

Investor Presentation

Fourth Quarter 2008

Jimmy Tallent
President and Chief Executive Officer

Rex Schuette
Chief Financial Officer

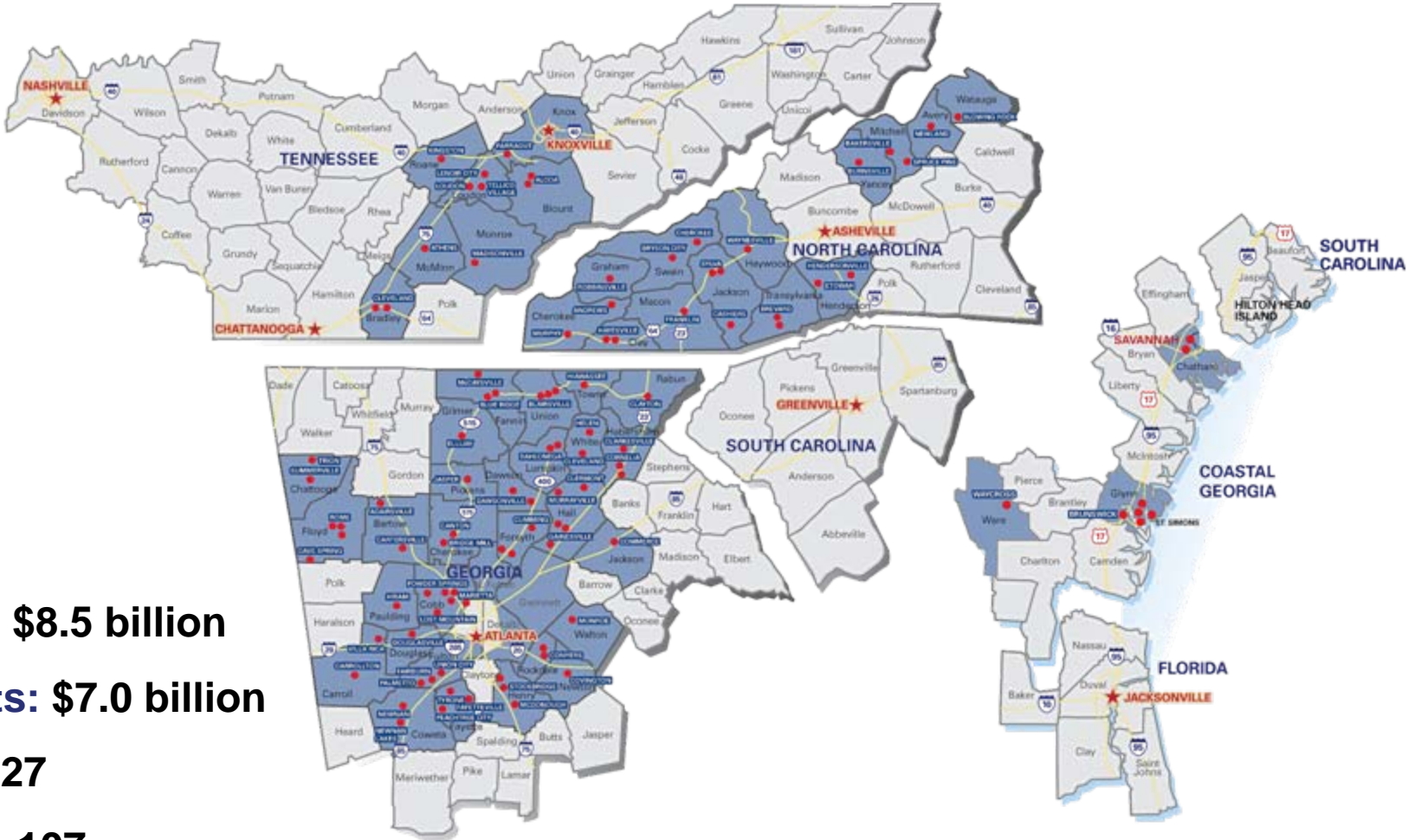
David Shearrow
Chief Risk Officer

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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



