UNITED COMMUNITY BANKS INC
Form PRE 14A
April 13, 2011

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

þ Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under §240.14a-12

United Community Banks, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

125 HIGHWAY 515 EAST
BLAIRSVILLE, GEORGIA 30514-0398

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be Held on June 16, 2011

The Annual Meeting of Shareholders of United Community Banks, Inc. will be held on June 16, 2011 at 2:00 p.m. at The Ridges Resort, 3499 Highway 76 West, Young Harris, Georgia 30582:

1. To elect nine directors to constitute the Board of Directors to serve until the next annual meeting and until their successors are elected and qualified.

2. To approve an amendment to the Restated Articles of Incorporation of United, as amended, (the “Articles”) to increase the number of shares of our common stock, par value $1.00 (“Common Stock”) available for issuance from 200,000,000 to 500,000,000.

3. To approve an amendment to the Articles to authorize 150,000,000 shares of non-voting common stock, par value $1.00 (“Non-Voting Common Stock”).

4. To approve the issuance of shares of Common Stock upon the conversion of shares of United’s Mandatorily Convertible Cumulative Non-Voting Perpetual Preferred Stock, Series F into Common Stock.

5. To approve the issuance of shares of Non-Voting Common Stock upon the conversion of shares of United’s Mandatorily Convertible Cumulative Non-Voting Perpetual Preferred Stock, Series G into Non-Voting Common Stock and any subsequent issuance of shares of Common Stock upon the conversion of shares of authorized Non-Voting Common Stock into Common Stock.

6. To approve an amendment to the Articles to effect a 1-for-5 reverse stock split of United’s Common Stock and Non-Voting Common Stock.

7. To approve an advisory “say on pay” resolution supporting the compensation plan for executive officers.

8. To ratify the appointment of Porter Keadle Moore, LLP as independent registered public accountant for 2011.

9. To consider and act upon other matters that may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on April 17, 2011 will be entitled to notice of, and to vote at, the meeting. A proxy statement and a proxy solicited by the Board of Directors are enclosed.

To ensure that your vote is recorded promptly, please vote as soon as possible. Most shareholders of record have three options for submitting their vote before the meeting. You may vote (1) by telephone if you reside in the United

States, Canada or the U.S. territories, (2) via the Internet (see the instructions on the proxy card), or (3) by completing, signing and mailing the proxy card in the enclosed postage–paid envelope. If you have Internet access, we encourage you to record your vote on the Internet. It is convenient and it saves significant postage and processing costs. If you attend the meeting you may, if you wish, withdraw your proxy and vote in person.

If your shares are held in “street name”, that is held for your account by a broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ Jimmy C. Tallent
Jimmy C. Tallent,
President and Chief Executive Officer

April __, 2011

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE VOTE BY TELEPHONE, INTERNET, OR COMPLETE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY SO THAT YOUR VOTE MAY BE RECORDED.

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April __, 2011

125 HIGHWAY 515 EAST
BLAIRSVILLE, GEORGIA 30514-0398

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of United Community Banks, Inc. for use at the 2011 Annual Meeting of Shareholders to be held on Tuesday, June 16, 2011 at 2:00 p.m. at The Ridges Resort, 3499 Highway 76 West, Young Harris, Georgia 30582, and at any adjournments or postponements of the Annual Meeting.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the purpose of the Annual Meeting?

At the Annual Meeting, shareholders will act upon the matters set forth in the accompanying notice of meeting, including the:

1. Election of nine directors to constitute the Board of Directors to serve until the next annual meeting and until their successors are elected and qualified;

2. Approval of an amendment to the Restated Articles of Incorporation of United, as amended, (the "Articles") to increase the number of shares of our common stock, par value $1.00 ("Common Stock") available for issuance from 200,000,000 to 500,000,000;

3. Approval of an amendment to the Articles to authorize 150,000,000 shares of non-voting common stock, par value $1.00 ("Non-Voting Common Stock");

4. Approval of the issuance of shares of Common Stock upon the conversion of shares of United's Mandatorily Convertible Cumulative Non-Voting Perpetual Preferred Stock, Series F (the "Series F Preferred Stock") into Common Stock;

5. Approval of the issuance of shares of Non-Voting Common Stock upon the conversion of shares of United's Mandatorily Convertible Cumulative Non-Voting Perpetual Preferred Stock, Series G (the "Series G Preferred Stock") into Non-Voting Common Stock and any subsequent issuance of shares of Common Stock upon the conversion of shares of authorized Non-Voting Common Stock into Common Stock;

6. Approval of an amendment to the Articles to effect a 1-for-5 reverse stock split of United's Common Stock and Non-Voting Common Stock (the "Reverse Stock Split");

7. Approval of an advisory "say on pay" resolution supporting the compensation plan for executive officers; and

8. Ratification of appointment of Porter Keadle Moore, LLP as independent registered public accountant for 2011.

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Who is entitled to vote?

All shareholders of record of United's Common Stock at the close of business on April 17, 2011, which is referred to as the record date, are entitled to receive notice of the Annual Meeting and to vote the shares of Common Stock held by them on the record date. Each outstanding share of Common Stock entitles its holder to cast one vote for each matter to be voted upon.

How do I cast my vote?

If you hold your shares of Common Stock in your own name as a holder of record and you have Internet access, United prefers that you vote your shares via the Internet by going to www.ilstk.com/shareholders and selecting "Shareholder Services" and then "Internet Voting". Alternatively, you may vote your shares by telephone if you reside in the United States, Canada or the U.S. territories, or by marking, signing, dating and returning the proxy card in the postage-paid envelope provided to you, or you may vote in person at the Annual Meeting. If your shares of Common Stock are held in "street name", that is held for your account by a broker, bank or other nominee, you will receive instructions from your nominee which you must follow in order to have your shares voted.

Proxies that are executed and returned or submitted through the Internet, but do not contain any specific instructions on any proposal, will be voted "FOR" the proposals specified herein.

What are the quorum and voting requirements?

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. As of the record date, there were ____________ shares of Common Stock outstanding and entitled to vote at the Annual Meeting.

The required vote for each item of business at the Annual Meeting is as follows:

1. For the election of directors, those nominees receiving the greatest number of votes at the Annual Meeting shall be deemed elected, even though the nominees may not receive a majority of the votes cast. However, as described in "Corporate Governance – Majority Vote Requirement", under certain circumstances, nominees who are elected receiving less than a majority vote may be asked to resign;

2. For the approval of an amendment to the Articles to increase the number of authorized shares of Common Stock available for issuance, the vote of a majority of all shares of Common Stock outstanding;

3. For the approval of an amendment to the Articles to authorize shares of Non-Voting Common Stock, the vote of a majority of all shares of Common Stock outstanding;

4. For the approval of the issuance of shares of Common Stock upon the conversion of shares of United's Mandatorily Convertible Cumulative Non-Voting Perpetual Preferred Stock, Series F into Common Stock, the vote of a majority of the shares voted on the matter;

5. For the approval of the issuance of shares of Non-Voting Common Stock upon the conversion of shares of United's Mandatorily Convertible Cumulative Non-Voting Perpetual Preferred Stock, Series G into Non-Voting Common Stock and any subsequent issuance of shares of Common Stock upon the conversion of shares of authorized Non-Voting Common Stock into Common Stock, the vote of a majority of the shares voted on the matter;

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6. For the approval of an amendment to the Articles to effect the Reverse Stock Split, the vote of a majority of all shares of Common Stock outstanding;

7. For the approval of the advisory "say on pay" resolution supporting the compensation plan for the executive officers, the vote of a majority of the shares voted on the matter;

8. For the ratification of the appointment of Porter Keadle Moore, LLP as independent registered public accountant for 2011, the vote of a majority of the shares voted on the matter; and

9. For any other business at the Annual Meeting, the vote of a majority of the shares voted on the matter, assuming a quorum is present, shall be the act of the shareholders on that matter, unless the vote of a greater number is required by law.

How are votes counted?

Abstentions and "broker non-votes" will be counted only for purposes of establishing a quorum, but will not otherwise affect the vote. "Broker non-votes" are proxies received from brokers or other nominees holding shares on behalf of their clients (in "street name") who have not been given specific voting instructions from their clients with respect to non-routine matters. Typically, the ratification of independent auditors is considered a routine matter by brokers and other nominees allowing them to have discretionary voting power to vote shares they hold on behalf of their clients for the ratification of an independent auditor.

