

Investor Presentation Third Quarter 2008

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Cautionary Statement



This presentation contains forward-looking statements, as defined by Federal Securities Laws, including statements about financial outlook and business environment. These statements are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. Any such statements are based on current expectations and involve a number of risks and uncertainties. For a discussion of factors that may cause such forward-looking statements to differ materially from actual results, please refer to United Community Banks, Inc. Annual Report filed on Form 10-K with the Securities and Exchange Commission. This presentation also contains non-GAAP financial measures, as defined by the Federal Securities Laws. For a presentation of the most directly comparable financial measures calculated and presented in accordance with GAAP and a reconciliation of the differences between those measures and the non-GAAP financial measures, please refer to “Selected Financial Data” in the United Community Banks, Inc. Annual Report filed on Form 10-K with the Securities Exchange Commission, which may be found on the company’s Web site, www.ucbi.com.

United at a Glance



- › **\$8.1 billion in assets**
- › **\$650 million market cap**
- › **27 community banks with 108 banking offices**
- › **Footprint – 2nd highest projected population growth**
- › **Decentralized business model**
 - › **Local banking expertise drives product and service delivery**
 - › **Expansion based on finding the right bankers**

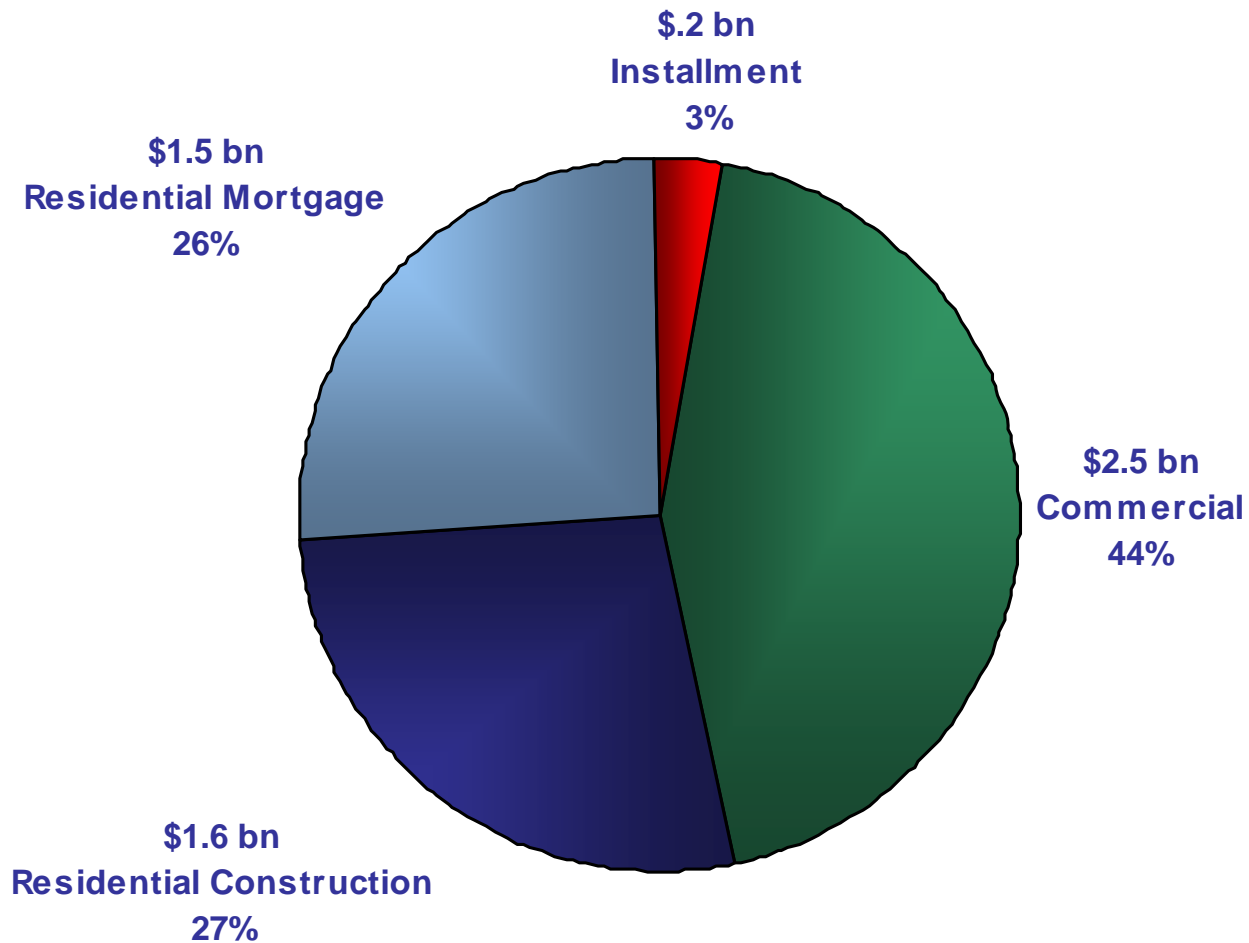
Current Environment



- › **Third Quarter**
- › **Credit Quality**
- › **Capital**
- › **Liquidity**

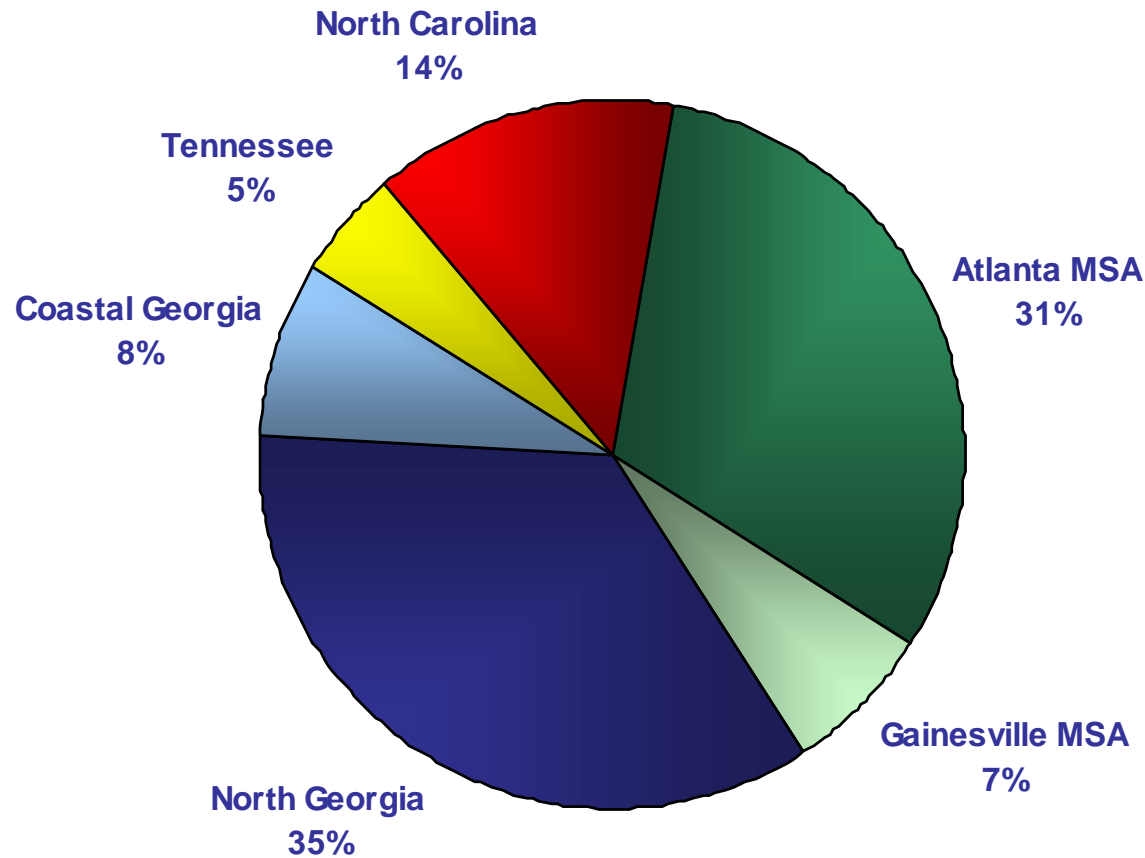
Loan Portfolio

Total - \$5.8 billion, as of September 30, 2008



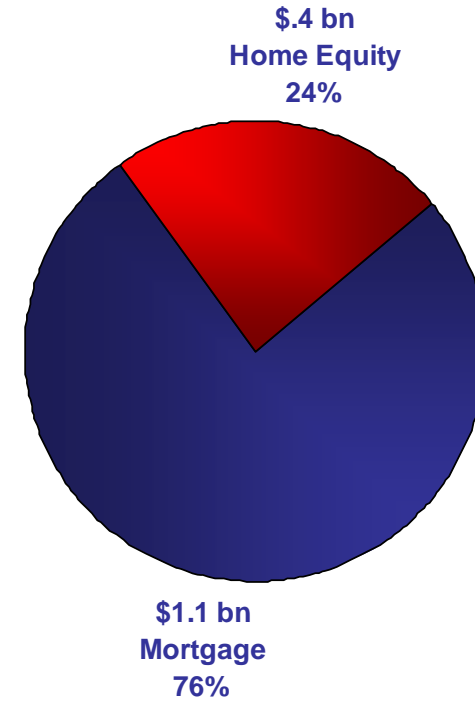
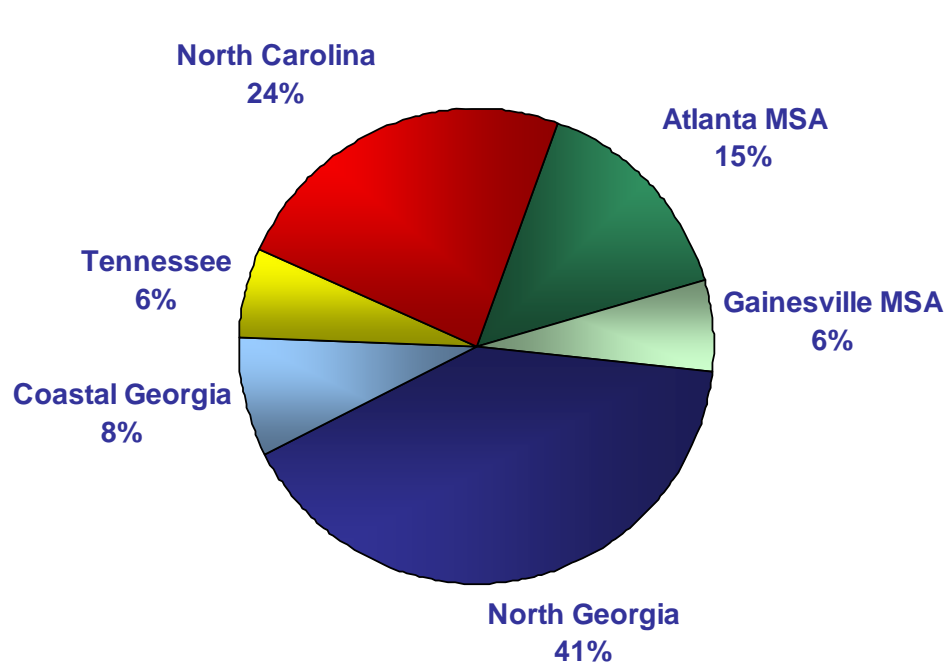
Loan Portfolio