Assets: \$8.5 billion

Deposits: \$7.0 billion

Banks: 27

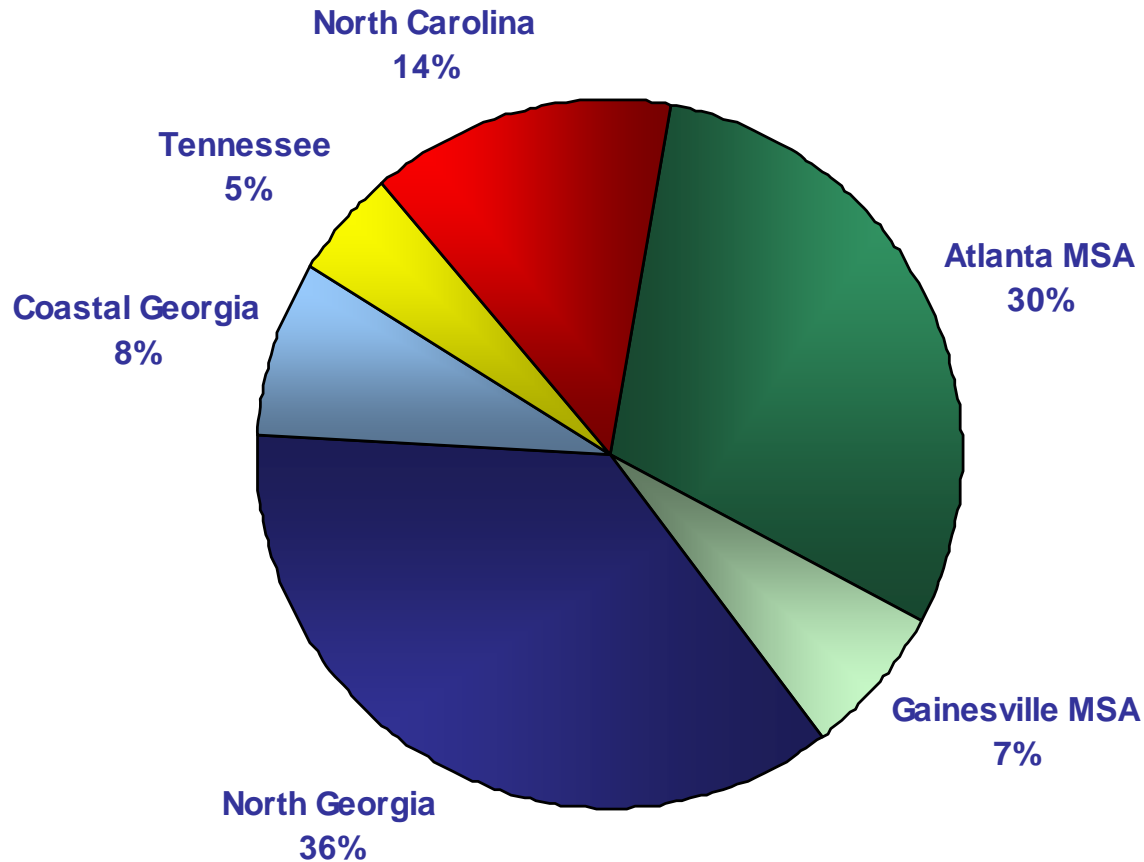
Offices: 107

Key Events

- **Credit**
- **Margin compression**
- **Capital**