Proposal 1 is the election of directors. Because directors are elected by a plurality of the votes cast, except as described in "Corporate Governance – Majority Vote Requirement", the director nominees who get the most votes will be elected even if such votes do not constitute a majority. Directors cannot be voted "against" and votes to "withhold authority" to vote for a certain nominee will have no effect if the nominee receives a plurality of the votes cast. For the approval of all other proposals, you may vote "for" or "against" the proposal.

If you hold your shares of Common Stock in your own name as a holder of record, and you fail to vote your shares, either in person or by proxy, the votes represented by your shares will be excluded entirely from the vote.

Will other matters be voted on at the Annual Meeting?

We are not aware of any other matters to be presented at the Annual Meeting other than those described in this Proxy Statement. If any other matters not described in the Proxy Statement are properly presented at the meeting, proxies will be voted in accordance with the best judgment of the proxy holders.

Can I revoke my proxy instructions?

If you are a record holder, you may revoke your proxy by:

- filing a written revocation with the Secretary of United at the following address: P.O. Box 398, Blairsville, Georgia 30514-0398;
- filing a duly executed proxy bearing a later date; or
- appearing in person and electing to vote by ballot at the Annual Meeting.

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Any shareholder of record as of the record date attending the Annual Meeting may vote in person by ballot whether or not a proxy has been previously given, but the presence (without further action) of a shareholder at the Annual Meeting will not constitute revocation of a previously given proxy.

Any shareholder holding shares in "street name" by a broker or other nominee must contact the broker or nominee to obtain instructions for revoking the proxy instructions.

What other information should I review before voting?

United's 2010 Annual Report to Shareholders and the Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), including financial statements for the year ended December 31, 2010, are enclosed with this Proxy Statement. The 2010 Annual Report to Shareholders is not part of the proxy solicitation material. An additional copy of the Annual Report on Form 10-K may be obtained without charge by:

accessing United's website at www.ucbi.com;

writing to the Secretary of United at the following address:
P.O. Box 398, Blairsville, Georgia 30514-0398; or

accessing the EDGAR database at the SEC's website at www.sec.gov.

You may also obtain copies of United's Annual Report on Form 10-K from the SEC at prescribed rates by writing to the Public Reference Section of the SEC, Room 1580, F. Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information about obtaining information from the SEC.

NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

We have posted materials related to the 2011 Annual Meeting on the Internet. The following materials are available on the Internet at www.ucbi.com/proxy:

this Proxy Statement for the 2011 Annual Meeting;

United's 2010 Annual Report to Shareholders; and

United's Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC.

You are also invited to attend the 2011 Annual Meeting in person. To pre-register to attend the Annual Meeting you may:

follow the instructions on the enclosed proxy card;

email Investor_Relations@ucbi.com and indicate the name of the person(s) attending; or

call (866) 270-5900 and speak with an Investor Relations professional.

For directions to the Annual Meeting, visit www.theridgesresort.com, or call (866) 270-5900 and an Investor Relations professional can assist you.

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PROPOSAL 1 - ELECTION OF DIRECTORS

Introduction

The Bylaws of United provide that the number of directors on United's Board of Directors may range from eight to fourteen. The Board of Directors of United has set the number of directors at nine. The number of directors may be increased or decreased from time to time by the Board of Directors by resolution, but no decrease shall have the effect of shortening the term of an incumbent director. The terms of office for directors continue until the next annual meeting and until their successors are elected and qualified.

Information Regarding Nominees for Director

The following information has been furnished by the respective nominees for director as of March 1, 2011. All of the nominees for director are existing directors that have been nominated by the Board of Directors for re-election.

Jimmy C. Tallent	Director since 1988
Age 58	President and Chief Executive Officer
	Executive Committee

Mr. Tallent has served as President and Chief Executive Officer of United from the time it was formed in 1988. He served as United Community Bank's President and Chief Executive Officer since 1984 and currently serves as its Chairman. Under Mr. Tallent's leadership, United has grown from a small, one-branch banking operation in the rural community of Blairsville, Georgia to the third largest bank holding company headquartered in Georgia, with $7.4 billion in assets and 106 banking offices covering three states in the Southeast. Mr. Tallent is a member of the Georgia Power board of directors and serves as a Trustee of Young Harris College in Young Harris, Georgia. He is a former member of the State Board for the Georgia Department of Technical and Adult Education, the Global Health Action board of directors and the Georgia Chamber of Commerce board of directors. Mr. Tallent has also served as the Georgia State YMCA Finance Chairman.

Mr. Tallent's many professional accomplishments include being honored with the Georgia Economic Developers Association's Spirit of Georgia Award, which was presented to Mr. Tallent in 1999. This award is presented annually to a Georgia business executive who has demonstrated superior ability, originality, potential impact, and courage in business development. For five consecutive years, Georgia Trend magazine has recognized Mr. Tallent as one of the "100 Most Influential Georgians". In 2007, Mr. Tallent was honored with the Ernst & Young Entrepreneur of the Year Award for Financial Services in the Alabama / Georgia / Tennessee region. Mr. Tallent attended Young Harris College and Piedmont College and is a graduate of the Georgia Banking School in Athens, Georgia.

For the following reasons, the Board of Directors of United has concluded that Mr. Tallent should serve as a director of the company. As President and Chief Executive Officer, Mr. Tallent is the only officer to serve on our Board. With more than 27 years of experience, Mr. Tallent has a deep knowledge and understanding of United, its "community banks" and its lines of business. Mr. Tallent has demonstrated leadership abilities and has the integrity, values and good judgment that make him well-suited to serve on the Board of Directors.

Robert L. Head, Jr. Age 71	Director since 1988 Chairman of the Board Executive Committee Chairman Nominating/Corporate Governance Committee Compensation Committee

Mr. Head has served on the Board of Directors of United since its establishment in 1988, and was elected Chairman in 1989. Mr. Head has served on the board of United Community Bank since 1973. In addition to his service with United, Mr. Head serves on the Board of Trustees and Executive Committee of Young Harris College. He also served on the Georgia State Board of Industry, Trade and Tourism from 1994 to 2000.

Mr. Head has been president of Head-Westgate Corporation, a commercial construction and retail center management company, since 1987. Previously, he was president of Robert L. Head Building Supply from 1970 to 1986. Mr. Head began his professional career in 1961 as a production accountant for the Coca-Cola Company, followed by military service in the U.S. Army Reserves and Georgia Air National Guard. He holds an associates degree from Young Harris College, as well as a graduate degree from Georgia State University.

United values business leadership and the experience our directors gain through such leadership. Mr. Head is recognized both locally and statewide for his knowledge of management, industry and construction – all valuable assets to the Board of Directors because a significant portion of United's business is in the areas of construction and small business banking. Mr. Head's extensive experience and leadership in these areas provide a unique perspective to the Board. The Board also believes that Mr. Head's values and commitment to excellence make him well-suited to serve as Chairman of the Board of Directors.

W. C. Nelson, Jr. Age 67	Director since 1988 Vice Chairman of the Board Executive Committee Audit Committee Chairman Nominating/Corporate Governance Committee Compensation Committee

Mr. Nelson has served on the Board of Directors of United since its formation in 1988, and was elected Vice Chairman in 1992. He has served on the board of United Community Bank since 1974. Mr. Nelson is the co-owner and operator of Nelson Tractor Co. in Blairsville, Georgia, a dealer of farm and light industrial equipment established by the Nelson family in 1949. In this capacity, he has served on the Ford Tractor National Dealer Council, as well as the Kubota National Dealer Advisory Board representing southeast U.S. dealers. Mr. Nelson attended Young Harris College and The Georgia Institute of Technology. He has been a member of the Union County (Georgia) Development Board for more than 30 years and has served as chairman for 15 years. Mr. Nelson is a current member of the Tennessee Valley Authority (TVA) Regional Resource Stewardship Council representing the state of Georgia, and is currently on the Young Harris Board of Associates and the Blairsville Downtown Development Authority.