Good geographic diversity



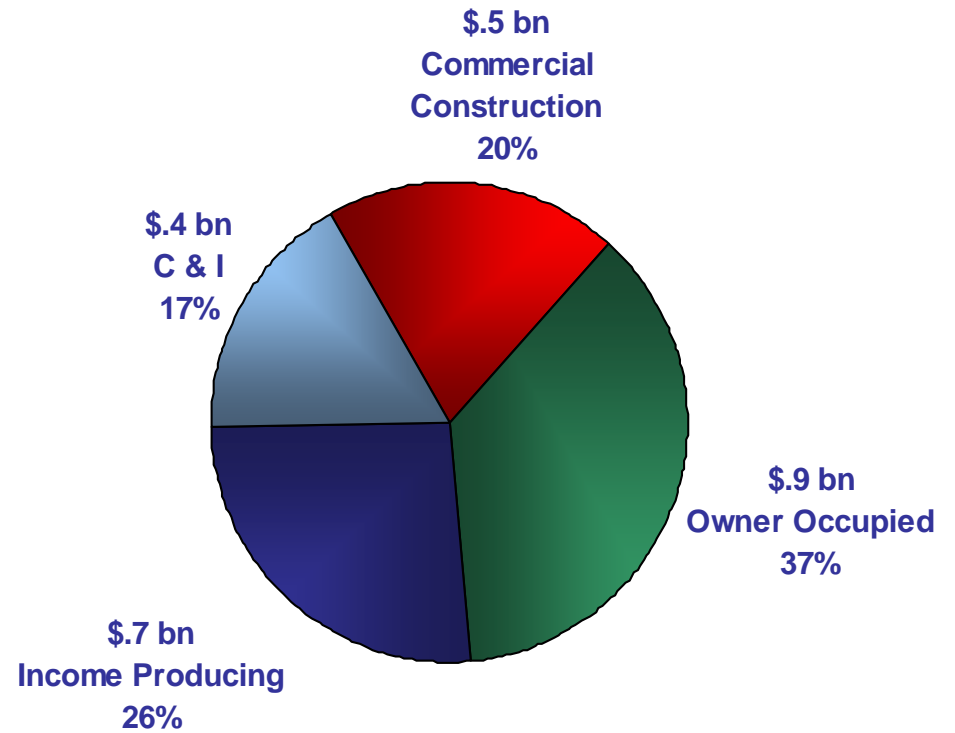
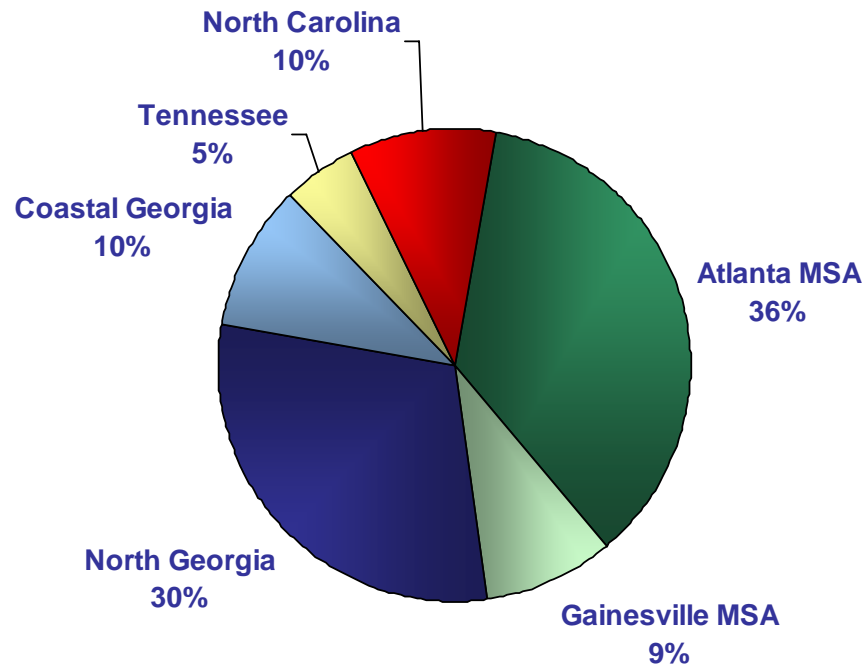
Residential Mortgage