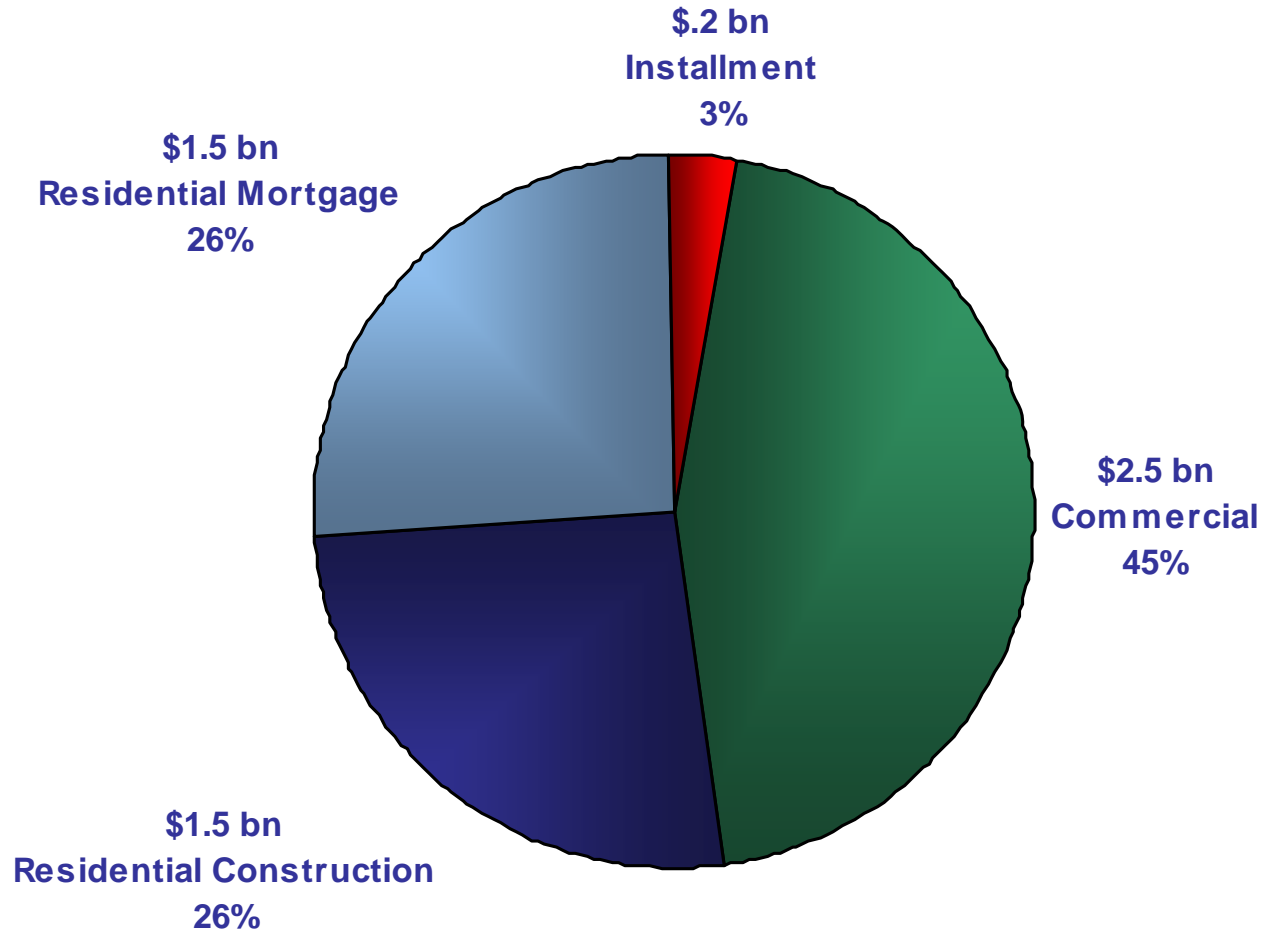
Loan Portfolio

Good geographic diversity



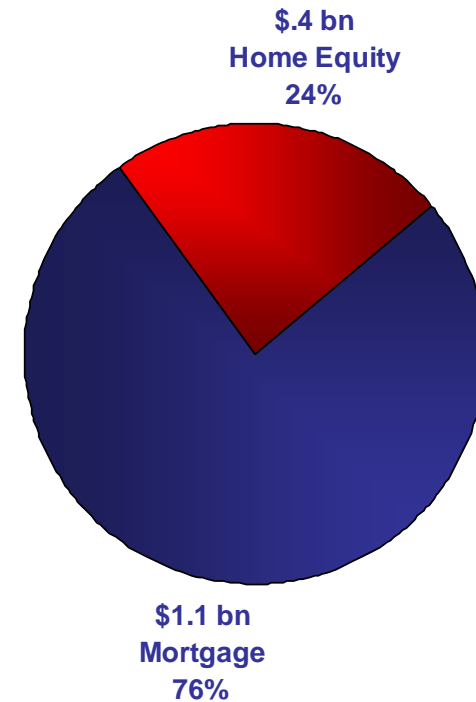
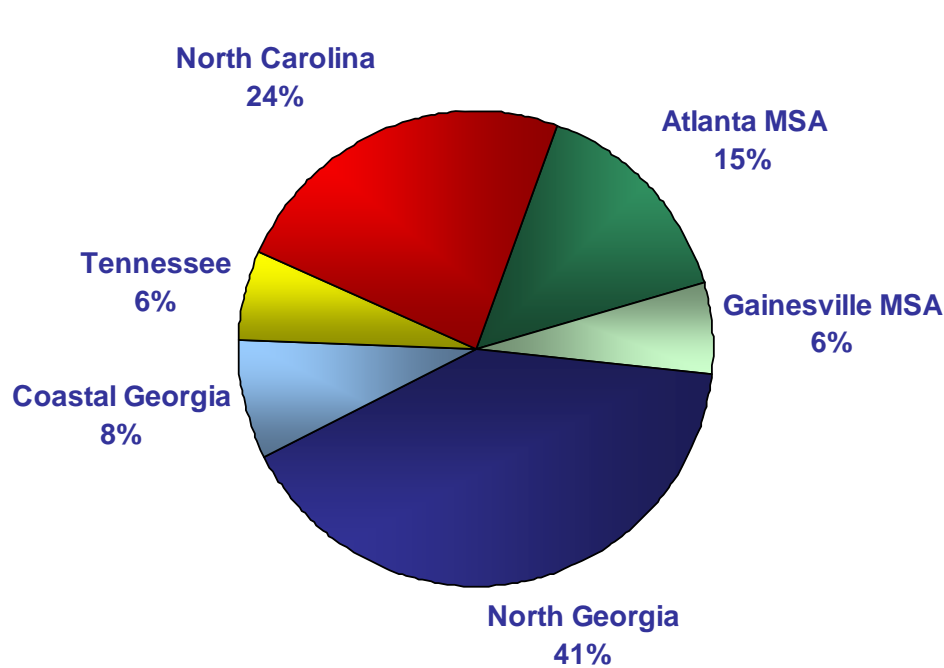
Loan Portfolio