In addition to owning and operating a thriving local business, Mr. Nelson's managerial and leadership expertise is recognized by professional and governmental entities nationwide. In addition to his keen leadership, Mr. Nelson brings to the Board of Directors a broad community perspective due to his lengthy involvement in, and leadership of, varied local and regional municipal organizations – a valued perspective because of United's strong commitment to the communities it serves. The Board believes that Mr. Nelson's dedication to community development, as well as his decades of business leadership and board experience makes him well-suited for the Board of Directors.

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Robert H. Blalock Age 63	Director since 2000 Audit Committee Nominating/Corporate Governance Committee Compensation Committee

Mr. Blalock has been Chief Executive Officer of Blalock Insurance Agency, Inc. in Clayton, Georgia, since 1974. He served as an organizing director of First Clayton Bank and Trust when the bank was formed in 1988. He was a director and served on the compensation and audit committees for First Clayton Bank and Trust, which was acquired by United in 1997, and was past chairman of the board. Mr. Blalock remains on the community bank board of United Community Bank – Clayton (the former First Clayton Bank and Trust), and joined United's Board in 2000. Mr. Blalock is a graduate of University of Georgia and served as an Infantry Officer in the U.S. Army. He served a tour of duty in Vietnam with the 101 Airborne Division. He was a member of the Rotary Club of Clayton Board of Directors from 1974 to 1991 and served as the club's vice president.

Extensive knowledge and business experience, as well as involvement in our banking communities, provide critical insight to our Board of Directors. Mr. Blalock's experience and leadership of a small business in the Clayton community provides a much-needed perspective into a business community that is representative of several others in United's service area. As a past director of First Clayton Bank and Trust – which has been part of United since 1997 – Mr. Blalock brings not only a rich history of banking leadership, but a perspective of the bank acquisition process. The Board believes that Mr. Blalock's 37 years of business experience and 21 years of bank board experience make him well-suited to serve on the Board of Directors.

Cathy Cox Age 52	Director since 2008 Audit Committee Nominating/Corporate Governance Committee Compensation Committee Chairman

Ms. Cox has served on the Board of Directors of United and the board of United Community Bank since 2008. Ms. Cox has been President of Young Harris College, a private, liberal arts college in North Georgia, since 2007. In her short time at the college, she has moved the college from two-year to four-year status, nearly doubling the size of the institution. She also has started design and construction on an $80 million expansion project. Prior to joining the college, Ms. Cox served as the Georgia Secretary of State. Twice elected, in this role she served as the Commissioner of Securities, overseeing the regulation of the securities industry within the state. She also participated in one of the largest ever national settlements against national investment banks for state and federal law violations.

Ms. Cox was twice elected to the Georgia House of Representatives where she served on the House Judiciary Committee; Game, Fish and Parks Committee; State Institutions and Properties Committee; Georgia Code Revision Commission; and various House study committees. Prior to her public service, Ms. Cox worked as an attorney, first as an associate with Hansell & Post in Atlanta, Georgia, and then as a partner with Lambert, Floyd & Conger in Bainbridge, Georgia. She started her professional career as a newspaper reporter. Ms. Cox holds an A.S. degree from Abraham Baldwin Agricultural College, an A.B.J. degree from University of Georgia, and a J.D. from Mercer University School of Law. She was Editor-in-Chief of the Mercer Law Review.

Ms. Cox provides a very unique combination of legal, governmental and educational experience to the Board of Directors. In her legal career, Ms. Cox served as legal counsel for community banks in Georgia. This, combined with her extensive government service, brings a depth of legal and governmental expertise to the Board. Her leadership of a college undergoing tremendous growth demonstrates Ms. Cox's vision and strong management skills, and offers the perspective of a key educational institution to the Board. For these reasons, the Board believes Ms. Cox is well-suited to serve on the Board of Directors.

Hoyt O. Holloway	Director since 1993
Age 71	Nominating/Corporate Governance Committee
	Compensation Committee

Mr. Holloway has been owner of H & H Farms, a poultry operation, since 1989. He also is co-owner and manager of Holloway Properties LLC, a real estate development and commercial property rental company. Previously, he owned and operated Holloway Service Center, a tire and auto service business, for ten years. During his career, Mr. Holloway also has co-owned and managed an automobile dealership, oil distributorship and service station. Mr. Holloway currently serves as chairman of the community bank board of United Community Bank – Fannin County (Georgia) and has served on the Fannin County Hospital Authority Board and the Fannin County Health Department Advisory Board. He was one of seven organizers of Peoples Bank of Fannin County in 1986, where he served as a member of the bank's board since 1986 and audit committee for three years and has served on the Board of Directors of United Community Banks, Inc. since United acquired Peoples Bank of Fannin County in 1993.

Mr. Holloway brings to the Board of Directors decades of business management experience and entrepreneurship. As small business and real estate development experience are important aspects of United's business, Mr. Holloway's accomplishments and leadership in these areas provide invaluable perspective for the Board. The Board believes that this experience, his history with organizing Peoples Bank of Fannin County, as well as his integrity and commitment to community development make him well-suited to serve on the Board of Directors.

Peter E. Raskind
Age 54

Mr. Raskind serves as the Interim Chief Executive Officer of the Cleveland Metropolitan School District in Cleveland, Ohio. Mr. Raskind was Chief Executive Officer of the Cleveland-Cuyahoga County Port Authority from December 2009-2010. He served as Chairman, President and Chief Executive Officer of National City Corporation, one of the largest banking organizations in the United States, prior to its merger with PNC Financial Services Group in December 2008. After joining National City in 2000, Mr. Raskind held positions of successively greater responsibility, including Executive Vice President of Consumer Finance, Executive Vice President of Retail Banking, Vice Chairman of Retail Banking and Mortgage Services, and President with management responsibility for Commercial Banking, Retail Banking and Wealth Management. Previously, Mr. Raskind had a 17-year career with the US Bancorp/First Bank System, holding positions in a broad range of disciplines, including cash management, corporate finance, corporate trust, retail banking, operations and strategic planning. He began his career with Harris Bank in 1979.

Mr. Raskind has served as Director of Inovant, L.L.C., Visa U.S.A., Inc., Visa International and the Consumer Bankers Association. In the community, he has served, as a Trustee of the Cleveland Orchestra, the Northeast Ohio Council of Higher Education, the Jewish Federation of Cleveland and the Anti-Defamation League – Ohio/Kentucky/Allegheny Regional Office. He was a member of the Leadership Cleveland Class of 2003. He has also served as a Member of the Financial Services Roundtable.

Mr. Raskind received a bachelor's degree in Economics from Dartmouth College in 1978 and a Master of Business Administration degree with a concentration in Finance from Amos Tuck School at Dartmouth in 1979.

Mr. Raskind has a breadth of experience in the financial services industry, having served in senior executive positions at major banking organizations and, more recently, as a consultant to banks and those contemplating investing in banks. Mr. Raskind's extensive banking experience, including leadership positions with large public financial services companies, provide a valuable perspective to United's Board of Directors making him well suited to serve on the Board.

John D. Stephens	Director since 2007
Age 70	Nominating/Corporate Governance Committee
	Compensation Committee

Mr. Stephens is owner, general and managing partner of Stephens MDS, LP, in College Park, Georgia, which oversees the operation of a construction and demolition landfill. He also is owner and president of Stephens Rock and Dirt, Inc., which oversees all aspects of the operation of a facility for the recycling and processing of soil, rock, concrete, concrete blocks and cured asphalt pavement. He is general and managing partner of three real estate, development and property management companies. From 1966 to 2005, Mr. Stephens was president of John D. Stephens, Inc., an underground utility, heavy construction and pipeline construction company. Mr. Stephens also serves on the Executive Committee of the Gwinnett Chamber of Commerce and Board of Trustees of Georgia Gwinnett College. He is past president of the Georgia Utility Contractors Association and has served on the Georgia Board of Industry and Trade Commission. Mr. Stephens holds an associates degree and Bachelor of Science degree in Mechanical Technology from Southern Polytechnic State University.

Mr. Stephens has extensive experience in bank board participation and bank leadership roles, beginning in the 1970s as a board member of Gwinnett County Bank. Through various mergers and acquisitions of Gwinnett County Bank between that time and 2000, Mr. Stephens served on the boards of Button Gwinnett Savings Bank, The Bank of Gwinnett, and Premier Bank. In 1999, he participated as a director in the sale of Premier Bank to BB&T. A year later, he helped to organize and found First Bank of Gwinnett, where he served as chairman of the board. First Bank of Gwinnett became First Bank of the South, which was acquired by United in 2007.