Total: \$1.5 billion



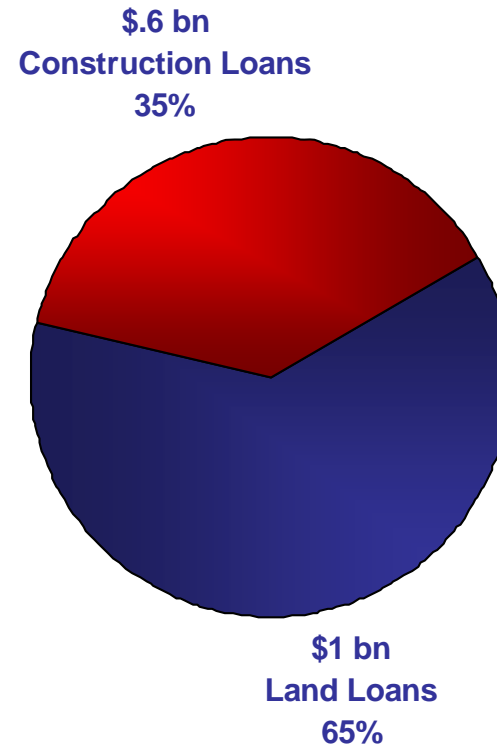
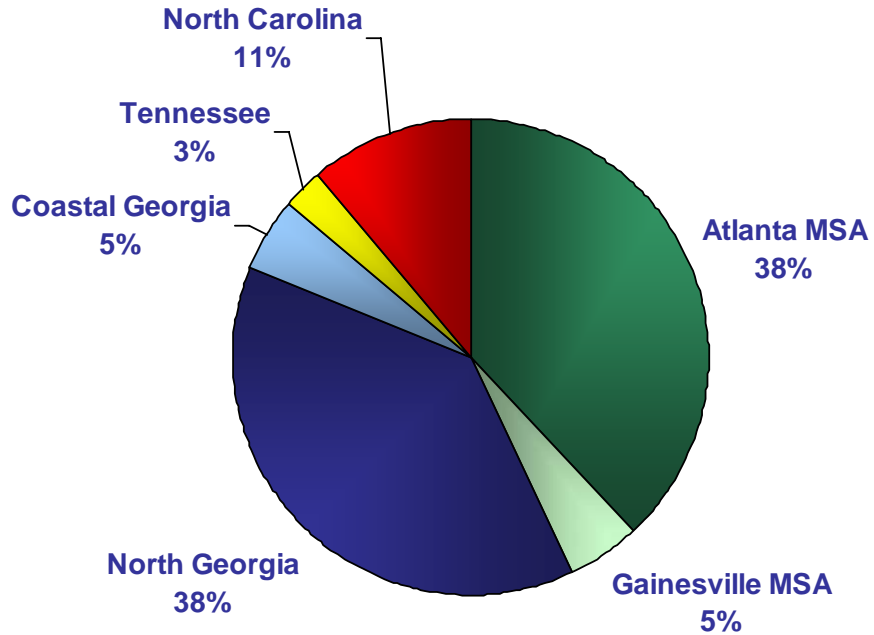
Commercial Loans