Total - \$5.7 billion, as of December 31, 2008



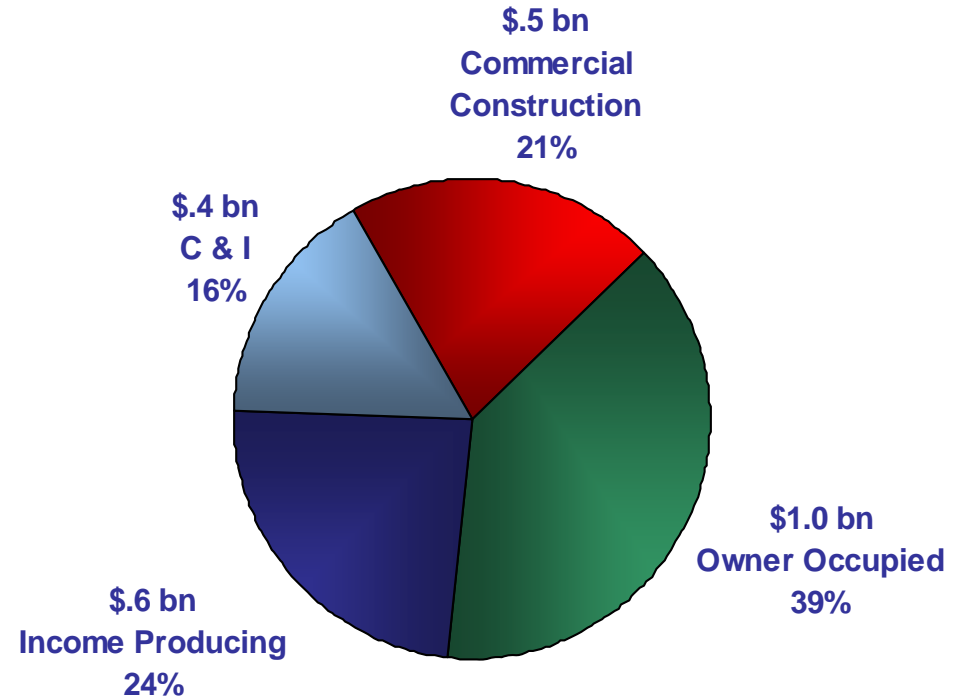
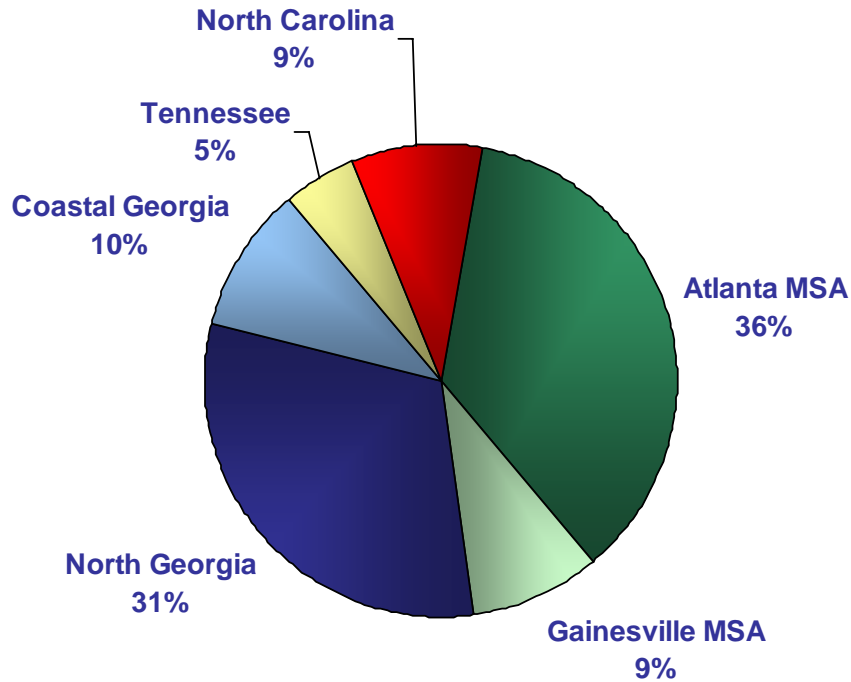
Residential Mortgage