Mr. Stephens' involvement on the board of First Bank of South and its parent company as well as on a number of other Atlanta-area bank boards since the 1970s, provides nearly 48 years of bank leadership experience to the Board of Directors, as well as insight into the Atlanta region – an area of growth for United. His perspective of bank formation, mergers, acquisition and operation provides a unique perspective and background. Because of this, and his 44 years of business and industrial experience, the Board believes Mr. Stephens is well-suited for the Board of Directors.

Tim Wallis	Director since 1999
Age 59	Nominating/Corporate Governance Committee
	Compensation Committee

Mr. Wallis is owner and president of Wallis Printing in Rome, Georgia. Previously, he worked in production and sales at what was then Brazelton-Wallis Printing Company from 1974 until 1985, when he became owner and president. In addition to serving on the Board of Directors of United, Mr. Wallis also serves as chairman on the community bank board of United Community Bank – Rome. He has served on the board of directors of the Printing and Imaging Association of Georgia (PIAG) and was chairman of the association's Government Relations Committee. In this capacity he worked directly with PIAG legislative liaisons at both the state and national levels. Mr. Wallis currently serves on the Georgia Chamber of Commerce board of directors. He also has served on the Darlington School board of trustees, Georgia Southern College Foundation board of trustees, Rome/Floyd YMCA board of trustees, and the

United Way of Rome and Floyd County board of trustees. He is a graduate of Georgia Southern University.

Mr. Wallis has been a community leader and long-term owner of a small business. With United's interest in small business and commercial banking, Mr. Wallis brings a valuable perspective and insight to the Board. His varied experience in a number of community boards, as well as his service on the United Community Bank – Rome community bank board, gives the Board a much needed focus on the needs of our mid-size banking communities and the business owners within those communities. For these reasons, and his experience with statewide commerce, the Board believes Mr. Wallis is well-suited to serve on the Board of Directors.

There are no family relationships between any director, executive officer, or nominee for director of United.

Director Emeritus

The Honorable Zell B. Miller, 79, serves as Director Emeritus of the Board of Directors of United. This is an elected role by the Board that provides leadership, counsel and guidance on various issues and policies that affect United. Prior to becoming a member of the U.S. Senate, Mr. Miller served as a member of the Board of Directors of United from 1999 to 2000. Mr. Miller was a U. S. Senator from 2000 to 2005 and previously served two terms as Governor and four terms as Lt. Governor of the State of Georgia.

Board of Directors

The Board of Directors held eighteen meetings during 2010. All of the directors attended at least 75 percent of the meetings of the Board and meetings of the committees of the Board on which they served that were held during 2010. Directors are expected to be present at the Annual Meeting of United.

The Board has considered and determined that a majority of the members of the Board of Directors are independent as "independent" is defined under applicable federal securities laws and the Nasdaq Listing Requirements. During 2010, the independent directors were Directors Head, Nelson, Blalock, Cox, Holloway, Stephens and Wallis. The independent directors meet in executive sessions every quarter without management.

The Board has elected Director Head and Director Nelson as Chairman and Vice Chairman, respectively. The Board believes that its current leadership structure is appropriate because Directors Head and Nelson are both skilled businessmen with good judgment and are substantial shareholders of United. As a result, they provide independent, shareholder-focused leadership to United.

Risk oversight of United is the responsibility of the Board of Directors. It administers this oversight function by evaluating various components of risk to the company at each meeting of the Board. United believes that its Board leadership structure facilitates careful oversight of risk to United. The structure of the Board provides strong oversight by the independent directors, with the independent directors meeting frequently in executive sessions of the Board without management. These executive sessions allow the Board of Directors to review key decisions and discuss matters in a manner that is independent of senior management.

Board Committees

The Board currently has, and appoints members to, four standing committees: the Executive Committee, Audit Committee, Nominating/Corporate Governance Committee and the Compensation Committee. Each member of these committees is independent and each committee has a charter approved by the Board, which is available on United's website, www.ucbi.com.

Indentified below are the members of the committees as of March 31, 2011 (M - member; C - chairman):

Name	Executive	Audit	Nominating/ Corporate Governance	Compensation
W. C. Nelson, Jr.	M	C	M	M
Robert H. Blalock		M	M	M
Cathy Cox		M	M	C
Robert L. Head, Jr.	C		M	M
Hoyt O. Holloway			M	M
John D. Stephens			M	M
Jimmy C. Tallent	M			
Tim Wallis			M	M

Executive Committee

With certain limited exceptions, the Executive Committee may exercise all the power and authority of the Board of Directors in the management of the business and affairs of United. The Executive Committee facilitates quick decision-making when it is not feasible to convene meetings of the entire Board of Directors or when management needs the advice and counsel of Board members between meetings of the Board. The Executive Committee met informally throughout 2010 but did not take any formal action.

Audit Committee

The Audit Committee assists the Board in its general oversight and serves as an independent and objective party to monitor United's financial reporting process and internal control systems, to review and assess the performance of the independent registered public accountants and internal auditing department, and to facilitate open communication among the independent registered public accountants, senior and financial management, the internal auditing department, and the Board of Directors. Certain specific responsibilities of the Audit Committee include recommending the selection of independent registered public accountants, meeting with the independent registered public accountants to review the scope and results of the annual audit, reviewing with management and the internal auditor the systems of internal controls and internal audit reports, ensuring that United's books, records, and external financial reports are in accordance with U.S. generally accepted accounting principles, and reviewing all reports of examination made by regulatory authorities and ascertaining that any and all operational deficiencies are satisfactorily corrected.

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The Board of Directors has determined that all of the members of the Audit Committee have sufficient knowledge in financial and accounting matters to serve on the Audit Committee, including the ability to read and understand fundamental financial statements. While the Board of Directors has determined that all of the members of the Audit Committee are "financially sophisticated", as defined under the Nasdaq Listing Requirements, the Board of Directors does not believe that any of the current members of the Audit Committee qualifies as an "audit committee financial expert" in accordance with the applicable rules and requirements of the SEC. Until his death in December 2009, former director A. William Bennett was an audit committee financial expert. Mr. Raskind qualifies as an audit committee financial expert, but he is not currently permitted by the Federal Reserve to serve on the Audit Committee due to his status as a director nominated under United's contractual obligations with Corsair Georgia, L.P. As a result, United is seeking a potential new member of the Board of Directors who meets the applicable regulatory requirements.

The Audit Committee met eight times during 2010.

Nomination/Corporate Governance Committee

The Nominating/Corporate Governance Committee reviews United's Corporate Governance Guidelines and policies and monitors compliance with those guidelines and policies. In addition, the Nominating/Corporate Governance Committee is responsible for identifying individuals qualified to become Board members and recommending to the Board of Directors nominees for election and candidates for each committee appointed by the Board. The Nominating/Corporate Governance Committee met one time during 2010.

Compensation Committee

The Compensation Committee is responsible for establishing and administering the policies that govern the compensation arrangements for executive officers and other senior officers. The Compensation Committee is also responsible for oversight and administration of certain executive and employee compensation and benefit plans, including the Amended and Restated 2000 Key Employee Stock Option Plan (the "Equity Plan"), the Deferred Compensation Plan (as defined herein) and the Modified Retirement Plan and general compensation arrangements for all employees. It periodically reviews and makes recommendations to the Board with respect to directors compensation. The Compensation Committee met five times during 2010.

Vote Required

Each proxy executed and returned by a shareholder will be voted as specified thereon by the shareholder. If any nominee withdraws or for any reason is not able to serve as a director, the proxy will be voted for such other person as may be designated by the Board of Directors as a substitute nominee, but in no event will the proxy be voted for more than nine nominees. Management of United has no reason to believe that any nominee will not serve if elected. All of the nominees are currently directors of United.