Total: \$2.5 billion



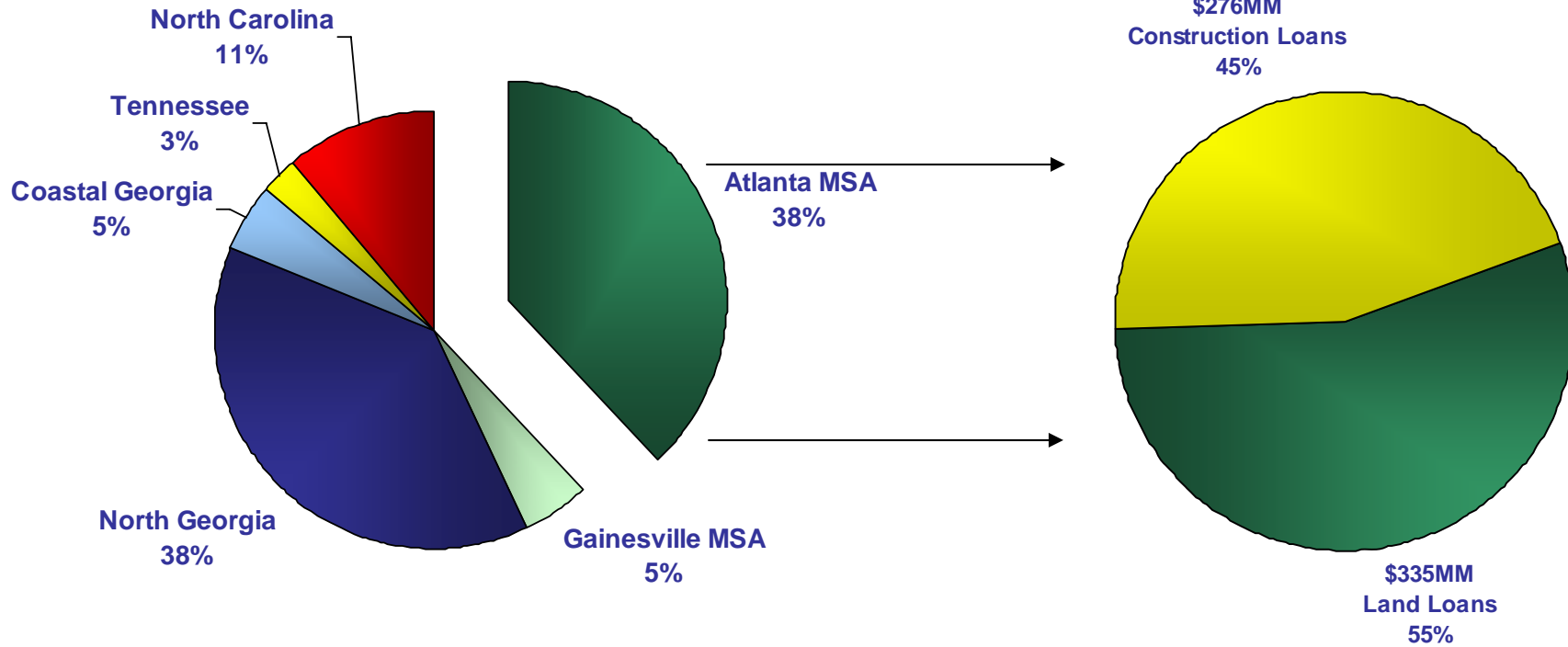
Residential Construction

Total: \$1.6 billion



Residential Construction

Total: \$1.6 billion



Atlanta MSA

Residential Construction



<i>(in millions)</i>	<u>Q3 08</u>	<u>Q2 08</u>	<u>Q3 07</u>	CHANGE SINCE <u>Q3 07</u>
<i>Land Loans</i>				
Raw Land	\$ 47	\$ 50	\$ 50	\$ (3)
Developing Land	185	232	268	(83)
Lot Loans	103	117	123	(20)
Total	335	399	441	(106)
<i>Construction Loans</i>				
Spec	227	271	322	(95)
Sold	49	58	104	(55)
Total	276	329	426	(150)
Total Residential Construction	\$ 611	\$ 728	\$ 867	\$ (256)

Credit Quality

(in millions)



	<u>Q3 08</u>	<u>Q2 08</u>	<u>Q1 08</u>	<u>Q4 07</u>	<u>Q3 07</u>
Net Charge-Offs	\$ 55.7	\$ 14.3	\$ 7.1	\$ 13.0*	\$ 5.2
as % of Avg Loans	3.77%	.97%	.48%	.87%	.35%
Allowance for LL	\$ 111.3	\$ 91.0	\$ 89.8	\$ 89.4	\$ 90.9
as % of Total Loans	1.91%	1.53%	1.51%	1.51%	1.28%*
as % of NPLs	80%	74%	133%	317%	194%
Non-Performing Loans	\$ 139.3	\$ 123.8	\$ 67.7	\$ 28.2	\$ 46.8
OREO	<u>38.4</u>	<u>28.4</u>	<u>22.2</u>	<u>18.1</u>	<u>16.5</u>
Total NPAs	\$ 177.7	\$ 152.2	\$ 89.9	\$ 46.3	\$ 63.3
as % of Total Assets	2.20%	1.84%	1.07%	.56%	.77%

* Excludes special fraud-related provision and charge-offs.

Net Charge-Offs by Category

(in thousands)



	Third Quarter 2008		Second Quarter 2008	
	<u>NCOs</u>	<u>NCOs to Avg Loans</u> %	<u>NCOs</u>	<u>NCOs to Avg Loans</u> %
Commercial (sec. by RE)	\$ 257	.06	\$ 424	.11
Commercial construction	225	.17	125	.09
Commercial & Industrial	<u>1,018</u>	.96	<u>398</u>	.38
Total commercial	1,500	.24	947	.15
Residential construction	50,228	11.94	10,343	2.36
Residential mortgage	3,332	.88	2,576	.70
Consumer/installment	<u>676</u>	1.58	<u>447</u>	1.05
TOTAL NCOs	\$55,736	3.77	\$14,313	.97

Net Charge-Offs by Market

(in thousands)



	Third Quarter 2008		Second Quarter 2008	
	<u>NCOs</u>	<u>NCOs to Avg Loans</u> %	<u>NCOs</u>	<u>NCOs to Avg Loans</u> %
Atlanta MSA	\$48,313	10.08	\$10,682	2.22
Gainesville MSA	1,470	1.49	360	.34
North Georgia	4,567	.88	1,829	.36
Western North Carolina	855	.42	279	.14
Coastal Georgia	249	.22	980	.90
East Tennessee	<u>282</u>	.43	<u>183</u>	.29
TOTAL NCOs	\$55,736	3.77	\$14,313	.97

NPAs by Category

(in thousands)



	Third Quarter 2008			Second Quarter 2008		
	<u>NPLs</u>	<u>OREO</u>	<u>Total NPAs</u>	<u>NPLs</u>	<u>OREO</u>	<u>Total NPAs</u>
Commercial (sec. by RE)	\$ 9,961	\$ 854	\$ 10,815	\$ 4,610	\$ 593	\$ 5,203
Commercial construction	2,924	375	3,299	3,027	1,859	4,886
Commercial & Industrial	<u>1,556</u>	<u>--</u>	<u>1,556</u>	<u>2,950</u>	<u>--</u>	<u>2,950</u>
Total commercial	14,441	1,229	15,670	10,587	2,452	13,039
Residential construction	102,095	32,453	134,548	90,283	22,075	112,358
Residential mortgage	21,335	4,756	26,091	21,792	3,851	25,643
Consumer/installment	<u>1,395</u>	<u>--</u>	<u>1,395</u>	<u>1,124</u>	<u>--</u>	<u>1,124</u>
TOTAL NPAs	\$139,266	\$38,438	\$177,704	\$123,786	\$28,378	\$152,164

NPAs by Market

(in thousands)