Total: \$1.5 billion



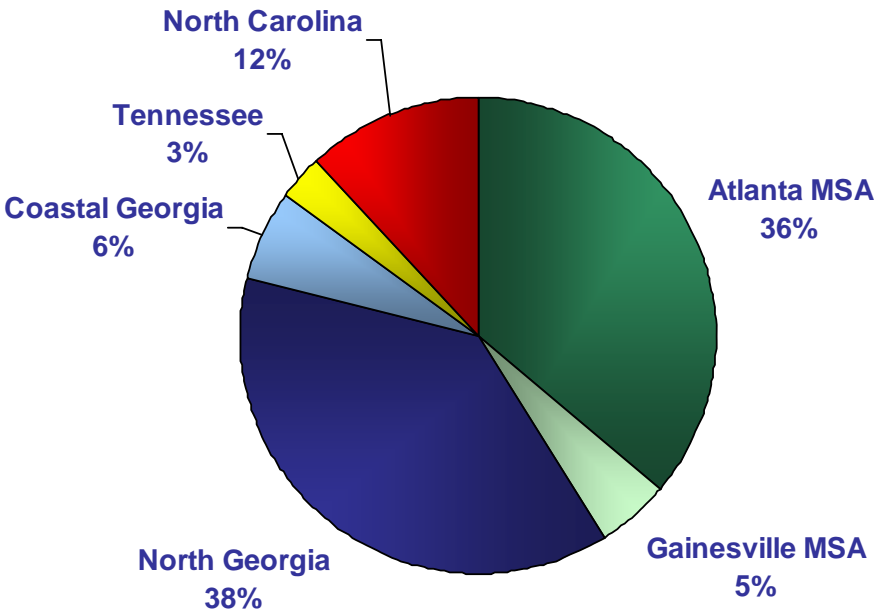
Commercial Loans

Total: \$2.5 billion

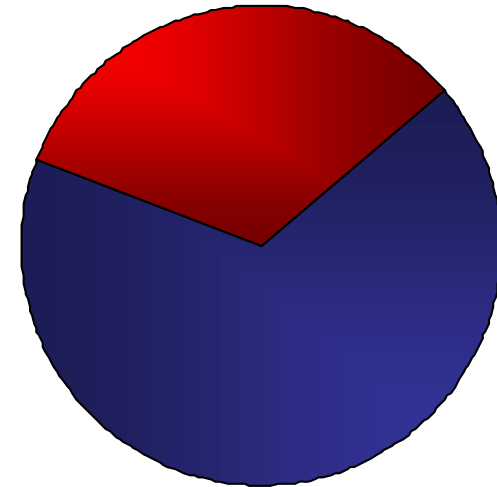


Residential Construction

Total: \$1.5 billion



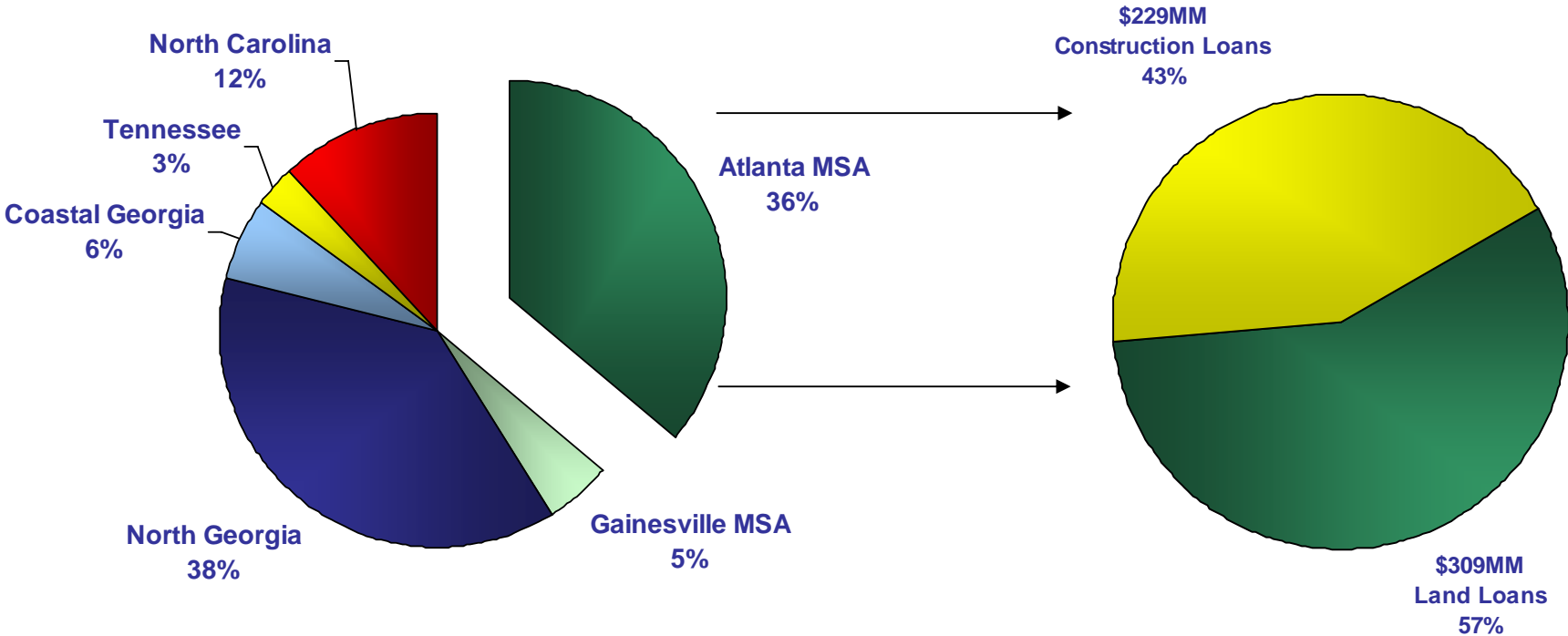
**\$0.5 bn
Construction Loans
33%**



**\$1 bn
Land Loans
67%**

Residential Construction

Atlanta MSA Breakout



Atlanta MSA

Residential Construction



<i>(in millions)</i>	<u>Q4 08</u>	<u>Q3 08</u>	<u>Q4 07</u>	<u>Q2 07</u>	CHANGE SINCE	
					<u>Q2 07</u>	
					<u>Amount</u>	<u>%</u>
<i>Land Loans</i>						
Raw Land	\$ 56	\$ 47	\$ 52	\$ 48	\$ 8	16
Developing Land	167	185	258	279	(112)	(40)
Lot Loans	86	103	117	136	(50)	(37)
Total	309	335	427	463	(154)	(33)
<i>Construction Loans</i>						
Spec	189	227	280	371	(182)	(49)
Sold	40	49	77	132	(92)	(70)
Total	229	276	357	503	(274)	(54)
Total Res Construction	\$ 538	\$ 611	\$ 784	\$ 966	\$ (428)	(44)

Credit Quality

(in millions)



	2008				2007
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
Net Charge-Offs	\$ 74.0	\$ 55.7	\$ 14.3	\$ 7.1	\$ 13.0*
as % of Avg Loans	5.09%	3.77%	.97%	.48%	.87%
Allowance for LL	\$ 122.3	\$ 111.3	\$ 91.0	\$ 89.8	\$ 89.4
as % of Total Loans	2.14%	1.91%	1.53%	1.51%	1.51%
as % of NPLs	64%**	80%**	74%	133%	317%
Non-Performing Loans	\$ 190.7	\$ 139.3	\$ 123.8	\$ 67.7	\$ 28.2
OREO	59.8	38.4	28.4	22.2	18.1
Total NPAs	\$ 250.5	\$ 177.7	\$ 152.2	\$ 89.9	\$ 46.3
as % of Total Assets	2.94%	2.20%	1.84%	1.07%	.56%
as % of Loans and OREO	4.35%	3.03%	2.55%	1.50%	.78%

* Excludes special fraud-related charge-offs.

