

DIRECTORY

UNITED COMMUNITY BANKS, INC.

Corporate Information

UNITED COMMUNITY BANKS, INC.

Corporate Headquarters

United Community Banks, Inc.
63 Highway 515
Blairsville, Georgia 30512
Phone: (706) 781-2265
www.ucbi.com

Financial Information

Analysts and investors seeking financial information about United Community Banks, Inc. may contact Rex S. Schuette, Executive Vice President and Chief Financial Officer, at (866) 270-7200 or e-mail at rex_schuette@ucbi.com.

Copies of United's Annual Report filed with the Securities and Exchange Commission on Form 10-K and supplemental quarterly information are available at no cost on United's web site at www.ucbi.com or by contacting Investor Relations, Ms. Lois Rich at (866) 270-7200 or e-mail at investor_relations@ucbi.com.

United Community Banks, Inc.'s common stock is traded on the Nasdaq National Stock Market under the symbol UCBI.

Dividend Payment Dates

Subject to the approval of the Board of Directors, quarterly dividend payments are made on the first business day of January, April, July and October.

Electronic Deposit of Dividends

Quarterly dividends paid on United's common stock to registered stockholders may be sent electronically to a designated financial institution and credited to the stockholder's account on the dividend payment date, free of charge. To request this service, contact Investor Relations.

Account Consolidation and Elimination of Duplicate Mailings

If you receive duplicate quarterly statements from United and wish to discontinue such mailings, or would like to consolidate your accounts, contact Investor Relations. This will enable United to avoid unnecessary cost for duplication and mailing.

Stockholders seeking information on stock-transfer requirements, lost certificates, dividends and other stockholder matters, contact Investor Relations.

Annual Meeting

The Annual Meeting of Stockholders will be held at 2:00 p.m., Wednesday, April 30, 2003, at Brasstown Valley Resort, Young Harris, Georgia.

Transfer Agent and Registrar

SunTrust Bank
P.O. Box 4625
58 Edgewood Avenue
Suite 225-A, Atlanta, Georgia 30302
Ms. Sandra Benefield
(800) 568-3476

Independent Certified Public Accountants

Porter Keadle Moore, LLP
Atlanta, Georgia

Legal Counsel

Kilpatrick Stockton, LLP
Atlanta, Georgia

Equal Opportunity Employer

United is an equal opportunity employer. All matters regarding recruiting, hiring, training, compensation, benefits, promotions, transfers and other personnel policies will remain free from discriminatory practices.

This Annual Report contains forward-looking statements that involve risk and uncertainty and actual results could differ materially from the anticipated results or other expectations expressed in the forward-looking statements. A discussion of factors that could cause actual results to differ materially from those expressed in the forward-looking statements is included in United's Annual Report on Form 10-K filed with the Securities and Exchange Commission.



THIS IS
THE BANK
THAT
SERVICE
BUILT.

UNITED COMMUNITY BANKS, INC.



63 Highway 515
Blairsville, Georgia 30512

2002 ANNUAL REPORT

UNITED COMMUNITY BANKS, INC.



THIS IS THE COMMITMENT

THAT DRIVES THE BANK
THAT SERVICE BUILT.

We serve over thirty five communities at United Community Banks. And what we've found, whether it's the mountains of western North Carolina or metropolitan Atlanta, is that people are people, no matter where they live or work. Yes, their banking needs may be different, but their needs as individuals are the same - they want to be treated with courtesy, with respect, and with the sincere feeling that they, and their business, are valued. At United Community Banks, we're big enough to bank anyone, but our service will always be provided in the style of a community bank. Whether it's Cherokee, North Carolina or Marietta, Georgia, it doesn't matter, the commitment to service is the same. And you can be sure, it always will be.



THESE ARE THE CUSTOMERS

THAT VALUE THE COMMITMENT
THAT DRIVES THE BANK
THAT SERVICE BUILT.

At United Community Banks, we serve our customers according to a very basic principle we like to call the “Golden Rule of Banking.” What it means, quite simply, is that we treat everyone who comes through our door in the same manner we want and expect to be treated. It’s a different style of banking, a caring style, one that is focused on relationships—with employees, customers, and communities. It’s about positive and responsive employees who are passionate about their work. It’s about customers who feel welcomed

by that enthusiasm and who, as a result, give us their trust and their business. It’s about communities—living in them, and giving back to them. It’s a fact: when you take care of your employees, when you take care of your customers, the business of banking—the deposits, the loans—will come to your door. Relationships stand the test of time. Relationships separate great banks from average ones. Relationships built this bank, and that foundation - that “Golden Rule”—will never change.



At United Community Banks, our customers know, when they walk through the door, they will see a smiling familiar face, hear their name, and experience the same excellent service, every time.



If we focus on building strong relationships with our employees, they'll in turn build strong relationships with our customers. These solid relationships form a foundation from which to build our business long into the future.





Our 17 bank presidents average over 20 years of community banking experience, 90% of which has been spent within the markets where their bank operates. This is a real competitive advantage, allowing our banking team to respond more quickly, because they know their customers and their communities.

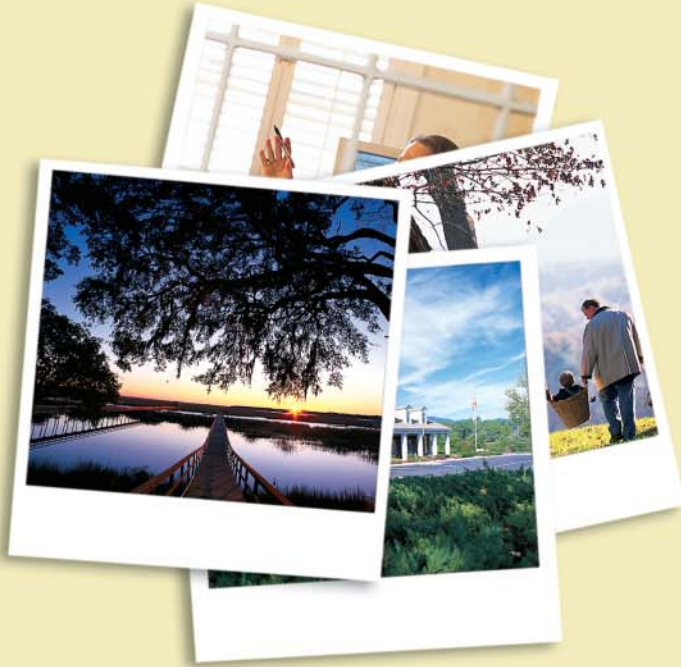


THESE ARE THE RESOURCES

THAT HELP THE CUSTOMERS
THAT VALUE THE COMMITMENT
THAT DRIVES THE BANK
THAT SERVICE BUILT.