	Third Quarter 2008			Second Quarter 2008		
	<u>NPLs</u>	<u>OREO</u>	<u>Total NPAs</u>	<u>NPLs</u>	<u>OREO</u>	<u>Total NPAs</u>
Atlanta MSA	\$ 80,805	\$27,011	\$107,816	\$ 89,327	\$15,196	\$104,523
Gainesville MSA	15,105	648	15,753	4,885	12	4,897
North Georgia	20,812	8,337	29,149	16,117	8,277	24,394
Western North Carolina	13,432	1,509	14,941	9,838	990	10,828
Coastal Georgia	3,682	601	4,283	1,575	3,871	5,446
East Tennessee	<u>5,430</u>	<u>332</u>	<u>5,762</u>	<u>2,044</u>	<u>32</u>	<u>2,076</u>
TOTAL NPAs	\$139,266	\$38,438	\$177,704	\$123,786	\$28,378	\$152,164

Financial Summary

(in millions, except EPS; taxable equivalent)



	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q3 2007</u>	<u>CHANGE</u>	
				<u>Linked</u>	<u>Prior</u>
				<u>Quarter</u>	<u>Year</u>
Net Interest Revenue	\$ 58.8	\$ 61.8	\$ 71.7	(5)%	(18)%
Provision for Loan Losses	76.0	15.5	3.7		
Fee Revenue	13.1	15.1	15.6	(13)	(16)
Operating Expense	57.0	49.8	48.2	14	18
Income Taxes	<u>(21.2)</u>	<u>4.5</u>	<u>12.9</u>		
Net Operating Income (Loss)	<u>\$ (39.9)</u>	<u>\$ 7.1</u>	<u>\$ 22.5</u>		
Diluted EPS	\$ (.84)	\$.15	\$.46		
Net Interest Margin	3.17%	3.32%	3.89%	.15	.72

Liquidity – Loans/Deposits

(in millions)



	<u>9/30/08</u>	<u>12/31/07</u>	<u>12/31/06</u>	<u>12/31/05</u>
Loans	5,830	5,929	5,377	4,398
Deposits (excl. Brokered)	5,944	5,753	5,447	4,157
Loan to Deposit Ratio	98 %	103 %	99 %	106 %
Investment Securities	1,401	1,357	1,107	991
Percent of Assets	17 %	17 %	16 %	17 %

Liquidity – Wholesale Funding

(in millions)



	<u>9/30/08</u>	<u>12/31/07</u>	<u>12/31/06</u>	<u>12/31/05</u>
Wholesale Funding:				
Brokered Deposits	745	323	326	321
FHLB	285	520	489	636
Fed Funds	16	344	66	122
Other Wholesale	104	294	-	-
Total Wholesale	1,150	1,481	881	1,079
Wholesale Capacity:				
Brokered Deposits	741	1,116	1,036	718
FHLB	813	609	423	365
Fed Funds	344	365	629	243
Other Wholesale	702	291	333	286
Total Capacity	2,600	2,381	2,421	1,612
Sub-Debt	97	67	67	70
Trust Preferred Securities	41	41	46	42
Total Long-Term Debt	138	108	113	112

Capital Ratios



	Well Capitalized	9/30/08	12/30/07
Regulatory Capital			
Tier 1 Risk-Based Capital	6 %	8.7%	8.6%
Total Risk-Based Capital	10	11.4	11.4
Tier 1 Leverage Ratio	5	6.7	6.8
Tangible Equity to Assets		6.7	6.6
Allowance to Loans		1.9	1.5

Game Plan

- **Capital**
- **Liquidity**
- **Credit**
- **Margin**
- **Operating Expenses**

Appendix

Experienced, Proven Leadership



		<u>Joined UCBI</u>	<u>Years in Banking</u>
Jimmy Tallent	President and CEO	1984	35
Guy Freeman	Chief Operating Officer	1994	49
Rex Schuette	Chief Financial Officer	2001	31
David Shearrow	Chief Risk Officer	2007	27
Craig Metz	Marketing	2002	16
Bill Gilbert	Retail Banking	2000	32

Reasons to invest in United



- **Footprint contains stable and growing markets**
- **Business model thrives on relationship-driven customer service backed by “big bank” resources**
- **Core franchise supports customer retention and strong presence in our markets**
- **Compelling stock price**

Business Model



- **Provides superior service and operating autonomy**
 - *Community bank service, large bank resources*
- **Strategic footprint with substantial opportunities**
 - *Contains many of the fastest growing markets in the U.S.*
- **Conservative growth strategy**
 - *Mostly organic supported by de novos and selective acquisitions*

Operating Model

Competitive difference

- › **Twenty-seven community banks**
 - › *Local CEOs with deep roots in their communities*
 - › *Resources of \$8.1 billion bank*

- › **Service is point of differentiation**
 - › *Golden rule of banking*
 - “The Bank That Service Built”
 - › *Ongoing customer surveys*
 - +90% satisfaction rate

Robust Demographics

Fast-Growing Markets

<u>Markets¹</u>	<u>Population (in thousands)</u>	<u>Population Growth (%)</u>	
		<u>Actual 2000 – 2008</u>	<u>Projected 2008 – 2013</u>
North Georgia	424	27	14
Atlanta MSA	3,941	42	22
Gainesville MSA	182	31	16
Coastal Georgia	365	8	4
Western North Carolina	424	10	5
East Tennessee	594	11	7
Total Markets			
Georgia	9,863	20	12
North Carolina	9,231	15	9
Tennessee	6,244	9	6
United States	309,299	10	6

¹ Population data is for 2008 and includes those markets where United takes deposits.
Source: SNL