Pursuant to the Georgia Business Corporation Code, directors are elected by a plurality of the votes cast by the holders of the shares entitled to vote in an election at a meeting at which a quorum is present, even though the nominees may not receive a majority of the votes cast. However, as described in "Corporate Governance – Majority Vote Requirement", under certain instances, nominees who are elected receiving less than a majority vote may be asked to resign. A quorum is present when the holders of a majority of the shares outstanding on the record date are present at a meeting in person or by proxy. An abstention or a broker non-vote will be included in determining whether a quorum is present at the meeting, but will not have any other effect on the outcome of a vote.

Recommendation

The Board of Directors unanimously recommends a vote "FOR" each nominee for director.

CORPORATE GOVERNANCE

Director Nominations

General

The Board of Directors nominates individuals for election to the Board based on the recommendations of the Nominating/Corporate Governance Committee. A candidate for the Board of Directors must meet the eligibility requirements set forth in United's Bylaws, Corporate Governance Guidelines and in any applicable Board or committee resolutions.

Nominating/Corporate Governance Committee Procedures

The Nominating/Corporate Governance Committee considers qualifications and characteristics that it, from time to time, deems appropriate when it selects individuals to be nominated for election to the Board of Directors. These qualifications and characteristics include, without limitation, the individual's interest in United, his or her United shareholdings, independence, integrity, business experience, education, accounting and financial expertise, age, diversity, reputation, civic and community relationships, and knowledge and experience in matters impacting financial institutions. In addition, prior to nominating an existing director for re-election to the Board of Directors, the Nominating/Corporate Governance Committee will consider and review an existing director's Board and committee attendance and performance.

Shareholder Nominations

The Board of Directors and Nominating/Corporate Governance Committee of the Board will consider all director nominees properly recommended by any United shareholders in accordance with the standards described above. Any shareholder wishing to recommend a candidate for consideration as a possible director nominee for election at an upcoming meeting of shareholders must provide timely, written notice to the Board of Directors in accordance with the procedures available on United's website www.ucbi.com. The following is a summary of these procedures:

> In order to be considered timely, a nomination for the election of a director must be received by United no less than 120 days before the anniversary of the date United's proxy statement was mailed to shareholders in connection with the previous year's annual meeting.

A shareholder nomination for director must set forth, as to each nominee such shareholder proposes to nominate:

1. the name and business or residence address of the nominee;
2. an Interagency Biographical and Financial Report available from the Federal Deposit Insurance Corporation completed and signed by the nominee;
3. the number of shares of Common Stock of United which are beneficially owned by the person;
4. the total number of shares that, to the knowledge of nominating shareholder, would be voted for such person; and
5. the signed consent of the nominee to serve, if elected.

The notice by a nominating shareholder shall also set forth:

1. the name and residence address of such nominating shareholder; and

2. the class and number of shares of Common Stock of United which are beneficially owned by such shareholder.

Notices shall be sent to the Secretary, United Community Banks, Inc., P.O. Box 398, Blairsville, Georgia 30514-0398. There were no director nominations proposed for this year's Annual Meeting by any shareholder.

Majority Vote Requirement

United's majority vote policy states that nominees for director who are elected but receive less than a majority of the votes cast for the election of directors may be asked to resign. The policy allows the Board to waive this majority vote requirement where a general campaign against the election of a class of directors of public companies resulted in a United nominee being elected with less than a majority vote without consideration of the particular facts and circumstances applicable to the individual United nominee. A waiver of the majority vote requirement will not be permitted if the votes cast resulted from a campaign directed specifically against the election of an individual United nominee, even in circumstances where a majority of the Board of Directors disagrees with those voting against that director's election.

Code of Ethical Conduct

United has adopted a Code of Ethical Conduct designed to promote ethical conduct by all of United's directors and principal financial and executive officers. The Code of Ethical Conduct complies with the federal securities law requirement that issuers have a code of ethics applicable to principal financial officers and with applicable Nasdaq Listing Requirements. United's Code of Ethical Conduct is available on its website and was filed as Exhibit 14 to its Annual Report on Form 10-K for the year ended December 31, 2003. United has not had any amendment to or waiver of the Code of Ethical Conduct. If there is an amendment or waiver, United will post any such amendment or waiver on the company's website, www.ucbi.com.

Shareholder Communication

The Board of Directors maintains a process for shareholders to communicate with the Board. Shareholders wishing to communicate with the Board of Directors should send any communication in writing to the Secretary, United Community Banks, Inc. P.O. Box 398, Blairsville, Georgia 30514-0398. Any such communication must state the number of shares beneficially owned by the shareholder making the communication. The communication will be forwarded to the full Board of Directors or to any individual director or directors to whom the communication is directed unless the communication is illegal or otherwise inappropriate, in which case the communication will be disregarded.

Certain Relationships and Related Transactions

United has a written related person transaction policy that governs the review, approval and ratification of any transaction that would be required to be disclosed by United pursuant to Item 404 of Regulation S-K under the Securities Act of 1933, as amended. The Board of Directors of United or the Audit Committee must approve all such transactions under the policy.

Prior to entering into such a related person transaction or an amendment thereof, the Board or Audit Committee must consider all of the available relevant facts and circumstances, including if applicable, benefits to United, the impact of a transaction on a director's independence, the availability of other sources for comparable products or services, the terms of the transaction, and the terms available to or from unrelated third parties or employees generally, as the case may be. No member of the Board or Audit Committee shall participate in any review, consideration, or approval of any related person transaction with respect to which such member or any of his or her immediate family members is a related person.

Neither the Board of Directors of United nor the Audit Committee has approved any related person transactions during the past three years in accordance with United's written related person transaction policy.

United's wholly-owned subsidiary, United Community Bank (the "Bank"), has, and expects to have in the future, banking transactions in the ordinary course of business with directors and officers of United and other related persons, on the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with unaffiliated third parties. Such transactions have not involved more than the normal risk of collectability or presented other unfavorable features.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

Overview

The Compensation Committee of the Board of Directors has the important responsibility of ensuring that United's executive compensation policies and practices are based on three simple principles:

- pay competitively within our industry;
- pay for appropriate performance based on pre-established goals; and
- design compensation programs with sound risk management practices and a balance between short-term and long-term objectives that provide for value creation for the company and our shareholders.

In addition to its focus on compensation matters, the Compensation Committee occasionally recommends policies related to leadership development and employee retention for consideration by the Board of Directors.

No Compensation Committee member has been an officer or employee of United, and the Board has considered and determined that all of the members are independent as defined under the Nasdaq Listing Requirements. Most members of the Compensation Committee have a significant percentage of their net worth invested in shares of United and all members have interests aligned with the interests of other shareholders. The Compensation Committee's charter is available in the corporate governance section of United's website, www.ucbi.com.

To assist in determining how best to achieve the above objectives, the Compensation Committee previously conducted an interview process with several prominent compensation consulting firms that had no previous relationships with United and selected Towers Watson to advise it and the Board on executive compensation. Towers Watson has provided no other non-executive compensation consulting services to United.

The Compensation Committee adopted and the shareholders approved the Management Annual Incentive Plan in 2007. This "pay for performance" plan governed the level of bonuses that could be awarded by the Compensation Committee to senior executive officers during the past four years. The initial performance parameters were set by the Compensation Committee at the beginning of 2007 through 2010 and no bonuses were paid for any year.

As a result of United's participation in the United States Department of the Tresury's ("Treasury") TARP Capital Purchase Program, United is also subject to substantial limitations with respect to its executive compensation practices.

As used in this "Compensation of Executive Officers and Directors" section, the following executives of United are referred to collectively as the "Named Executive Officers": Jimmy Tallent – United's President and Chief Executive Officer; Guy Freeman – United's Executive Vice President and Chief Operating Officer; Rex Schuette – United's Executive Vice President and Chief Financial Officer; David Shearrow – United's Executive Vice President and Chief Risk Officer; and Glenn White – United's President of the Atlanta Region.

Philosophy

United's compensation programs are designed to attract and retain key employees, motivating them to achieve desired goals, both short and long-term, creating expectations for positive results and rewarding them for strong performance. Different programs are geared to short and long-term performance with the goal of increasing shareholder value over the long term. Because United believes the performance of every employee is important to the company's success, it is mindful of the effect of executive compensation and incentive programs on all of its employees and tries to establish programs that are fair in light of the compensation programs for all other employees.