** Excluding loans with no allocated reserve, the coverage ratio was 125% at Q4 and 93% at Q3.

Net Charge-Offs by Category

(in thousands)



	Fourth Quarter 2008		Third Quarter 2008	
	<u>NCOs</u>	<u>NCOs to Avg Loans</u> %	<u>NCOs</u>	<u>NCOs to Avg Loans</u> %
Commercial (sec. by RE)	\$ 4,460	1.10	\$ 257	.06
Commercial construction	1,442	1.14	225	.17
Commercial & Industrial	<u>3,416</u>	3.24	<u>1,018</u>	.96
Total commercial	9,318	1.46	1,500	.24
Residential construction	57,882	14.93	50,228	11.94
Residential mortgage	5,852	1.52	3,332	.88
Consumer/installment	<u>976</u>	2.34	<u>676</u>	1.58
TOTAL NCOs	\$74,028	5.09	\$55,736	3.77

Net Charge-Offs by Market

(in thousands)



	Fourth Quarter 2008		Third Quarter 2008	
	<u>NCOs</u>	<u>NCOs to Avg Loans</u> %	<u>NCOs</u>	<u>NCOs to Avg Loans</u> %
Atlanta MSA	\$49,309	10.80	\$48,313	10.08
Gainesville MSA	7,994	8.60	1,470	1.49
North Georgia	9,872	1.91	4,567	.88
Western North Carolina	2,371	1.16	855	.42
Coastal Georgia	3,150	2.70	249	.22
East Tennessee	<u>1,332</u>	2.02	<u>282</u>	.43
TOTAL NCOs	\$74,028	5.09	\$55,736	3.77

NPAs by Category

(in thousands)



	Fourth Quarter 2008			Third 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)	\$ 15,188	\$ 2,427	\$ 17,615	\$ 9,961	\$ 854	\$ 10,815
Commercial construction	1,513	2,333	3,846	2,924	375	3,299
Commercial & Industrial	<u>1,920</u>	<u>--</u>	<u>1,920</u>	<u>1,556</u>	<u>--</u>	<u>1,556</u>
Total commercial	18,621	4,760	23,381	14,441	1,229	15,670
Residential construction	144,836	48,572	193,408	102,095	32,453	134,548
Residential mortgage	25,574	6,436	32,010	21,335	4,756	26,091
Consumer/installment	<u>1,692</u>	<u>--</u>	<u>1,692</u>	<u>1,395</u>	<u>--</u>	<u>1,395</u>
TOTAL NPAs	\$190,723	\$59,768	\$250,491	\$139,266	\$38,438	\$177,704

NPAs by Market

(in thousands)



	Fourth Quarter 2008			Third Quarter 2008		
	<u>NPLs</u>	<u>OREO</u>	<u>Total NPAs</u>	<u>NPLs</u>	<u>OREO</u>	<u>Total NPAs</u>
Atlanta MSA	\$105,476	\$42,336	\$147,812	\$ 80,805	\$27,011	\$107,816
Gainesville MSA	16,208	1,110	17,318	15,105	648	15,753
North Georgia	31,631	12,785	44,416	20,812	8,337	29,149
Western North Carolina	18,509	2,986	21,495	13,432	1,509	14,941
Coastal Georgia	11,863	138	12,001	3,682	601	4,283
East Tennessee	<u>7,036</u>	<u>413</u>	<u>7,449</u>	<u>5,430</u>	<u>332</u>	<u>5,762</u>
TOTAL NPAs	\$190,723	\$59,768	\$250,491	\$139,266	\$38,438	\$177,704

Financial Summary

(in millions, except EPS; Taxable Equivalent)



			CHANGE (\$)		2008	2007	
	Q4 08	Q3 08	Q4 07	Q3 08			Q4 07
Net interest revenue	\$ 51.9	\$ 58.8	\$ 69.7	(6.9)	(17.8)	\$238.7	\$274.5
Fee revenue	10.7	13.1	16.1	(2.3)	(5.4)	53.1	62.7
Operating expense (excludes OREO costs)	<u>47.2</u>	<u>47.1</u>	<u>45.4</u>	.1	1.8	<u>187.6</u>	<u>185.1</u>
Pre-tax, pre-provision earnings	15.4	24.8	40.4	(9.4)	(25.0)	104.2	152.1
Provision for loan losses	85.0	76.0	26.5			184.0	37.6
Foreclosed property costs	5.2	9.9	3.9			19.1	5.0
Income tax (benefit) expenses	<u>(28.1)</u>	<u>(21.2)</u>	<u>4.0</u>			<u>(35.4)</u>	<u>40.5</u>
Net operating (loss) income	<u>\$(46.7)</u>	<u>\$(39.9)</u>	<u>\$ 6.1</u>			<u>\$(63.5)</u>	<u>\$ 69.0</u>
Diluted EPS	\$ (.99)	\$ (.84)	\$.13			\$(1.35)	\$ 1.50
Net interest margin	2.70%	3.17%	3.73%			3.18%	3.88%