Market Share Opportunities

Excellent Growth Prospects



<u>Markets¹</u>	<u>Market Deposits</u> <i>(in billions)</i>	<u>United Deposits</u> <i>(in billions)</i>	<u>Banks</u>	<u>Offices</u>	<u>Deposit Share¹</u>	<u>Rank¹</u>
North Georgia	\$ 9.1	\$ 2.6	11	22	29%	1
Atlanta MSA	54.8	2.0	10	40	4%	8
Gainesville MSA	2.6	.3	1	6	12%	4
Coastal Georgia	7.0	.4	2	9	6%	6
Western North Carolina	7.1	1.0	1	20	14%	3
East Tennessee	<u>13.1</u>	<u>.4</u>	<u>2</u>	<u>11</u>	3%	7
Total Markets	\$93.7	\$ 6.7	27	108		

¹ FDIC deposit market share and rank as of 6/08 for markets where United takes deposits.
Source: SNL and FDIC

Best Demographics in the Nation

Rank	Company	Ticker	State	Assets (\$000)	2008-2013 Pop. Growth
1	Western Alliance Bancorporation	WAL	NV	\$5,229,000	16.84
2	United Community Banks, Inc.	UCBI	GA	\$8,072,543	13.59
3	Cullen/Frost Bankers, Inc.	CFR	TX	\$14,061,484	11.88
4	International Bancshares Corporation	IBOC	TX	\$11,500,000	11.22
5	Prosperity Bancshares, Inc.	PRSP	TX	\$6,787,909	10.61
6	Colonial BancGroup, Inc.	CNB	AL	\$26,262,571	10.30
7	South Financial Group, Inc.	TSFG	SC	\$13,695,178	9.53
8	First Citizens BancShares, Inc.	FCNCA	NC	\$16,664,664	9.29
9	CVB Financial Corp.	CVBF	CA	\$6,421,786	9.04
10	Glacier Bancorp, Inc.	GBCI	MT	\$5,173,109	8.73
11	Capitol Bancorp Ltd.	CBC	MI	\$5,427,347	8.45
12	Synovus Financial Corp.	SNV	GA	\$34,350,245	8.15
13	Umpqua Holdings Corporation	UMPQ	OR	\$8,327,633	8.14
14	First Midwest Bancorp, Inc.	FMBI	IL	\$8,246,655	7.84
15	Hancock Holding Company	HBHC	MS	\$6,744,762	7.06

Source: SNL – Includes publicly traded companies with assets between \$5 – 50 billion as of 9/30/08.

Population growth weighted by county as of 6/30/08.

Business Mix – Loans

(at Quarter-End)



(in millions)	2008			2007		Year over Year Change
	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>	<u>Third Quarter</u>	<u>Actual (%)</u>
LOANS BY CATEGORY						
Commercial (sec. by RE)	\$1,604	\$1,584	\$1,526	\$1,476	\$1,441	11
Commercial construction	509	522	548	527	531	(4)
Commercial & Industrial	<u>425</u>	<u>417</u>	<u>437</u>	<u>418</u>	<u>408</u>	4
Total commercial	2,538	2,523	2,511	2,421	2,380	7
Residential construction	1,596	1,745	1,791	1,830	1,935	(18)
Residential mortgage	1,528	1,494	1,491	1,502	1,459	5
Consumer/installment	<u>168</u>	<u>171</u>	<u>175</u>	<u>176</u>	<u>179</u>	(6)
TOTAL LOANS	\$5,830	\$5,933	\$5,968	\$5,929	\$5,953	(2)

Business Mix – Loans

(at Year-End)



<i>(in millions)</i>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
LOANS BY CATEGORY					
Commercial (sec. by RE)	\$1,476	\$1,230	\$1,055	\$ 966	\$ 777
Commercial construction	527	470	358	239	164
Commercial & Industrial	<u>418</u>	<u>296</u>	<u>237</u>	<u>212</u>	<u>190</u>
Total commercial	2,421	1,996	1,650	1,417	1,131
Residential construction	1,829	1,864	1,381	1,066	763
Residential mortgage	1,502	1,338	1,206	1,102	982
Consumer/installment	<u>177</u>	<u>179</u>	<u>161</u>	<u>150</u>	<u>140</u>
TOTAL LOANS	\$5,929	\$5,377	\$4,398	\$3,735	\$3,016

Residential Construction – Total Company



<i>(in millions)</i>	Q3 08	Q2 08	Q1 08	Q4 07	Q3 07
<i>Land Loans</i>					
Raw Land	\$ 142	\$ 139	\$ 130	\$ 126	\$ 125
Developing Land	516	569	583	593	592
Lot Loans	385	401	406	407	403
Total	1,043	1,109	1,119	1,126	1,120
<i>Construction Loans</i>					
Spec	393	450	460	473	539
Sold	160	186	212	231	276
Total	553	636	672	704	815
Total Residential Construction	\$1,596	\$1,745	\$1,791	\$1,830	\$1,935

Residential Construction – Atlanta MSA



<i>(in millions)</i>	Q3 08	Q2 08	Q1 08	Q4 07	Q3 07
<i>Land Loans</i>					
Raw Land	\$ 47	\$ 50	\$ 50	\$ 52	\$ 50
Developing Land	185	232	252	258	268
Lot Loans	103	117	117	117	123
Total	335	399	419	427	441
<i>Construction Loans</i>					
Spec	227	271	271	280	322
Sold	49	58	71	77	104
Total	276	329	342	357	426
Total Residential Construction	\$ 611	\$ 728	\$ 761	\$ 784	\$ 867

Loans – Markets Served

(at Quarter-End)



(in millions)	2008			2007		Year over Year Change
	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>	<u>Third Quarter</u>	<u>Actual (%)</u>
LOANS BY MARKET						
Atlanta MSA ¹	\$1,800	\$1,934	\$1,978	\$2,002	\$2,057	(12)
Gainesville MSA	426	422	415	400	394	8
North Georgia	2,066	2,065	2,071	2,060	2,026	2
Western North Carolina	815	819	816	806	834	(2)
Coastal Georgia	458	436	439	416	402	14
East Tennessee	<u>265</u>	<u>257</u>	<u>249</u>	<u>245</u>	<u>240</u>	10
Total loans	\$5,830	\$5,933	\$5,968	\$5,929	\$5,953	(2)

¹ Acquired Gwinnett Commercial Group on June 1, 2007 with total loans of \$534 million.