United Community Banks is Georgia's third largest bank holding company with \$3.2 billion in assets. Located at our 17 community banks and 53 offices are 1,100 employees who serve over 150,000 customers. Our management team provides a wide range of experience from backgrounds in small, medium and large banks. This is extremely important for a bank like United where high growth as well as diverse markets calls for innovative leadership in order to deliver our customer-oriented style of banking. United Community Bank customers enjoy state-of-the-art products and

services equal to any bank, but ours are offered in a local, friendly, community bank environment. Our customers also benefit from the most advanced technologies, a level of sophistication comparable to any bank, any size, anywhere. In fact, over 10,000 United Community Bank customers currently use Uconnect, our online banking service, and take advantage of our bank's advanced imaging capabilities. United Community Banks is truly the best of all worlds: the financial resources and conveniences of a large bank, but a style of banking and a level of service, only a community bank can provide.



THESE ARE THE **MARKETS**

THAT BENEFIT FROM THE RESOURCES
THAT HELP THE CUSTOMERS
THAT VALUE THE COMMITMENT
THAT DRIVES THE BANK
THAT SERVICE BUILT.

We have a unique market area, stretching from the western North Carolina mountains, through north Georgia, to the metropolitan area surrounding Atlanta. Over the last ten years, our markets in north Georgia have averaged over 40% annual growth; our North Carolina markets, over 25%. As our markets grow, plans for further expansion also broaden. We look forward to creating partnerships in eastern Tennessee, western South Carolina and the coast of Georgia. We've identified these markets because, like our current locations, these are vibrant, high-growth areas where people live, work, play and retire. We'll look to these markets for banks that share our service-oriented culture.

In fact, in January 2003, United announced its entry into eastern Tennessee and the Georgia coast through mergers with First Central Bank of Lenoir City, a \$150 million community bank with eight offices operating along the high growth Interstate 75 corridor between Knoxville and Chattanooga, and First Georgia Bank of Brunswick, a \$260 million community bank in Brunswick with six offices in markets located along the major Interstate 95 corridor between Savannah and Jacksonville. Both of these banks are in outstanding markets and embrace the service-oriented community banking style that has been the cornerstone of our success.



We'll never grow just for the sake of growing. We expand and create shareholder value by investing in solid banks with exceptional management who embrace our style of banking, and then, we focus on growth opportunities within their markets.



After completion of the mergers, United Community Banks will have assets of \$3.6 billion, and operate 19 banks with 67 office locations throughout our newly expanded footprint. We look forward to the growth opportunities in these new communities.





After being listed on Nasdaq in March 2002, we announced a two-for-one stock split effective in May and our company was placed in the Russell 2000 Index in July - an index that measures performance of the last 2,000 companies in the Russell 3000 index.





THIS IS THE SUCCESS

THAT OCCURS IN THE MARKETS
THAT BENEFIT FROM THE RESOURCES
THAT HELP THE CUSTOMERS
THAT VALUE THE COMMITMENT
THAT DRIVES THE BANK
THAT SERVICE BUILT.

We are very proud of our company's consistent performance. Over the past five years, loans have grown at an annual compounded rate of 19%, deposits have grown at 15%, and earnings per share, which is the real measure of shareholder value, has grown at a compounded rate of over 16% per year. This outstanding performance is the product of the commitment of our employees and management who continually move the bar up in terms of shareholder value while remaining focused on serving our

customers. Another barometer by which we measure our company is stock performance. A major milestone for our shareholders as well as our company was the listing of our stock on the Nasdaq National Market in March 2002. We followed that with a two-for-one stock split effective in May. Given the overall economic and stock market trends for 2002, which have been difficult at best, we have been very pleased with the confidence and positive response from the investment community.



THIS IS THE VISION

THAT WILL CONTINUE THE SUCCESS
THAT OCCURS IN THE MARKETS
THAT BENEFIT FROM THE RESOURCES
THAT HELP THE CUSTOMERS
THAT VALUE THE COMMITMENT
THAT DRIVES THE BANK
THAT SERVICE BUILT.

Our vision for the future of United Community Banks is clear. We are committed to being a growth company, expanding our market share and franchise, and building long-term shareholder value while maintaining consistent double-digit earnings-per-share growth. In the near term, we have set a management goal to be a \$5 billion community bank by the end of 2005. We believe we can accomplish this goal by continuing to follow the principle that got us to where we are today: the "Golden Rule of Banking." We'll grow internally by bringing our relationship-style of banking to new customers and communities within our current mar-

kets in north Georgia, western North Carolina, and metropolitan Atlanta. And, where it makes good business sense, we'll also seek partnerships with similar service-oriented banks in other high-growth areas outside our existing markets and in adjoining states. Our company is in the right place, at the right time, with the right people. Our people have planned well and worked hard and we've built a unique spirit within this company. We pledge to you our shareholders, as well as to ourselves, to continue to work diligently and plan and execute well while building a great community bank for our customers, shareholders and employees.



As we look at opportunities to expand and improve our company, we ask ourselves: Is this good for our customers? Is this good for our employees? Does it conform with our "Golden Rule" philosophy of banking? If it meets these basic fundamentals upon which United Community Banks has been built, then we feel it will be good for our company and shareholders. It is a win-win-win strategy.





TO OUR FELLOW SHAREHOLDERS

It has been another excellent year. In an uncertain economy, United Community Banks experienced a year of outstanding financial performance.

Another Excellent Year.

In 2002, we continued to grow our franchise and add value for our shareholders. United enjoyed record earnings with net operating income of \$32.8 million, an increase of \$4.5 million, or 16%, as compared to 2001. Earnings per diluted share were \$1.48, an increase of 14% from a year earlier. Our loan portfolio for the year grew \$374 million, or 19%, to 2.4 billion. Return on common

stockholders' equity was 16.54%.

Total capital increased to \$221 million, up 14% from 2001, allowing our company to continue its strategic objectives of growing its market share, serving our customers and exploring partnerships in new and exciting markets.

I am very grateful for the consistent performance that our bank has achieved over the last five years. Our compound growth rate of assets have averaged 18%, loans averaged 19%, and our earnings per share growth rate, which is a real measure of shareholder value, has averaged over 16% per year.