United believes that the compensation of the company's senior executives should reflect their success as a management team and as individuals in attaining key operating objectives, such as growth of revenue, loans and deposits; growth of earnings and earnings per share; growth or maintenance of market share, long-term competitive advantage, customer satisfaction and operating efficiencies; and, ultimately, in attaining long-term growth in the market price of United's stock. At the same time, United does not believe its executive compensation programs should encourage unnecessary or excessive risks. United believes that the performance of its senior executives in managing the company, considered in light of economic, industry and competitive conditions, should be the basis for determining their overall compensation.

United also believes that their compensation should not be excessive or based on the short-term performance of United's stock, whether favorable or unfavorable, but rather that the price of United's stock will, in the long-term, reflect the company's operating performance, and ultimately, the management of the company by its executives. United seeks to have the long-term performance of its stock reflected in executive compensation through its stock option, restricted stock and other equity incentive programs.

Regulatory Limits

TARP Capital Purchase Program. On December 5, 2008, as part of Tresury's TARP Capital Purchase Program (the "CPP"), United entered into an Agreement (the "Purchase Agreement") with Treasury, pursuant to which United sold 180,000 shares of Series B Cumulative Preferred Stock (the "Series B Preferred Stock") and a warrant to purchase 1,099,542 shares of Common Stock for an aggregate purchase price of $180 million in cash.

In the Purchase Agreement, United agreed that, until such time as Treasury ceases to own any securities of United acquired pursuant to the Purchase Agreement, United will take all necessary action to ensure that its benefit plans with respect to its senior executive officers comply with Section 111(b) of the Emergency Economic Stabilization Act of 2008 (the "EESA") as implemented by any guidance or regulation under the EESA and agreed to not adopt any benefit plans with respect to, or which covers, its senior executive officers that do not comply with the EESA, and the applicable executives have consented to the foregoing. Section 111(b)(2) of the EESA provides for the executive compensation and corporate governance standards to include:

limits on compensation that exclude incentives for senior executive officers of financial institutions to take unnecessary and excessive risks that threaten the value of the financial institution;

required recovery of any bonus or incentive compensation paid to a senior executive officer based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate;

a prohibition on the financial institution from making any "excess parachute payment" to any senior executive officer, as defined under Section 280G of the Internal Revenue Code of 1986, as amended, (an "Excess Severance Payment") during the period that Treasury holds an equity or debt position; and

an agreement to limit a claim for a federal income tax deduction with respect to a senior executive's compensation that exceeds $500,000 per year.

American Recovery and Reinvestment Act. On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (the "ARRA") was enacted. The ARRA imposed new executive compensation and corporate expenditure limits on all CPP recipients until the institution has repaid Treasury the amount of a CPP investment. The ARRA standards that apply to United and its senior executive officers include:

a prohibition on bonuses, retention awards and other incentive compensation, other than the granting of restricted stock awards which are limited to one-third of an employee's total annual compensation and further, that do not fully vest while Treasury holds an investment;

a prohibition on making any payments for departure from United other than compensation earned for services rendered or accrued benefits;

subjecting bonus, retention awards and other incentive compensation to repayment (clawback) if such payments were based on statements of earnings, revenues, gains or other criteria that are later found to be materially inaccurate;

a prohibition on compensation plans that encourage manipulation of reported earnings;

a required company-wide policy regarding excessive or luxury expenditures including office and facility renovations, aviation or other transportation services and other activities or events that are not reasonable expenditures for staff development, reasonable performance incentives or similar measures in the ordinary course of business; and

inclusion of a "say-on-pay" proposal to a non-binding vote of shareholders at the annual meetings, whereby shareholders vote to approve the compensation of executives.

Amendments to Compensation Arrangements. As required by the ARRA, a number of amendments were made to our compensation program. The amendments include:

Bonuses, retention awards and other incentive compensation payments to senior executive officers have been prohibited while Treasury holds an investment.

All of the Named Executive Officers have executed a letter agreement waiving their right to any severance payment that violates the ARRA.

A policy has been adopted that subjects to clawback any bonus payment or award made while Treasury holds an investment based on materially inaccurate financial statements or performance metrics. In addition, all of the Named Executive Officers and other applicable employees that could be one of the twenty most highly compensated employees during the time that Treasury holds an investment have executed a letter agreement agreeing to such clawback policy.

Incentive Compensation Plan Risk Assessment. In addition to the EESA and the ARRA, the SEC now requires that the Compensation Committee review United's compensation arrangements with the members of management responsible for risk management for all employees to determine if any such arrangements create risks that are reasonably likely to have a material adverse effect on United. The Compensation Committee also considers whether they encourage excessive or unnecessary risk-taking by our senior executive officers. As part of its review, the Compensation Committee considers the various risks to which United is subject, including market, liquidity, interest rate, operational, financial, credit quality, reputational and other risks, and how United's incentive compensation programs may contribute to risk. The Compensation Committee also considered United's controls and actions taken to mitigate and monitor those risks.

As previously described, because no bonuses, retention awards and other incentive compensation payments may be made to senior executive officers while Treasury holds an investment, the Compensation Committee determined that none of the incentive compensation plans applicable to Named Executive Officers create or encourage undue risks or are reasonably likely to have a material adverse effect on United. Generally, the Compensation Committee concluded that United's incentive compensation programs applicable to senior management are designed to encourage long-term growth and shareholder value-creation, the delivery of superior customer service to promote core loan and deposit growth.

United maintains incentive compensation plans that pay loan and deposit production incentives to bank personnel. Incentives are paid for various measures of production consistent with United's goals for the year. As part of the Compensation Committee's risk assessment, the Committee noted that the incentive compensation plans for lenders presented somewhat more risk than other plans because commissions were based on loan production volume and constituted a higher portion of the company's incentive compensation expense than the other plans. However, as part of the risk assessment, the Compensation Committee concluded that these plans do not create risks that are reasonably likely to have a material adverse effect on United because all loans must be approved by credit underwriting personnel and, depending on the size of the loan or credit relationship, bank management prior to being made, and all incentive payments are subject to reduction at the discretion of management for any reason in an amount up to 35% and in management's discretion in an amount up to 100% based on the historical performance of loans in each lender's loan portfolio.

Administration

Generally, the Compensation Committee reviews the performance and approves all compensation of United's senior executives and, based upon this evaluation, establishes their compensation. For all senior executives other than the Chief Executive Officer, the Chief Executive Officer makes recommendations to the Compensation Committee.

Though not members of the Compensation Committee in 2010, Jimmy Tallent, United's President and Chief Executive Officer, and Rex Schuette, United's Executive Vice President and Chief Financial Officer, were invited to most Compensation Committee meetings along with Zell Miller, Director Emeritus. Although all invitees may participate in discussions and provide information that the Compensation Committee considers (except for discussions with respect to any invitee's own compensation, in which an executive does not participate), invitees do not participate in voting and decision-making.

In setting and approving compensation of senior executives, the Compensation Committee considers objective measurements of business performance, the accomplishment of strategic and financial objectives, the development of management talent within the company, and other matters relevant to the short-term and the long-term success of the company and the enhancement of shareholder value in the broadest sense. As described above, the Committee also considered the recommendations of Mr. Tallent in 2010 with respect to the other Named Executive Officers, not including Mr. Tallent.

In performing its responsibilities for executive compensation, the Compensation Committee has sole authority to, and does to the extent it deems necessary or desirable, retain and consult with outside professional advisors. During 2010, Towers Watson advised the Compensation Committee and the Board on executive compensation and the CPP restrictions and limits on cash bonus, options and restricted stock. Towers Watson reported directly to the Compensation Committee. Towers Watson performed a study of the compensation of executive management of companies within the industry and with companies of comparable size. The groups used to compare executive compensation include (1) a peer group of 15 bank holding companies with asset sizes ranging from \$5.5 to \$11.8 billion and a median of \$8.7 billion (the "Peer Group") and (2) a reference group of nine bank holding companies with asset sizes ranging from \$11.1 to \$13.7 billion with a median asset size of \$12.2 billion (the "Reference Group"), approximately the asset size to which United could grow in the next three to five years. The Peer Group consisted of Boston Private Financial Holdings, Inc., First Financial Bancorp, First Midwest Bancorp, Inc., FirstMerit Corporation, Hancock Holding Company, IBERIABANK Corporation, International Bancshares Corporation, MB Financial, Inc., NBT Bancorp, Inc., Old National Bancorp, Park National Corporation, Trustmark Corporation, UMB Financial Corporation, Umpqua Holdings Corporation and United Bancshares, Inc. The Reference Group consisted of BancorpSouth, Inc., Bank of Hawaii Corporation, CapitalSource, Inc., Private Bancorp, Inc., SVB Financial Group, Susquehanna Bancshares, Inc., Whitney Holding Corporation, Wilmington Trust Corporation and Wintrust Financial Corporation. The Compensation Committee also compared United's executive compensation to published executive compensation surveys, including bank holding companies with similar asset sizes, compiled with the assistance of Towers Watson.