Loans – Markets Served

(at Year-End)



<i>(in millions)</i>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
LOANS BY MARKET					
Atlanta MSA	\$ 2,002	\$ 1,651	\$ 1,456	\$ 1,061	\$ 662
Gainesville MSA	400	354	249	--	--
North Georgia	2,060	2,034	1,790	1,627	1,481
Western North Carolina	806	773	668	633	548
Coastal Georgia	415	358	306	274	222
East Tennessee	<u>246</u>	<u>207</u>	<u>178</u>	<u>140</u>	<u>103</u>
Total loans	\$ 5,929	\$ 5,377	\$ 4,398	\$ 3,735	\$ 3,016

Lending – Credit Summary

(as of 9/30/08; in millions)



Legal lending limit **\$ 187**

House lending limit **20**

Top 25 relationships **445**

› 7.6% of total loans

Regional credit review

› standard underwriting

Business Mix – Deposits

(at Quarter-End)



(in millions)	2008			2007		Year over Year Change
	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>	<u>Third Quarter¹</u>	<u>Actual (%)</u>
DEPOSITS BY CATEGORY						
Demand & NOW	\$2,074	\$2,238	\$2,214	\$2,176	\$2,202	(6)
MMDA & Savings	573	606	620	639	690	(17)
Time < \$100,000	<u>1,815</u>	<u>1,744</u>	<u>1,536</u>	<u>1,574</u>	<u>1,596</u>	14
Total Core Deposits	4,462	4,588	4,370	4,389	4,488	(1)
Time > \$100,000	1,482	1,573	1,375	1,365	1,358	9
Brokered Deposits	<u>745</u>	<u>535</u>	<u>431</u>	<u>322</u>	<u>308</u>	142
Total deposits	\$6,689	\$6,696	\$6,176	\$6,076	\$6,154	9

¹ Acquired Gwinnett Commercial Group on June 1, 2007 with total deposits of \$568 million in the Atlanta Region; Demand & NOW of \$143 million; MMDA & Savings of \$249 million; Time < \$100,000 of \$66 million and Time > \$100,000 of \$110 million.

Analyst Coverage



- › **FIG Partners**
(Market Perform – Oct 27, 2008)
- › **Fox-Pitt Kelton Cochran**
(In Line – Oct 23, 2008)
- › **FTN Midwest Securities Corp.**
(Neutral – Oct 9, 2008)
- › **Janney Montgomery Scott**
(Sell – Oct 23, 2008)
- › **Keefe, Bruyette & Woods**
(Market Perform – Oct 24, 2008)
- › **Raymond James & Associates**
(Market Perform – Oct 27, 2008)
- › **Sandler O’Neill & Partners**
(Hold – Oct 23, 2008)
- › **Stephens, Inc.**
(Equal-Weight – Oct 23, 2008)
- › **Sterne Agee & Leach, Inc.**
(Sell – Oct 23, 2008)
- › **SunTrust Robinson Humphrey**
(Neutral – Oct 23, 2008)

Balanced Growth Strategy

Early Partnerships



<i>(in millions)</i>	<u>Acquisition Date</u>	<u>Asset Size at Acquisition</u>	<u>Asset Size Sept-08</u>
North Carolina	Mar-90	\$55	\$1,301
Blue Ridge	Feb-92	52	485
Towns	Oct-92	20	231
White	Aug-95	71	260
Habersham	Sep-96	33	259
Rabun	Sep-97	72	116
Gilmer	Jan-98	23	218

Balanced Growth Strategy

Recent Partnerships



<i>(in millions)</i>	<u>Acquisition Date</u>	<u>Asset Size at Acquisition</u>	<u>Asset Size Sept-08</u>
Adairsville	Aug-99	\$41	\$85
Rome	Aug-99	108	279
Dawson	Jul-00	119	219
Metro	Jul-00	153	526
West GA	Nov-01	85	160
East TN	Mar-03	195	395
Coastal GA	May-03	300	589
Fairburn	Jun-04	104	233
Henry	Nov-04	80	98
Rockdale/Newton	Dec-04	200	196

First Bank of the South

Lawrenceville, GA



- › **Announced on February 6, 2007**
- › **\$216.5 million transaction value – 85% stock / 15% cash**
- › **18.22x LTM earnings; 3.20 times tangible book value**
- › **Closed on June 1, 2007**
- › **Slightly accretive to GAAP earnings per share in 2008**
- › **7 years old - \$675 million in assets, \$580 million in deposits**
- › **5 banking offices in metro Atlanta MSA – Gwinnett, North Fulton, and Dekalb counties; LPO – Walton County**
- › **73 employees**
- › **Significantly enhances metro Atlanta presence; completes circle around the MSA – a primary strategic objective**