	\$ 239,056
Investment securities, including tax exempt of \$219, \$255, \$956 and \$1,009	9,841	13,296	44,613	56,260
Federal funds sold, reverse repurchase agreements, commercial paper and deposits in banks	893	489	3,986	2,321
	-----	-----	-----	-----
Total interest revenue	64,069	71,482	265,739	297,637
	-----	-----	-----	-----
Interest expense:				
Deposits:				
NOW	462	807	2,049	3,998
Money market	617	800	2,518	5,456
Savings	38	41	150	234
Time	3,674	7,338	19,518	39,151
	-----	-----	-----	-----
Total deposit interest expense	4,791	8,986	24,235	48,839
Federal funds purchased, repurchase agreements and other short-term borrowings	524	1,053	2,987	4,250
Federal Home Loan Bank advances	25	441	907	2,042
Long-term debt	3,082	2,375	10,201	10,544
	-----	-----	-----	-----
Total interest expense	8,422	12,855	38,330	65,675
	-----	-----	-----	-----
Net interest revenue	55,647	58,627	227,409	231,962
Provision for loan losses	14,000	14,000	62,500	251,000

	-----	-----	-----	-----
Net interest revenue after				
provision for loan losses	41,647	44,627	164,909	(19,038)
	-----	-----	-----	-----
Fee revenue:				
Service charges and fees	8,375	7,248	31,670	29,110
Mortgage loan and other related				
fees	3,262	1,825	10,483	5,419
Brokerage fees	751	782	3,082	2,986
Securities gains, net	31	4	7,078	842
Loss from prepayment of debt	-	-	(6,681)	(791)
Other	2,342	2,808	11,139	12,342
	-----	-----	-----	-----
Total fee revenue	14,761	12,667	56,771	49,908
	-----	-----	-----	-----
Total revenue	56,408	57,294	221,680	30,870
	-----	-----	-----	-----
Operating expenses:				
Salaries and employee benefits	23,586	23,473	96,026	100,095
Communications and equipment	3,320	3,129	12,940	13,135
Occupancy	3,455	3,972	14,304	15,645
Advertising and public				
relations	987	944	3,855	4,291
Postage, printing and supplies	1,050	1,017	3,899	4,256
Professional fees	2,685	1,996	8,792	9,727
Foreclosed property	4,611	9,302	13,993	78,905
FDIC assessments and other				
regulatory charges	2,505	2,599	10,097	14,259
Amortization of intangibles	727	746	2,917	3,016

Other	3,800	3,902	15,951	18,270
	-----	-----	-----	-----
Total operating expenses	46,726	51,080	182,774	261,599
	-----	-----	-----	-----
Net income (loss) before				
income taxes	9,682	6,214	38,906	(230,729)
Income tax (benefit) expense	421	(3,687)	1,050	(3,983)
	-----	-----	-----	-----
Net income (loss)	9,261	9,901	37,856	(226,746)
Preferred stock dividends and				
discount accretion	3,045	3,025	12,148	11,838
	-----	-----	-----	-----
Net income (loss) available				
to common shareholders	\$ 6,216	\$ 6,876	\$ 25,708	\$(238,584)
	=====	=====	=====	=====
Earnings (loss) per common share				
- Basic	\$ .11	\$ .12	\$ .44	\$ (5.97)
Earnings (loss) per common share				
- Diluted	.11	.12	.44	(5.97)
Weighted average common shares				
outstanding - Basic	57,971	57,646	57,857	39,943
Weighted average common shares				
outstanding - Diluted	57,971	57,646	57,857	39,943

UNITED COMMUNITY BANKS, INC.

Consolidated Balance Sheet

(in thousands, except share and per share data)	December 31, 2012	December 31, 2011
	(unaudited)	(audited)
<b>ASSETS</b>		
Cash and due from banks	\$ 66,536	\$ 53,807
Interest-bearing deposits in banks	124,613	139,609
Federal funds sold, reverse repurchase agreements, securities lending, commercial paper and short-term investments	60,000	185,000
Cash and cash equivalents	251,149	378,416
Securities available for sale	1,834,593	1,790,047
Securities held to maturity (fair value \$261,131 and \$343,531)	244,184	330,203
Mortgage loans held for sale	28,821	23,881
Loans, net of unearned income	4,175,008	4,109,614
Less allowance for loan losses	(107,137)	(114,468)
Loans, net	4,067,871	3,995,146
Assets covered by loss sharing agreements with the FDIC	47,467	78,145
Premises and equipment, net	168,920	175,088
Bank owned life insurance	81,867	80,599
Accrued interest receivable	18,659	20,693
Goodwill and other intangible assets	5,510	8,428
Foreclosed property	18,264	32,859
Other assets	34,954	69,915
Total assets	\$ 6,802,259	\$ 6,983,420



LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Demand	\$ 1,252,605	\$ 992,109
NOW	1,316,453	1,509,896
Money market	1,149,912	1,038,778
Savings	227,308	199,007

Time:

Less than \$100,000	1,055,271	1,332,394
Greater than \$100,000	705,558	847,152
Brokered	245,033	178,647

Total deposits	5,952,140	6,097,983
----------------	-----------	-----------

Federal funds purchased, repurchase

agreements, and other short-term borrowings	52,574	102,577
---	--------	---------

Federal Home Loan Bank advances	40,125	40,625
---------------------------------	--------	--------

Long-term debt	124,805	120,225
----------------	---------	---------

Unsettled securities purchases	-	10,325
--------------------------------	---	--------

Accrued expenses and other liabilities	47,210	36,199
--	--------	--------

Total liabilities	6,216,854	6,407,934
-------------------	-----------	-----------

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	178,557	177,092
-------------------------------	---------	---------

Series D; \$1,000 stated value; 16,613

shares issued and outstanding	16,613	16,613
Common stock, \$1 par value; 100,000,000		
shares authorized; 42,423,870 and		
41,647,100 shares issued and outstanding	42,424	41,647
Common stock, non-voting, \$1 par value;		
30,000,000 shares authorized; 15,316,794		
and 15,914,209 shares issued and		
outstanding	15,317	15,914
Common stock issuable; 133,238 and 93,681		
shares	3,119	3,233
Capital surplus	1,057,951	1,054,940
Accumulated deficit	(705,153)	(730,861)
Accumulated other comprehensive loss	(23,640)	(3,309)
	-----	-----
Total shareholders' equity	585,405	575,486
	-----	-----
Total liabilities and shareholders' equity \$	\$ 6,802,259	\$ 6,983,420
	=====	=====

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended December 31,

	-----		-----	
	2012		2011	
	-----		-----	
(dollars in thousands,	Average	Avg.	Average	Avg.

taxable equivalent)	Balance	Interest	Rate	Balance	Interest	Rate
	-----	-----	----	-----	-----	----
Assets:						
Interest-earning						
assets:						
Loans, net of						
unearned income						
(1)(2)	\$4,190,725	\$ 53,366	5.07%	\$4,175,320	\$ 57,773	5.49%
Taxable securities						
(3)	2,065,311	9,622	1.86	2,114,069	13,041	2.47
Tax-exempt						
securities (1)(3)						
	22,483	358	6.37	27,224	417	6.13
Federal funds sold						
and other interest-						
earning assets						
	203,090	1,104	2.17	371,606	674	.73
	-----	-----		-----	-----	
Total interest-						
earning assets						
	6,481,609	64,450	3.96	6,688,219	71,905	4.27
	-----	-----		-----	-----	
Non-interest-earning						
assets:						
Allowance for loan						
losses						
	(112,846)			(145,559)		
Cash and due from						
banks						
	54,714			54,485		
Premises and						
equipment						
	169,967			176,182		
Other assets (3)						
	184,398			245,664		
	-----			-----		
Total assets						
	\$6,777,842			\$7,018,991		

	=====			=====		
Liabilities and						
Shareholders' Equity:						
Interest-bearing						
liabilities:						
Interest-bearing						
deposits:						
NOW	\$1,261,796	462	.15	\$1,451,581	807	.22
Money market	1,200,701	617	.20	1,041,375	800	.30
Savings	224,624	38	.07	198,541	41	.08
Time less than						
\$100,000	1,082,761	1,982	.73	1,358,367	3,668	1.07
Time greater than						
\$100,000	715,902	1,673	.93	875,434	2,867	1.30
Brokered time						
deposits	135,708	19	.06	180,933	803	1.76
	-----	-----		-----	-----	
Total interest-						
bearing						
deposits	4,621,492	4,791	.41	5,106,231	8,986	.70
	-----	-----		-----	-----	
Federal funds						
purchased and						
other borrowings	67,403	524	3.09	102,776	1,053	4.06
Federal Home Loan						
Bank advances	39,092	25	.25	40,625	441	4.31
Long-term debt	149,564	3,082	8.20	120,217	2,375	7.84
	-----	-----		-----	-----	
Total borrowed						