The Compensation Committee compares the performance of United to the performance of the companies in the Peer Group and Reference Group and establishes United's compensation practices similar to or more or less than such companies consistent with its goal of competitively compensating United's Named Executive Officers. The Compensation Committee has attempted to compensate its Named Executive Officers comparable to executive officers at Peer Group and Reference Group companies but generally above the median compensation paid in each such group. The Compensation Committee also uses Towers Watson's analysis to assist in determining the amounts of each element of compensation.

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Elements of Compensation

Compensation for each senior executive is allocated among annual base salary, annual non-equity incentive awards and equity incentive awards. The Compensation Committee chooses to pay each element of compensation in order to attract, retain and motivate highly qualified executive talent, reward superior annual performance and provide incentives for their balanced focus on long-term strategic goals and increasing shareholder value as well as short-term performance. The amount of each element of compensation is determined by or under the direction of the Compensation Committee, which uses the following factors to determine the amount of salary and other benefits to pay each executive: performance against corporate and individual objectives for the previous year; difficulty of achieving desired results in the coming year; value of their unique skills and capabilities to support United's long-term performance; performance of their general management responsibilities; and, contribution as a member of the executive management team.

Although the Compensation Committee does not set overall compensation targets and then allocate among the elements, it does review total compensation when making decisions on each element of compensation to ensure that the total compensation for each senior executive is justified and appropriate in the best interests of the company.

Economic conditions and the credit environment were very difficult throughout 2010. With the depressed real estate market and high unemployment continuing, business activity across a wide range of industries and regions was greatly reduced and local governments and businesses are in serious difficulty due to the lack of consumer spending and the lack of liquidity in the credit markets. This overall environment and difficulty in United's markets led to further declines in real estate values and elevated levels of non-performing loans and charge-offs. As a result, United incurred net losses of $345.6 million, $228.3 million and $63.5 million for 2010, 2009 and 2008, respectively. These losses were primarily due to higher credit costs in all years, goodwill impairment charges in 2010 and 2009 and net interest margin compression in 2008. Management took proactive steps beginning in late 2008 and throughout 2009 and 2010 to mitigate the credit issues, improve the net interest margin and control expenses, but the overall performance for the company continued to be disappointing for 2010.

The Compensation Committee believes that compensation for United's senior management should reflect the Board's continued confidence in and its desire to retain the current team to continue to manage the company through these difficult times. However, such compensation should also take into account the poor performance of the Company overall. The following is a summary of the Compensation Committee's actions during 2010 with respect to annual base salary, non-equity incentive compensation awards and equity incentive compensation awards.

Annual Base Salary. United strives to provide its senior executives with a level of assured cash compensation in the form of annual base salary that is competitive with companies in the financial services industry and companies that are comparable in size and performance.

The Compensation Committee reviews base salaries annually and makes adjustments, in light of past individual performance as measured by both financial and non-financial factors and the potential for making significant contributions in the future, to ensure that salary levels remain appropriate and competitive. With respect to all senior executives, other than the Chief Executive Officer, the Compensation Committee also considers Mr. Tallent's recommendations and assessment of each officer's performance, his or her tenure and experience in his or her respective positions, and internal comparability considerations.

In 2009, 2008 and 2007, the Compensation Committee did not increase the annual base salaries for any of the Named Executive Officers. Also, United did not increase annual base salaries for any other members of senior management in 2009 and 2008. Further, for 2009, Mr. Tallent voluntarily requested that his salary be reduced by $80,000; the Compensation Committee reluctantly accepted his recommendation. As a result of the freeze in base salaries, several of United's executive officers' compensation packages, as well as other key officers, had fallen well below the market median for United's peer group. In 2010, the Compensation Committee increased Mr. Schuette's and Mr. Shearrow's base salaries to $325,000 each to bring their compensation closer to the peer group median. Mr. Freeman, whose compensation also fell below the peer group median, voluntarily requested that his salary be reduced by $95,000 which was reluctantly accepted by the Compensation Committee.

Non-Equity Incentive Awards. The Compensation Committee believes that its senior management's incentive compensation should be linked directly to achievement of specified financial and non-financial objectives. Under United's Management Annual Incentive Plan, the Compensation Committee strives to link salary and non-equity incentives to objective standards of performance and may consider the non-financial factors discussed earlier and various financial performance measures, including operating and reported earnings per share; returns on equity, tangible equity and assets; revenue, loan and deposit growth; operating efficiency; loan and credit quality; and customer satisfaction scores. In addition, the plan was designed to qualify for compliance with the limitations on executive compensation deductions under Internal Revenue Code of 1986, as amended, Section 162(m).

In the first quarter of 2010, the Committee established the performance parameters to be used for 2010 under the Management Annual Incentive Plan, balancing the need to reward and retain executive management in a challenging banking environment with shareholders' desire for strong financial performance with appropriate risk.

The key performance measure considered by the Committee for fiscal year 2010 was core pre-tax, pre-credit earnings, viewed as the primary quantitative performance measure. Additionally, if the minimum threshold target was met, the Committee had negative discretion to lower the targeted bonus level based on several qualitative performance measures. The qualitative performance measures included targeted levels of provision for loan losses, core deposit growth, and headcount and expense reduction; net interest margin; operating efficiency ratio; and customer satisfaction level.

To receive a bonus award, core pre-tax, pre-credit earnings must have reached a minimum level of $75 million, and higher bonus awards could be paid if United achieved $125 million in core pre-tax, pre-credit earnings for the year. Participants could have earned from 45% to 200% of their base salary, depending upon achievement against the performance thresholds. If the minimum or a higher targeted level of core pre-tax, pre-credit earnings was met, the bonus award could be reduced by the Committee based on the collective performance of the qualitative measures discussed above. The actual core pre-tax, pre-credit earnings for 2010 were $113.4 million.

Even though the primary measure was above the minimum level, the other financial performance measures were not met during 2010. Therefore, the Compensation Committee did not grant non-equity incentive compensation awards or cash bonuses in 2010 to any Named Executive Officers or any other member of senior management. Also, United did not grant non-equity incentive compensation awards or cash bonuses to the Named Executive Officers in 2009, 2008 or 2007.

Equity Incentive Awards. An important element of compensation in the banking industry is the provision of long-term incentives in the form of equity awards such as stock options, restricted stock, and restricted stock units. United also regards equity incentive awards as a key retention tool. These considerations are paramount in the Compensation Committee's determination of the type of an award to grant and the number of underlying awards to be granted. Because of the direct relationship between the value of an option and the market price of United's Common Stock, United believes that granting stock options is the best method of motivating executive and other senior management to manage the company in a manner that is consistent with the long-term interests of United's shareholders.

Equity incentive awards are granted under the Equity Plan, which is a broad-based, shareholder approved plan covering Named Executive Officers, other members of senior management and other key management personnel. The Equity Plan permits United to grant stock options, restricted stock and restricted stock units and provides additional flexibility, if circumstances of United's business and opportunities warrant, to grant other forms of equity-based compensation.

The Equity Plan does not permit the grant price for options to be reduced after the initial grant date. Because participants may not exercise options until they vest and because the exercise price of the options is the fair market value of the underlying stock on the date of grant, participants do not realize any benefit from stock options unless United's stock price appreciates prior to their maturity.

During 2010, options to acquire 12,500 shares of Common Stock were awarded by the Compensation Committee, in connection with employment offers. Except for those options granted in connection with employment offers, there were no options awarded to the Named Executive Officers or any other officers or employees during 2010. Additionally, 430 restricted stock awards were granted during 2010 to members of United's junior boards of directors. The junior boards of directors are a community outreach program that encourages high school seniors to participate in community activities and learn about community banking. There were no restricted stock units awarded to the Named Executive Officers or any other officers or employees of United.