We believe this consistent growth is directly the result of our employees' commitment to our personal style of banking employed within the communities we serve. We strive each day to be customer-focused, and it's gratifying to see that we've been able to turn this commitment into results. We'll continue serving our customers as we move toward one of our company's primary financial goals: to reach \$5 billion in assets by 2005, while continuing to achieve double-digit earnings per share growth. It is an ambitious but realistic goal, one which I am confident we can achieve.

Welcome To Nasdaq.

In 2002, we began trading our stock on the Nasdaq National Stock Market. This is something we had been planning for several years, and we finally

What Our Customers Say.

Why have the communities been responding so positively to our bank? Because our customers are responding so positively. Over the years, we have talked consistently about our community-style of banking and our commitment to providing our customers the highest level of personal service. Well, last year, we decided to ask our customers to confirm their view of our commitment to providing the highest level of personal service.

In the fourth quarter of 2002, we engaged a national market research firm to conduct an independent customer benchmark survey of our customers. Specifically, we wanted to understand how we're doing with customer service in each of the 35 communities and 53 banking locations we serve today.

We strive each day to be customer-focused, and it's gratifying to see that we've been able to turn this commitment into results.

reached the point in the life of our company where listing on a national stock market made good business sense for our shareholders and our company. It has been an eventful first year: our average shares traded per day climbed from 2,000 to 45,000; we were added to the Russell 2000 Index; and, we significantly expanded our shareholder base.

Additionally, in April, our Board of Directors approved a two-for-one stock split, which was distributed to shareholders in May. This marks the eighth time we have split the company's stock. During 2002, one of the most difficult years in the modern history of the stock market, the market value of our company grew over 40%. Very few companies enjoyed such a high level of stock performance in 2002.

The results of the survey were very encouraging and reinforce what we had expected. Our customers have given us very high marks - a total score of 9.45 out of a possible 10.00 - for overall customer satisfaction. So that you know, it is very unusual to score in the nines. The market research firm has told us that we had the second highest score of any measured bank in the history of their program. In fact, our scores were consistently high across all of our 53 community bank locations from western North Carolina to metro Atlanta, with no bank receiving a score of less than 9.16.

A good indication of why this matters is in referrals. Customers who have had a bad experience with a bank do not refer, in fact they do the opposite. So we are very pleased that over 95% of our customers stated they

had already, or would likely, recommend United Community Bank to other potential customers. That is a true measure of customer loyalty, and that is a true measure of the reputation and future potential of your bank.

Markets Like No Other.

Also consider that, along with this positive affirmation of our bank's service, we are also located in some of the fastest growing markets in the country. In Georgia, over the last ten years, the population growth in our markets was over 40%; and, in North Carolina, it was over 25%. United is located in a deposit market, which totals \$70 billion. And, we currently only have \$2.4 billion of that market share. The potential for United's growth within our current markets is enormous, given our personal style of banking and our high rate of customer satisfaction.

That's just the beginning. We operate in north Georgia, the metro Atlanta area and western North Carolina. And, we've also identified potential market areas in eastern Tennessee, western South Carolina, and the Georgia coast. As we look to expand our franchise and create additional shareholder value, we will consider and analyze partnerships in these areas with banks having cultures that value their customers, employees and communities.

In fact, we have already found two banks. In January 2003, we announced two pending mergers: First Central Bank in eastern Tennessee and First Georgia Bank located in coastal Georgia. Both of these markets are new for United, and enhance our current footprint. First Central Bank and First Georgia Bank both operate in strong growth markets similar to our current markets. They are located along major transportation corridors and serve communities where people live, work, play and retire. Most importantly, they embrace the customer-oriented style of banking that is United Community Bank.

Adding these banks to our family of community banks will provide us with a strong base from which we can continue to grow our franchise in eastern Tennessee and the coastal Georgia region.

It's All About People

We can talk about markets, growth, stock splits, and earnings per share. But when you boil it down, it's really about people. I am proud and honored to work with the more than eleven hundred men and women who make up our United Community Bank family. I am inspired by their dedication. I am moved by their selflessness in serving our customers. They are the finest group of banking professionals anywhere. Their commitment says so, and as we've learned, our customers also say so.

To all of you, I offer my deepest thanks and admiration. To our customers, I thank each of you for the privilege and responsibility you have entrusted in our bank - to serve you, your family, your business and your communities. And to our shareholders, I want you to know that we value your support and that United Community Banks is committed to making your investment in us something in which you can be proud, as well as rewarded.

We are the bank that service built. Let us continue building on our success as we work together - committed and passionate as always - on building an even brighter future for our customers, communities, employees and shareholders.

Sincerely,



Jim C. Tallent
President and Chief Executive Officer

Financial Highlights

UNITED COMMUNITY BANKS, INC.

(\$ in thousands, except per share data; taxable equivalent)

	2002	2001	Percentage Change	5-year CAGR
For the Year*				
Total revenue	\$ 143,409	\$ 128,429	12%	18%
Net income	32,780	28,315	16	20
Earnings per share:				
Basic	1.53	1.33	15	17
Diluted	1.48	1.30	14	16
Cash dividends declared	.25	.20	25	38
Book value per share (year-end)	10.34	8.97	15	15
Return on common equity	16.54%	16.73%		
Return on average assets	1.11	1.10		
Efficiency ratio	60.66	62.52		
At Year-End				
Assets	\$ 3,211,344	\$ 2,749,257	17	18
Loans	2,381,798	2,007,990	19	19
Earning assets	3,029,409	2,554,530	19	19
Deposits	2,358,239	2,116,499	13	15
Stockholders' equity	221,579	194,665	14	17
Common shares outstanding (thousands)	21,263	21,511		
Shareholders of record	7,300	5,200		
Full-time equivalent employees	1,097	1,048		
Banking offices	53	49		

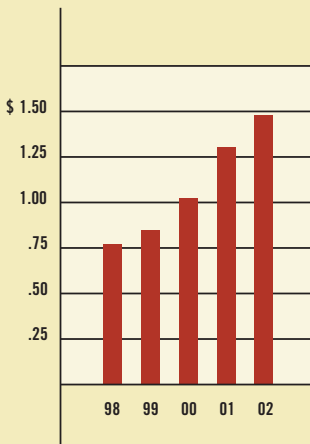
*Amounts and ratios exclude merger-related charges recorded in 2001

Graphic Analysis

UNITED COMMUNITY BANKS, INC.