Net Interest Revenue and Margin

(in millions, FTE)



	2008				2007
	<u>Fourth Quarter</u>	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>
Net Interest Margin	2.70%	3.17%	3.32%	3.55%	3.73%

	<u>Net Interest Revenue</u>	<u>Net Interest Margin</u>
Third Quarter 2008	\$ 58.8	3.17 %
Cost of liquidity build-up	(4.5)	(0.30)
Asset sensitivity and decline in rates	(1.3)	(.09)
Impact of nonaccruals and carry costs	(1.1)	(.08)
Fourth Quarter 2008	\$ 51.9	2.70 %

Liquidity – Loans/Deposits

(in millions)



	<u>12/31/08</u>	<u>12/31/07</u>	<u>CHANGE</u>
Loans	\$ 5,705	\$ 5,929	\$ (224)
Deposits (excl Brokered)	6,211	5,753	458
Loan to Deposit Ratio	92%	103%	
Investment Securities	\$ 1,617	\$ 1,357	260
Percent of Assets	19%	17%	16%
Commercial Paper Sold	\$ 369	--	\$ 369

Liquidity—Wholesale Borrowings

(in millions)



	<u>Unused Capacity</u>	<u>12/31/08</u>	<u>12/31/07</u>	<u>CHANGE</u>
Brokered Deposits	\$ 760	\$ 793	\$ 323	\$ 470
FHLB	727	235	520	(285)
Fed Funds	377	8	344	(336)
Other Wholesale	<u>438</u>	<u>100</u>	<u>294</u>	<u>(194)</u>
Total Wholesale	<u><u>\$2,302</u></u>	<u><u>\$1,136</u></u>	<u><u>\$1,481</u></u>	<u><u>\$ (345)</u></u>

Sub-Debt		\$ 97	\$ 67	\$ 30
Trust Preferred Securities		<u>54</u>	<u>41</u>	<u>13</u>
Total Long-Term Debt		\$ 151	\$ 108	\$ 43

Capital Ratios

(as percentages)



	Well Capitalized	<u>Dec 08</u>	<u>Dec 07</u>
Regulatory Capital			
Tier 1 Risk-Based	6	11.2	8.6
Total Risk-Based	10	13.9	11.4
Leverage	5	8.3	6.8
Tangible Equity to Assets		6.6	6.6
Tangible Common Equity to Assets		6.2	6.6
Allowance to Loans		2.14	1.51

› Pre-tax, Pre-provision Earnings

- › Margin Improvement

- › We Are United

- › Core Deposits

› Credit

- › Atlanta

Appendix

Experienced, Proven Leadership



		<u>Joined UCBI</u>	<u>Years in Banking</u>
Jimmy Tallent	President and CEO	1984	36
Guy Freeman	Chief Operating Officer	1994	49
Rex Schuette	Chief Financial Officer	2001	32
David Shearrow	Chief Risk Officer	2007	28
Glenn White	President, Atlanta Region	2007	35
Craig Metz	Marketing	2002	17
Bill Gilbert	Retail Banking	2000	33

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**

- **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 \$8.5 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



Population Growth (%)

<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	3,603	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	59.8	2.0	10	40	3%	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	\$98.7	\$ 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

Financial data as of September 30, 2008

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>Fourth Quarter</u>	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>	
LOANS BY CATEGORY						%
Commercial (sec. by RE)	\$1,627	\$1,604	\$1,584	\$1,526	\$1,476	10
Commercial construction	500	509	522	548	527	(5)
Commercial & Industrial	<u>410</u>	<u>425</u>	<u>417</u>	<u>437</u>	<u>418</u>	(2)
Total commercial	2,537	2,538	2,523	2,511	2,421	5
Residential construction	1,479	1,596	1,745	1,791	1,830	(19)
Residential mortgage	1,526	1,528	1,494	1,491	1,502	2
Consumer/installment	<u>163</u>	<u>168</u>	<u>171</u>	<u>175</u>	<u>176</u>	(8)
TOTAL LOANS	\$5,705	\$5,830	\$5,933	\$5,968	\$5,929	(4)

Business Mix – Loans

(at Year-End)



<i>(in millions)</i>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
LOANS BY CATEGORY					
Commercial (sec. by RE)	\$1,627	\$1,476	\$1,230	\$1,055	\$ 966
Commercial construction	500	527	470	358	239
Commercial & Industrial	<u>410</u>	<u>418</u>	<u>296</u>	<u>237</u>	<u>212</u>
Total commercial	2,537	2,421	1,996	1,650	1,417
Residential construction	1,479	1,829	1,864	1,381	1,066
Residential mortgage	1,526	1,502	1,338	1,206	1,102
Consumer/installment	<u>163</u>	<u>177</u>	<u>179</u>	<u>161</u>	<u>150</u>
TOTAL LOANS	\$5,705	\$5,929	\$5,377	\$4,398	\$3,735