funds	256,059	3,631	5.64	263,618	3,869	5.82
	-----	-----		-----	-----	
Total interest-						
bearing						
liabilities	4,877,551	8,422	.69	5,369,849	12,855	.95
		-----			-----	
Non-interest-bearing						
liabilities:						
Non-interest-bearing						
deposits	1,251,327			1,008,327		
Other liabilities	63,785			59,908		
	-----			-----		
Total						
liabilities	6,192,663			6,438,084		
Shareholders' equity	585,179			580,907		
	-----			-----		
Total						
liabilities and						
shareholders'						
equity	\$6,777,842			\$7,018,991		
	=====			=====		
Net interest revenue		\$ 56,028			\$ 59,050	
		=====			=====	
Net interest-rate						
spread			3.27%			3.32%
			=====			=====
Net interest margin						
(4)			3.44%			3.51%

====

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(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 \$22.2 million in 2012 and \$31.3 million in 2011 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,

	2012		2011	
(dollars in thousands, taxable equivalent)	Average Balance	Avg. Interest Rate	Average Balance	Avg. Interest Rate

Assets:

Interest-earning

assets:

Loans, net of  
unearned income

(1)(2)	\$4,165,520	\$217,467	5.22%	\$4,307,111	\$239,195	5.55%
--------	-------------	-----------	-------	-------------	-----------	-------

Taxable securities

(3)	2,065,162	43,657	2.11	1,973,678	55,251	2.80
-----	-----------	--------	------	-----------	--------	------

Tax-exempt

securities (1)(3)	23,759	1,565	6.59	25,693	1,651	6.43
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Federal funds sold  
and other interest-  
earning assets

	292,857	4,740	1.62	478,403	3,247	.68
--	---------	-------	------	---------	-------	-----

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Total interest-

earning assets	6,547,298	267,429	4.08	6,784,885	299,344	4.41
----------------	-----------	---------	------	-----------	---------	------

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Non-interest-earning

assets:

Allowance for loan  
losses

(114,647)	(145,656)
-----------	-----------

Cash and due from

banks	53,247	90,212
-------	--------	--------

Premises and

equipment	172,544	178,061
-----------	---------	---------

Other assets (3)

206,609	281,233
---------	---------

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Total assets	\$6,865,051	\$7,188,735
--------------	-------------	-------------

=====

Liabilities and

Shareholders' Equity:

Interest-bearing

liabilities:

Interest-bearing

deposits:

NOW	\$1,293,510	2,049	.16	\$1,348,493	3,998	.30
-----	-------------	-------	-----	-------------	-------	-----

Money market	1,140,354	2,518	.22	993,871	5,456	.55
--------------	-----------	-------	-----	---------	-------	-----

Savings	216,880	150	.07	195,468	234	.12
---------	---------	-----	-----	---------	-----	-----

Time less than

\$100,000	1,170,202	9,788	.84	1,471,596	18,648	1.27
-----------	-----------	-------	-----	-----------	--------	------

Time greater than

\$100,000	766,411	8,027	1.05	948,659	14,347	1.51
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Brokered time

deposits	155,902	1,703	1.09	401,393	6,156	1.53
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Total interest-bearing

deposits	4,743,259	24,235	.51	5,359,480	48,839	.91
----------	-----------	--------	-----	-----------	--------	-----

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Federal funds

purchased and

other borrowings	80,593	2,987	3.71	102,727	4,250	4.14
------------------	--------	-------	------	---------	-------	------

Federal Home Loan

Bank advances	124,771	907	.73	47,220	2,042	4.32
---------------	---------	-----	-----	--------	-------	------

Long-term debt	127,623	10,201	7.99	139,666	10,544	7.55
----------------	---------	--------	------	---------	--------	------

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Total borrowed

funds	332,987	14,095	4.23	289,613	16,836	5.81
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Total interest-bearing liabilities	5,076,246	38,330	.76	5,649,093	65,675	1.16
		-----			-----	
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,142,236			915,649		
Other liabilities	64,986			66,809		
		-----		-----		
Total liabilities	6,283,468			6,631,551		
Shareholders' equity	581,583			557,184		
		-----		-----		
Total liabilities and shareholders' equity	\$6,865,051			\$7,188,735		
		=====		=====		
Net interest revenue		\$229,099			\$233,669	
		=====			=====	
Net interest-rate spread			3.32%			3.25%
			====			====
Net interest margin						
(4)			3.50%			3.44%
			====			====

(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 \$23.6 million in 2012 and \$32.2 million in 2011 are included in other assets for purposes of this presentation.

(4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

For more information:

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