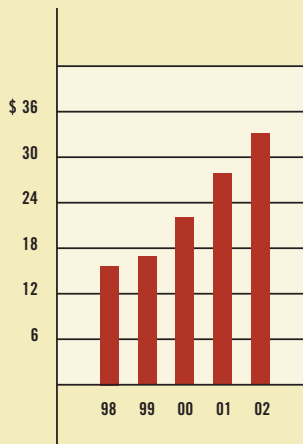
Sustained Double-Digit EPS Growth of **12%** to **15%**

EARNINGS PER SHARE (DILUTED) IN DOLLARS



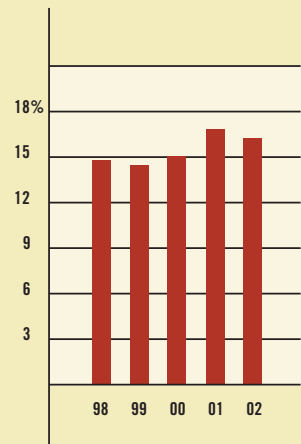
Earnings per share of \$1.48 was up 14% from a year ago and has increased at an average annual rate of 16% per year since 1997.

NET INCOME IN MILLIONS



Net income has grown at an average compound rate of 20% over the last five years and has more than doubled since 1998.

RETURN ON COMMON EQUITY



At 16.54% for 2002, return on common equity was within management's stated financial goal of 16% to 18%.

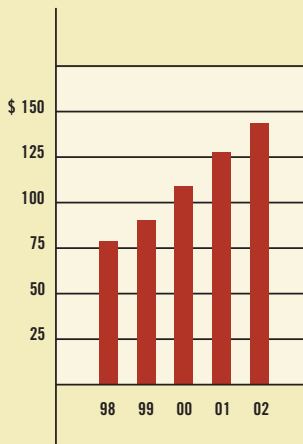
Target Return on Equity of

16% to **18%**

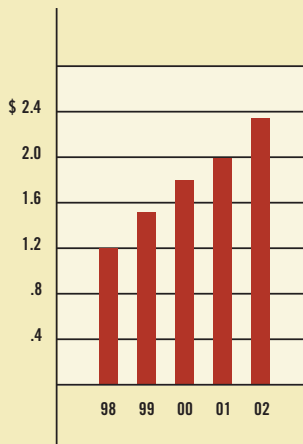
3rd largest

Georgia Bank Holding Company
with \$3.2 Billion in Assets

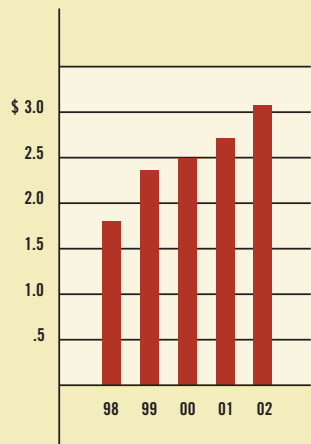
TOTAL REVENUE IN MILLIONS



LOANS IN BILLIONS



ASSETS IN BILLIONS



All graphs exclude merger-related charges for 2001, 2000 and 1999

Total revenue has grown at an average compound rate of 18% over the past five years. Growth in loans as well as new deposit products and services were the key drivers of the growth in revenue.

Loans are the key driver of balance sheet growth and profitability. Over the past five years, United's loan portfolio has grown at a compound annual rate of 19%.

United's assets reached \$3.2 billion in 2002, up 17% from 2001 and the compound annual growth rate was over 18% for the past five years.

1,100
Employees Serving Over
150,000
Customers

Selected Financial Information

UNITED COMMUNITY BANKS, INC.

For the Years Ended

(in thousands, except per share data; taxable equivalent)

	2002	2001
Operating Income Summary		
Interest revenue	\$ 195,932	\$ 210,036
Interest expense	76,357	100,874
Net interest revenue	119,575	109,162
Provision for loan losses	6,900	6,000
Fee revenue	30,734	25,267
Total revenue	143,409	128,429
Operating expenses	91,124	83,906
Income before taxes	52,285	44,523
Income taxes	19,505	16,208
Net operating income	32,780	28,315
Merger and restructuring related charges net of tax	—	1,084
Net income	\$ 32,780	\$ 27,231
Per Common Share¹		
Basic	\$ 1.53	\$ 1.33
Diluted	1.48	1.30
Cash dividends declared	.25	.20
Book value	10.34	8.97
Key Performance Ratios¹		
Return on common equity ³	16.54%	16.73%
Return on average assets	1.11	1.10
Efficiency ratio	60.66	62.52
Net interest margin	4.33	4.51
Dividend payout ratio	16.34	15.04
Average equity to average assets	7.01	6.81
Asset Quality		
Allowance for loan losses	\$ 30,914	\$ 27,124
Non-performing assets	8,019	9,670
Net charge-offs	3,111	4,578
Allowance for loan losses to loans	1.30%	1.35%
Non-performing assets to total assets	.25	.35
Net charge-offs to average loans	.14	.25
Average Balances		
Loans	\$2,239,875	\$1,854,968
Earning assets ²	2,761,265	2,419,080
Total assets	2,959,295	2,585,290
Deposits	2,311,717	2,010,105
Stockholders' equity	207,312	176,144
Common shares outstanding – Basic	21,375	21,127
Common shares outstanding – Diluted	22,161	21,749
At Period End		
Loans	\$2,381,798	\$2,007,990
Earning assets	3,029,409	2,554,530
Total assets	3,211,344	2,749,257
Deposits	2,385,239	2,116,499
Stockholders' equity	221,579	194,665
Common shares outstanding	21,263	21,511
Reported Results		
Earnings per common share:		
Basic	\$ 1.53	\$ 1.28
Diluted	1.48	1.25
Return on common equity ³	16.54%	16.08%
Return on average assets	1.11	1.05
Efficiency ratio	60.66	63.72
Dividend payout ratio	16.34	15.63

1 Excludes pre-tax nonrecurring charges totaling: \$1.6 million or \$.05 per diluted common share in 2001, \$10.6 million or \$.34 per diluted common share in 2000, and \$1.8 million or \$.06 per diluted common share in 1999.