Residential Construction – Total Company



	2008				2007
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
<i>(in millions)</i>					
<i>Land Loans</i>					
Raw Land	\$ 153	\$ 142	\$ 139	\$ 130	\$ 126
Developing Land	484	516	569	583	593
Lot Loans	358	385	401	406	407
Total	995	1,043	1,109	1,119	1,126
<i>Construction Loans</i>					
Spec	347	393	450	460	473
Sold	137	160	186	212	231
Total	484	553	636	672	704
Total Residential Construction	\$1,479	\$1,596	\$1,745	\$1,791	\$1,830

Residential Construction – Atlanta MSA



	2008				2007
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
<i>(in millions)</i>					
<i>Land Loans</i>					
Raw Land	\$ 56	\$ 47	\$ 50	\$ 50	\$ 52
Developing Land	167	185	232	252	258
Lot Loans	86	103	117	117	117
Total	309	335	399	419	427
<i>Construction Loans</i>					
Spec	189	227	271	271	280
Sold	40	49	58	71	77
Total	229	276	329	342	357
Total Residential Construction	\$ 538	\$ 611	\$ 728	\$ 761	\$ 784

Loans – Markets Served

(at Quarter-End)



(in millions)	2008				2007	Year over Year Change
	<u>Fourth Quarter</u>	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>	
LOANS BY MARKET						%
Atlanta MSA ¹	\$1,706	\$1,800	\$1,934	\$1,978	\$2,002	(15)
Gainesville MSA	420	426	422	415	400	5
North Georgia	2,040	2,066	2,065	2,071	2,060	(1)
Western North Carolina	810	815	819	816	806	--
Coastal Georgia	464	458	436	439	416	12
East Tennessee	<u>265</u>	<u>265</u>	<u>257</u>	<u>249</u>	<u>245</u>	8
Total loans	\$5,705	\$5,830	\$5,933	\$5,968	\$5,929	(4)

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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
LOANS BY MARKET					
Atlanta MSA	\$ 1,706	\$ 2,002	\$ 1,651	\$ 1,456	\$ 1,061
Gainesville MSA	420	400	354	249	--
North Georgia	2,040	2,060	2,034	1,790	1,627
Western North Carolina	810	806	773	668	633
Coastal Georgia	464	415	358	306	274
East Tennessee	<u>265</u>	<u>246</u>	<u>207</u>	<u>178</u>	<u>140</u>
Total loans	\$ 5,705	\$ 5,929	\$ 5,377	\$ 4,398	\$ 3,735

Lending – Credit Summary

(as of December 31, 2008; in millions)



Legal lending limit	\$ 230
House lending limit	20
Top 25 relationships 7.6% of total loans	442
Regional credit review Standard underwriting	

Business Mix – Deposits

(at Quarter-End)



(in millions)	2008				2007	Year over Year Change %
	<u>Fourth Quarter</u>	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>	
DEPOSITS BY CATEGORY						
Demand & NOW	\$2,197	\$2,074	\$2,238	\$2,214	\$2,176	1
MMDA & Savings	637	573	606	620	639	--
Time < \$100,000	<u>1,953</u>	<u>1,815</u>	<u>1,744</u>	<u>1,536</u>	<u>1,574</u>	24
Total Core Deposits	4,787	4,462	4,588	4,370	4,389	9
Time > \$100,000	1,423	1,482	1,573	1,375	1,365	4
Brokered Deposits	<u>793</u>	<u>745</u>	<u>535</u>	<u>431</u>	<u>322</u>	146
Total deposits	\$7,004	\$6,689	\$6,696	\$6,176	\$6,076	15

Analyst Coverage

FIG Partners

(Market Perform – Jan 26, 2009)

Fox-Pitt Kelton Cochran

(In Line – Jan 23, 2009)

Keefe, Bruyette & Woods

(Market Perform – Jan 27, 2009)

Raymond James & Associates

(Market Perform – Jan 26, 2009)

Sandler O’Neill & Partners

(Hold – Jan 23, 2009)

Stephens, Inc.

(Equal-Weight – Jan 26, 2009)

Sterne Agee & Leach, Inc.

(Sell – Jan 26, 2009)

SunTrust Robinson Humphrey

(Neutral – Jan 23, 2009)

Balanced Growth Strategy

Early Partnerships

<i>(in millions)</i>	<u>Acquisition Date</u>	<u>Asset Size at Acquisition</u>	<u>Asset Size Dec-08</u>
North Carolina	Mar-90	\$55	\$1,285
Blue Ridge	Feb-92	52	481
Towns	Oct-92	20	230
White	Aug-95	71	256
Habersham	Sep-96	33	258
Rabun	Sep-97	72	114
Gilmer	Jan-98	23	219

Balanced Growth Strategy

Recent Partnerships

<i>(in millions)</i>	<u>Acquisition Date</u>	<u>Asset Size at Acquisition</u>	<u>Asset Size Dec-08</u>
Adairsville	Aug-99	\$41	\$84
Rome	Aug-99	108	315
Dawson	Jul-00	119	228
Metro	Jul-00	153	753
West GA	Nov-01	85	131
East TN	Mar-03	195	408
Coastal GA	May-03	300	646
Fairburn	Jun-04	104	224
Henry	Nov-04	80	98
Rockdale/Newton	Dec-04	200	195