2 Excludes unrealized gains on available for sale securities.

	2000	1999	1998	1997	5-Year CAGR
	\$ 213,115	\$ 171,211	\$ 135,706	\$ 109,549	
	116,591	90,242	67,664	55,381	
	96,524	80,969	68,042	54,168	17%
	7,264	5,966	3,014	3,251	
	18,867	15,693	12,979	10,967	23
	108,127	90,696	78,007	61,884	18
	74,043	63,505	53,104	42,252	17
	34,084	27,191	24,903	19,632	22
	12,337	9,938	9,253	6,262	
	21,747	17,253	15,650	13,370	20
	7,230	1,155	—	—	
	\$ 14,517	\$ 16,098	\$ 15,650	\$ 13,370	
	\$ 1.05	\$.86	\$.78	\$.70	17
	1.03	.84	.77	.69	16
	.15	.10	.075	.05	38
	7.40	5.91	5.86	5.11	15
	15.06%	14.42%	14.91%	15.58%	
	.89	.81	1.00	1.06	
	64.15	66.07	66.20	65.61	
	4.16	4.07	4.69	4.60	
	14.24	11.68	9.55	7.19	
	5.58	5.47	6.78	6.84	
	\$ 24,698	\$ 20,043	\$ 14,402	\$ 12,404	
	6,716	3,652	2,274	2,052	
	2,976	2,147	1,016	565	
	1.38%	1.28%	1.20%	1.25%	
	.27	.15	.13	.15	
	.18	.15	.09	.06	
	\$1,683,403	\$ 1,391,858	\$1,089,792	\$ 881,551	21
	2,319,389	1,987,825	1,452,740	1,173,292	19
	2,453,250	2,139,594	1,565,315	1,256,074	19
	1,941,496	1,659,534	1,328,843	1,096,686	16
	136,810	117,064	106,096	85,872	19
	20,600	20,158	19,998	19,178	
	21,194	20,842	20,610	19,634	
	\$1,792,055	\$ 1,564,148	\$1,203,495	\$ 991,878	19
	2,352,475	2,195,712	1,678,016	1,286,832	19
	2,528,879	2,384,678	1,813,004	1,410,596	18
	1,995,865	1,869,379	1,432,224	1,203,353	15
	158,388	119,312	115,364	99,378	17
	21,028	20,189	19,672	19,452	
	\$.70	\$.80	\$.78	\$.70	17
	.69	.78	.77	.69	16
	10.04%	13.46%	14.91%	15.58%	
	.59	.75	1.00	1.06	
	69.15	67.99	66.20	65.61	
	21.28	12.50	9.55	7.19	

3 Return on common equity is calculated by dividing net income available to common stockholders by average realized common equity which excludes accumulated other comprehensive income.

Consolidated Statement of Income

UNITED COMMUNITY BANKS, INC.

For the Years Ended (in thousands, except per share data)	2002	2001	2000
Interest Revenue:			
Loans, including fees	\$168,192	\$175,494	\$170,538
Investment securities:			
Taxable	21,578	27,095	33,182
Tax exempt	3,207	3,571	4,029
Federal funds sold and deposits in banks	576	1,732	2,999
Total interest revenue	193,553	207,892	210,748
Interest Expense:			
Deposits:			
Demand	11,515	12,628	17,062
Savings	508	1,392	2,413
Time	45,206	65,270	74,011
	57,229	79,290	93,486
Other borrowings	19,128	21,584	23,105
Total interest expense	76,357	100,874	116,591
Net interest revenue	117,196	107,018	94,157
Provision for loan losses	6,900	6,000	7,631
Net interest revenue after provision for loan losses	110,296	101,018	86,526
Fee Revenue:			
Service charges and fees	13,465	9,913	8,248
Mortgage loan and other related fees	7,751	6,179	1,429
Consulting fees	4,612	4,658	4,733
Brokerage fees	1,875	1,286	1,085
Securities gains (losses), net	637	214	(2,687)
Other	2,394	3,017	3,405
Total fee revenue	30,734	25,267	16,213
Operating expenses:			
Salaries and employee benefits	57,735	49,982	42,519
Occupancy	8,261	8,011	7,330
Communications and equipment	6,555	5,986	5,038
Postage, printing and supplies	3,731	4,452	3,547
Professional fees	3,368	3,406	2,816
Advertising and public relations	2,994	2,764	2,904
Merger-related charges	—	1,617	7,613
Other	8,480	9,305	9,889
Total operating expenses	91,124	85,523	81,656
Income before income taxes	49,906	40,762	21,083
Income taxes	17,126	13,531	6,566
Net income	\$ 32,780	\$ 27,231	\$ 14,517
Net income available to common shareholders	\$ 32,676	\$ 27,110	\$ 14,474
Earnings per common share:			
Basic	\$ 1.53	\$ 1.28	\$.70
Diluted	1.48	1.25	.69
Weighted average common shares outstanding			
(in thousands):			
Basic	21,375	21,127	20,600
Diluted	22,161	21,749	21,194

Consolidated Balance Sheet

UNITED COMMUNITY BANKS, INC.

As if December 31, (in thousands, except share data)	2002	2001
Assets		
Cash and due from banks	\$ 75,027	\$ 87,299
Interest-bearing deposits in banks	31,318	17,604
Federal funds sold	—	18,124
Cash and cash equivalents	106,345	123,027
Securities available for sale	559,390	470,176
Mortgage loans held for sale	24,080	16,538
Loans, net of allowance of \$30,914 and \$27,124	2,350,884	1,980,866
Premises and equipment, net	70,748	64,066
Interest receivable	20,275	22,544
Intangible assets	12,767	13,109
Other assets	66,855	58,931
Total assets	\$3,211,344	\$2,749,257
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Demand	\$ 297,613	\$ 278,995
Interest-bearing demand	734,494	526,608
Savings	100,523	96,992
Time	1,252,609	1,213,904
Total deposits	2,385,239	2,116,499
Accrued expenses and other liabilities	17,222	22,294
Federal funds purchased and repurchase agreements	20,263	77,214
Federal Home Loan Bank advances	492,130	290,394
Long-term debt	74,911	48,191
Total liabilities	2,989,765	2,554,592
Stockholders' equity:		
Preferred stock, \$1 par value; \$10 stated value; 10,000,000 shares authorized; issued 172,600 shares	1,726	1,726
Common stock, \$1 par value; 50,000,000 shares authorized; issued 21,805,924 shares	21,806	21,806
Capital surplus	62,495	62,829
Retained earnings	135,709	108,371
Treasury stock; 542,652 and 294,948 shares, at cost	(11,432)	(5,749)
Accumulated other comprehensive income	11,275	5,682
Total stockholders' equity	221,579	194,665
Total liabilities and stockholders' equity	\$3,211,344	\$2,749,257



From left to right: **Dana Litman** – Vice President, Management Reporting and Analysis, **Alan H. Kumler** – Vice President, Controller, **Carol A. Chastain** – Vice President, General Auditor, **Dave Morrissett** – Vice President, Operations, **James H. Burrell** – President, United Community Bank – Habersham County, **Carol J. Clark** – President, United Community Bank – Lumpkin/Hall County, **Timothy I. Warren** – President, United Community Bank – West Georgia, **Eugene B. White** – President, United Community Bank – White County, **Gary W. Floyd** – President, United Community Bank – Adairsville, **Steven E. Kemp** – President, United Community Bank – Rome, **Bill Gilbert** – President, United Community Bank – Summerville, **Dale Cable** – Regional Manager, United Community Bank – North Carolina, **Lawrence F. Despres** – Vice President, Technology



From left to right: **Jim Brockett** – President, Brintech, Inc., **Robert L. Cochran** – Senior Vice President, Treasurer, **Carolyn Jarrard** – Vice President, Account Services, **Gary Guthrie** – Senior Vice President, United Community Bank – Metro Atlanta Commercial Loan Office, **Christian Zych** – Vice President, Mergers and Acquisitions, **James H. Powell** – President, United Community Bank – Metro, **Andrew M. Williams, III** – President, United Community Bank – Union County, **Greg Hining** – President, United Community Bank – North Carolina, **Rick L. King** – Regional Manager, United Community Bank – North Carolina, **Robert A. Robinson** – Vice President, Corporate Lending, **Scott D. Cooke** – Vice President, Assistant Treasurer



From left to right: **Susan Fagg** – Senior Vice President, Training, **John W. Chastain, Jr.** – President, United Community Bank – Blue Ridge, **Richard E. Martin, Jr.** – President, United Community Bank – Towns County, **Jamie C. Tallent** – President, United Community Bank – Gilmer County, **James Askew** – President, United Community Bank – Dawson County, **Billy Hyde** – President, United Community Bank – McCaysville, **J. Clint Hood** – President, United Community Bank – Forsyth County, **J. Mark Smith** – President, United Community Bank – Rabun County, **Jim Stewart** – Senior Vice President, Technology and Operations, **Susan L. Hooper** – Senior Vice President, Human Resources, **Eddie Whitfield** – Investment Services Manager, **P. Shep Calhoun** – Senior Vice President, Chief Credit Officer



THIS IS THE MANAGEMENT TEAM

Clockwise from bottom, center:

Jimmy C. Tallent – President and Chief Executive Officer

Guy W. Freeman – Executive Vice President of Banking

Raymond K. Williams – Executive Vice President of Risk Management

Rex S. Schuette – Executive Vice President and Chief Financial Officer

Thomas C. Gilliland – Executive Vice President, Secretary and General Counsel

Harold Brewer – Executive Vice President and Chief Operating Officer

Craig Metz – Executive Vice President of Marketing

James G. Campbell – Executive Vice President and Director of Retail Banking

EXECUTIVE OFFICERS

Jimmy C. Tallent
*President and
Chief Executive Officer*

Harold Brewer
*Executive Vice President and
Chief Operating Officer*

James G. Campbell
*Executive Vice President of
Retail Banking*

Guy W. Freeman
*Executive Vice President of
Banking*

Thomas C. Gilliland
*Executive Vice President,
Secretary and General
Counsel*

Craig Metz
*Executive Vice President of
Marketing*

Rex S. Schuette
*Executive Vice President and
Chief Financial Officer*

Ray K. Williams
*Executive Vice President of
Risk Management*

BOARD OF DIRECTORS

Robert L. Head, Jr.
*Chairman
Owner, Head Westgate
Corporation*

W.C. Nelson, Jr.
*Vice Chairman
Owner, Nelson Tractor
Company*

Jimmy C. Tallent
*President and Chief
Executive Officer of United*

Robert H. Blalock
*Owner, Blalock Insurance
Agency, Inc.*

Harold Brewer
*Executive Vice President and
Chief Operating Officer of
United*

Guy W. Freeman
*Executive Vice President of
Banking of United*

Thomas C. Gilliland
*Executive Vice President,
Secretary and General
Counsel of United*

Charles E. Hill
Real Estate Investor

Hoyt O. Holloway
Owner, H and H Farms

Clarence W. Mason, Sr.
*Owner, Mason Lawn and
Garden*

Charles E. Parks
Retired Businessman

Tim Wallis
*President and Chief
Executive Officer Wallis
Printing Company*

DIRECTORY AND AFFILIATE BOARDS

**United Community Bank -
Union County**
59 Highway 515
Blairsville, Georgia 30514
(706) 745-2151
Andrew M. Williams III,
President

Board
Jimmy C. Tallent, Chairman
Billy M. Decker
Dr. G. David Gowder, III
Robert L. Head, Jr.
Charles E. Hill
Jack C. Lance, Sr.
W.C. Nelson, Jr.
Paul B. Owenby

43B Highway 515
Blairsville, Georgia 30512
Tonya Barnard, Branch
Manager
(706) 745-5545

391 Brackett's Way
Blairsville, Georgia 30512
Joe P. Fair, Branch Manager
(706) 745-2151

**Metro Atlanta Commercial
Loan Office**
635 Whitlock Avenue
Marietta, Georgia 30534
Gary Guthrie, Senior Vice
President and Manager
(678) 581-0198

2810-C Peachtree Industrial Blvd.
Duluth, Georgia 30096
Damon Petrossi, Manager
(770)-495-7517

628 Eagles Landing Parkway,
Suite 4
Stockbridge, Georgia 30281
Tommy Hough, Manager
(770)-507-7125

**United Community Bank -
Adairsville**
7400 Highway 140
Adairsville, Georgia 30103
(770) 773-7716
Gary W. Floyd, President

Board
Jimmy C. Tallent, Chairman
Robert Dudley Barton, IV
William Shepard Helton
Ernest L. Holcomb
Robert M. Painter
Sam R. Smith
William P. Smith

105 North Main Street
Adairsville, GA 30103
(770) 773-2412

**United Community Bank -
Blue Ridge**
4000 Appalachian Highway
Blue Ridge, Georgia 30513
(706) 632-6000
John W. Chastain, President

Board
Thomas C. Gilliland,
Chairman
Don C. Clement
Hoyt O. Holloway, Vice
Chairman
Harold W. O'Dell
Norman E. Kaye
Larry Lance
Clarence W. Mason, Sr.
William L. Prather

5679 Appalachian Highway
Blue Ridge, Georgia 30513
Roxie Born, Branch Manager
(706) 632-6001

**United Community Bank -
Dawson County**
109 Highway 53 West
Dawsonville, Georgia 30534
(706) 265-3232
James Askew, President

Board
Don Gordon, Chairman
Taft Fouts
Dwight Gilleland
Ben Overstreet
Deborah Pelfrey
Robert Polatty
Jimmy C. Tallent
Clayton Bartlett

6372 Highway 53 East
Dawsonville, Georgia 30534
Greg Gordon, Branch Manager
(706) 265-3232

**United Community Bank -
Forsyth County**
4365 Browns Bridge Road
Cumming, Georgia 30041
(770) 888-1880
J. Clint Hood, President

**United Community Bank -
Gilmer County**
558 Industrial Blvd.
Ellijay, Georgia 30540
(706) 635-5411
Jamie C. Tallent, President

Board
Mitchell Morgan, Chairman
Thomas C. Gilliland
John W. Chastain
Harold W. O'Dell
Sam O. Penland
Dennis E. Stover
John W. Thomas
Ronnie F. Thompson
Joe Wells

**United Community Bank -
Habersham**
1472 441 By-Pass
Cornelia, Georgia 30531
(706) 776-3114
James H. Burrell, President

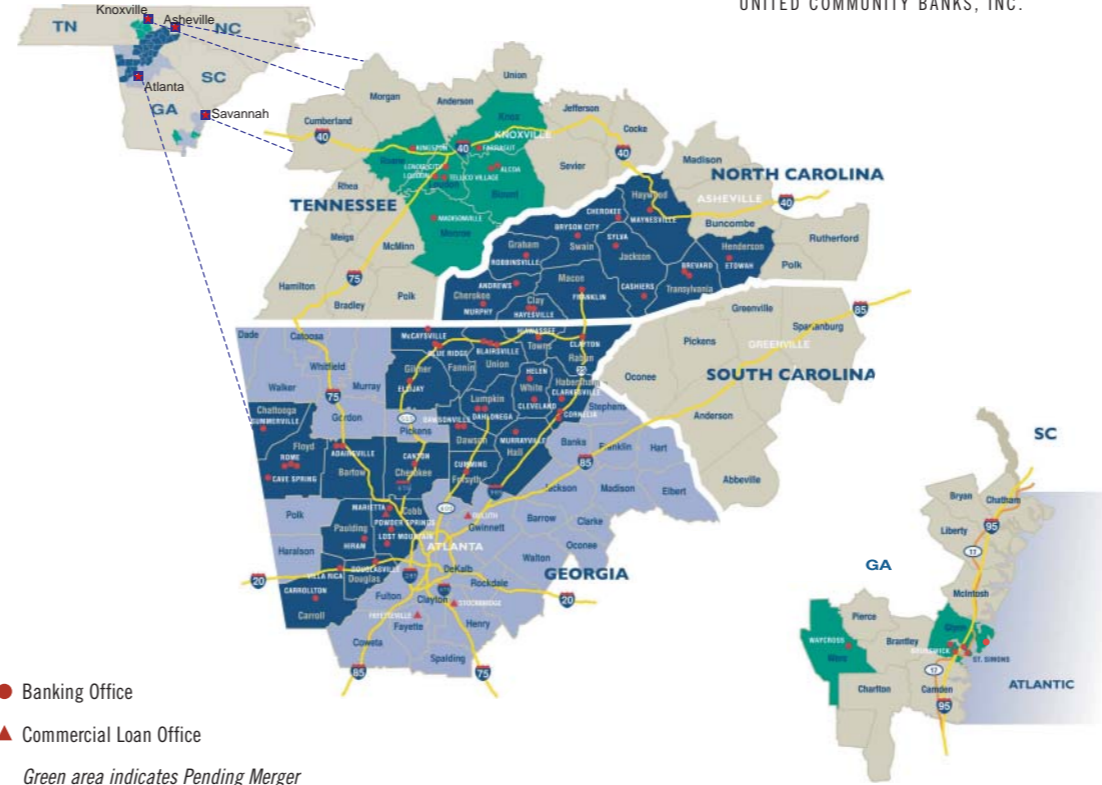
Board
James L. Bruce, Jr., Chairman
Jefferson D. Hames
John Lovell
Dr. Robert M. Miller
Jimmy C. Tallent

255 N. Main Street
Cornelia, GA 30531
Pat Bryson, Branch Manager

468 West Louise Street
Clarkesville, Georgia 30523
Deborah Free, Branch
Manager
(706) 754-2233

LOCATIONS

UNITED COMMUNITY BANKS, INC.



- Banking Office
- ▲ Commercial Loan Office

Green area indicates Pending Merger

United Community Banks, Inc. is 17 different community banks operating in 53 locations, but to our customers we are really one bank. Each United Community Bank is dedicated to the very best in customer service, and together our size and resources make possible a level of service that we could not achieve individually.

Table of Contents

Shareholders' Letter	12
Financial Highlights	15
Selected Financial Information and Consolidated Financial Statements	18
Management Team	22
Directory	24

United Community Bank - Lumpkin / Hall County
206 Morrison Moore Parkway
Dahlonega, Georgia 30533
(706) 864-8283
Carol Clark, President

Board
Dr. John H. Owen, Chairman
W. Leon Davis
Bill T. Hardman
Charles Steven Parks
Joe B. Sartain, Jr.
Jimmy C. Tallent

104 Memorial Drive
Dahlonega, Georgia 30533
(706) 864-8223

5504 Thompson Bridge Road
Murrayville, Georgia 30564
Phillip Ledford, Branch Manager
(770) 535-8642

United Community Bank - McCaysville
182 Blue Ridge Drive
McCaysville, Georgia 30555
(706) 492-5900
Billy Hyde, President

Board
Don Clement, Chairman
David Haight
Doug Akins
Johnny Farmer
David Falls
Thomas C. Gilliland
Marvin Hyde
Roy Tipton
John W. Chastain
Jane Callihan

United Community Bank - Metro
1001 Polk Street
Marietta, Georgia 30064
(770) 424-4844
James H. Powell, President

Board
Jimmy C. Tallent, Chairman
Jack D. Hall
G. Conley Ingram
Jimmy W. Jones
Timothy S. Mescon
Joseph Mykytyn, Sr.
Bob M. Prillaman
Henry P. Wilson

4484 Marietta Street
Powder Springs, Georgia 30127
Elaine Hunter, Branch Manager
(770) 943-5000

5100 Dallas Highway
Powder Springs, Georgia 30127
Marquetta Brown, Branch Manager
(770) 428-0590

226 Douglasville Highway
Hiram, Georgia 30141
Connie Miller, Branch Manager
(770) 943-4111

3781 Sixes Road
Canton, Georgia 30114
(770) 704-4949

United Community Bank - Rabun County
Highway 441 & Duval Street
Clayton, Georgia 30525
(706) 782-7100
J. Mark Smith, President

Board
Robert H. Blalock, Chairman
T. Lamar Edwards
Elizabeth B. Fowler
John R. Martin
Jimmy C. Tallent
Ronald Vandiver

United Community Bank - Rome
307 East 2nd Avenue
Rome, Georgia 30161
(706) 234-5800
Steven E. Kemp, President

Board
Tim Wallis, Chairman
Robert L. Angel
Dr. A. Parke Avery
F. Lynn Dempsey
Guy W. Freeman
W. Danny Harbin
Phylis Hill
Dr. Frank D. Stegall
Charles S. Williams, Jr.
Delos H. Yancey, III
Stephen A. Stutts
David Johnson

2436 Shorter Avenue
Rome, Georgia 30165
Frank Mitchell, Branch Manager
(706) 234-2371

15 Cedartown Street
Cave Spring, Georgia 30124
Phylis Hill, Branch Manager
(706) 777-3367

2760 Martha Berry Highway
Rome, Georgia 30165
Laura Carney, Branch Manager
(706) 378-2225

United Community Bank - Summerville
9699 Rome Blvd.
Summerville, Georgia 30747
(706) 857-9245
Bill M. Gilbert, President

Board
Jimmy C. Tallent, Chairman
Allen W. Eleam
Robert L. Himes
James R. Jackson, III
Paul Meredith

United Community Bank - Towns County
214 North Main Street
Hiawassee, Georgia 30546
(706) 896-4186
Richard E. Martin, Jr., President

Board
Jimmy C. Tallent, Chairman
Sheila T. Chapman
Beverly T. Messer
Edward W. Reynolds
David Shook
Dr. Thomas S. Yow, III

United Community Bank - West Georgia
119 Maple Street
Carrollton, Georgia 30117
(770) 838-9608
Timothy I. Warren, President

Board
Phillip Kauffman, Chairman
John B. Bohannon
Ann C. Carter
J. Wayne Garner
Thomas C. Gilliland
Lester Harmon
Jeff R. Matthews
Charles J. Puckett
William C. Seaton
M. S. "Buck" Swindle

485 W. Bankhead Highway
Villa Rica, Georgia 30180
Lealon Anderson, Branch Manager
(770) 459-3100

West Georgia - Douglasville
6670 Church Street
Douglasville, Georgia 30134
(770) 942-5681
Timothy I. Warren, President
Karen Rush, Branch Manager

Board
J. Wayne Garner, Chairman
John Carson
Randy Daniels
Gerald Vansant

Metro Atlanta Commercial Loan Office
101 Devant Street, Suite 303
Fayetteville, Georgia 30214
Lee Greeson, Manager
(770) 461-4488

United Community Bank - White County
153 East Kyle Street
Cleveland, Georgia 30528
(706) 865-3151
Eugene B. White, President

Board
Jimmy C. Tallent, Chairman
Donald E. Allison
Roy Ash, Jr.
Dr. B. David Barrett
W. Richard Clarke
Louise S. Nix
Dr. Donald E. Stanley
Timothy H. Thomas
Lamar Turner
David Wilkins

8160 Highway 75 North
Helen, Georgia 30545
Bill Sutton, Jr., Branch Manager
(706) 878-2121

United Community Bank - North Carolina
1225 Asheville Highway
Brevard, North Carolina 28712
(828) 884-2600
Greg Hining, President
Dale Cable, EVP & Regional Manager
Rick L. King, EVP & Regional Manager

Board
Guy W. Freeman, Chairman
Ronald C. Burch
Thomas E. Davis
Billy M. Decker
Jimmy C. Tallent
R. Maurice Sherrill
Lloyd G. Fisher
J. Phillip Jerome

1225 Asheville Highway
Brevard, North Carolina 28712
Charles Roberts, Branch Manager
(828) 884-2600

206 West Main Street
Brevard, North Carolina 28712
Mary Lynn Manley, Branch Manager
(828) 884-3649

732 Main Street
Andrews, North Carolina 28901
Judy Brooks, Branch Manager
(828) 321-2050

145 Slope Street
Byson City, North Carolina 28713
(828) 488-1168

60 U.S. Highway 64 East
Cashiers, North Carolina 28717
Gary Peek, Branch Manager
(828) 743-6600

3273 U.S. Highway 441 N
Cherokee, North Carolina 28719
Jerry Boone, Branch Manager
(828) 497-3734

6558 Brevard Road
Etowah, North Carolina 28729
Angela Chastain, Branch Manager
(828) 890-3600

257 East Main Street
Franklin, North Carolina 28744
Russ Gale, Branch Manager
(828) 369-6197

95 Hwy 64 West
Hayesville, North Carolina 28904
Clara Reffitt, Branch Manager
(828) 389-6363

230 Highway 64 East, Suite 2
Hayesville, North Carolina 28904
Kathy Hogsted, Branch Manager
(828) 389-3711

116 Peachtree Street
Murphy, North Carolina 28906
(828) 837-9291

132 Rodney Orr Bypass
Robbinsville, North Carolina 28771
Pam Shaffer, Branch Manager
(828) 479-3037

1640 East Main Street
Sylva, North Carolina 28779
Shirley Elders, Branch Manager
(828) 631-9166

165 North Main Street
Waynesville, North Carolina 28786
Mike McKinney, Branch Manager
(828) 452-0307

Brintech, Inc.
124 Canal Street
New Smyrna Beach, Florida 32168
(386) 427-6772
Jim Brockett, President

Board
Harold Brewer, Chairman
James G. Campbell
Rex S. Schuette