Retirement and Other Benefits.

The Compensation Committee believes that retirement and deferred compensation benefits provide financial security to senior management and their families for their service to the company. As a result, United has adopted the following two plans:

Modified Retirement Plan. United maintains a modified retirement plan (the "Modified Retirement Plan") for certain Named Executive Officers and other key personnel. See the disclosure provided in "Executive Compensation – Pension Benefits" for a description of the material terms of the Modified Retirement Plan and disclosure of 2010 benefits provided to the Named Executive Officers under the Modified Retirement Plan.

In 2010 and 2009, the Compensation Committee, upon the recommendation of outside consultants, elected to increase the annual retirement benefit payable by the Modified Retirement Plan for Mr. Tallent, Mr. Schuette and Mr. Shearrow. In both 2010 and 2009, the annual retirement benefit was increased by $30,000, $20,000 and $20,000 for Mr. Tallent, Mr. Schuette and Mr. Shearrow, respectively. At December 31, 2010, the annual retirement benefits payable to the Named Executive Officers under the Modified Retirement Plan were $150,000, $70,000, $110,000 and $110,000 for Mr. Tallent, Mr. Freeman, Mr. Schuette and Mr. Shearrow, respectively. Mr. White is not a participant in the Modified Retirement Plan.

Deferred Compensation Plan. In addition, United maintains a deferred compensation plan (the "Deferred Compensation Plan") for senior management, members of the Board of Directors, members of United's local community bank boards and certain other key personnel. See the disclosure provided in "Executive Compensation – Nonqualified Deferred Compensation" for a description of the material terms of the Deferred Compensation Plan and disclosure of 2010 benefits provided to the Named Executive Officers under the Deferred Compensation Plan.

Perquisites and Other Benefits.

The perquisites provided to United’s Named Executive Officers in 2010 were the use of a company-owned car or a car allowance and the payment of the dues for club memberships that are not used exclusively for business purposes. These personal benefits are generally provided to similarly situated financial institution executives in the company’s market areas, and United believes it is appropriate to award its senior executives similar benefits.

United also provides matching contributions of up to 5% of the bonus contributions to the Deferred Compensation Plan. United’s Named Executive Officers also participate in company-wide contributions to the 401(k) Plan (as defined herein) and receive other benefits on the same terms as other employees, which plans include medical, dental and life insurance.

Severance Benefits.

Generally, options and restricted stock/unit grants continue to vest for United’s Named Executive Officers in the event of the officer’s termination without cause or a termination by the officer for Good Reason (as defined in the award agreements). Mr. White’s option grants are accelerated upon a change in control. Otherwise, options and restricted stock awards cease vesting upon termination of employment.

As required by the acquisition agreement pursuant to which United acquired Gwinnett Commercial Group, United entered into an Employment Agreement with Mr. White consistent with an existing agreement he had with such company. See the disclosure provided in “Executive Compensation – Agreements with Executive Officers” for a description of the material terms of such agreement, including severance benefits to Mr. White under certain circumstances. As previously described, all of the Named Executive Officers have executed a letter agreement waiving their right to any severance payment that violates the ARRA.

United does not provide for any other severance benefits to its Named Executive Officers, except as described below.

Benefits Upon a Change in Control

United’s senior management has substantially contributed to the success of United, and the company believes that it is important to protect them in the event of a change in control. Further, it is United’s belief that the interests of shareholders will be best served if the interests of its senior management are aligned with them, and providing change in control benefits should reduce any reluctance of senior management to pursue potential change in control transactions that may be in the best interests of shareholders.

For that reason, United’s Named Executive Officers have each entered into agreements with the company, the terms of which are described in “Executive Compensation - Agreements with Executive Officers and Post-Employment Compensation”. The Compensation Committee has established the payment and benefit levels to be paid to the Named Executive Officers following a change in control under these agreements consistent with what the Compensation Committee believes is standard for financial institution executives in the markets in which United operates.

Based upon (1) a hypothetical change in control and (2) the termination of our Named Executive Officers as of December 31, 2010, all payments of compensation and benefits under the agreements with such officers would be payable in a lump sum (except for Mr. White, who would be paid in 24-monthly installments) and in the following approximate amounts: Mr. Tallent $2,107,417; Mr. Freeman $1,429,896; Mr. Schuette $992,098; Mr. Shearrow $975,357; and Mr. White $996,000. The Compensation Committee believes that these potential benefits would be minor relative to the substantial transaction value for United's shareholders.

None of these payments would be considered Excess Parachute Payments but all of such payments by United would be prohibited by the ARRA during the time Treasury owns the preferred stock it purchased under the CPP. As previously described, all of the Named Executive Officers have executed a letter agreement waiving their right to any severance payment that violates the ARRA.

Executive Compensation

Summary Compensation Table

The following table sets forth the compensation paid during the past three years to the Named Executive Officers.

SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary (1)	Bonus(1)	Restricted stock awards(2)	Stock option awards(2)	Non-Equity incentive plan compensation(3)	Change in pension value and deferred compensation earnings(4)	All other(5)	Total
Jimmy C. Tallent	2010	$ 400,000	$ -	$ -	$ -	$ -	$ 264,152	$ 80,126	$ 744,278
President and Chief	2009	400,000	-	199,877	-	-	185,649	78,581	864,107
Executive Officer	2008	480,000	-	54,984	130,128	-	68,484	80,086	813,682
Guy W. Freeman	2010	223,750	-	-	-	-	(9,189)	44,786	259,347
Executive Vice President	2009	295,000	-	157,050	-	-	(6,616)	48,349	493,783
and Chief Operating Officer	2008	295,000	-	62,097	69,091	-	82,239	49,654	558,081
Rex S. Schuette	2010	314,500	-	-	-	-	243,686	29,438	587,624
Executive Vice President	2009	283,000	-	142,772	-	-	185,671	27,471	638,914
and Chief Financial Officer	2008	283,000	-	48,299	58,800	-	54,432	27,604	472,135
David P. Shearrow	2010	312,500	-	-	-	-	46,465	20,920	379,885
Executive Vice President	2009	275,000	-	142,772	-	-	29,117	19,225	466,114
	2008	275,000	-	48,299	58,800	-	12,218	14,863	409,180

and Chief Risk Officer									
Glenn S. White	2010	320,000	-	-	-	-	-	30,049	350,049
President,	2009	320,000	-	71,390	-	-	-	29,624	421,014
Atlanta Region(6)	2008	320,000	-	41,394	44,098	-	-	34,454	439,946

(1) Amounts shown for salary and bonus were either paid in cash or deferred, as elected by the executive under the Deferred Compensation Plan. See the "Nonqualified Deferred Compensation – Activity For 2010" table for the executive's contributions and earnings.

(2) The amounts shown reflect the aggregate grant date fair value of the awards. The assumptions made when calculating the grant date fair value of options are found in Note 21 to the Consolidated Financial Statements of United contained in its Annual Report on Form 10-K for the year ended December 31, 2010.

(3) Non-equity incentive plan compensation includes amounts earned under the Management Annual Incentive Plan as a result of achieving the goals specified for the designated year. Because the financial performance measures were not met for 2010, 2009 and 2008, no non-equity incentive compensation awards were granted by the Compensation Committee.

(4) Includes the annual change in the present value of the executive's accumulated benefits under the Modified Retirement Plan. The change in value reflects the actuarial charge for the increase in benefits provided to Mssrs. Tallent, Schuette and Shearrow. See the "Pension Benefits" and "Nonqualified Deferred Compensation – Activity For 2010" tables for additional information. The Deferred Compensation Plan does not credit above-market or preferential earnings, so no amounts are included in this column with respect to the Deferred Compensation Plan.

(5) Amounts shown include: (i) matching 401(k) and profit sharing contributions to the 401(a) Plan on behalf of the executive; (ii) matching 401(k) contributions on behalf of the executive to the Deferred Compensation Plan (see the "Nonqualified Deferred Compensation – Activity For 2010" table for additional information); (iii) the value of personal travel or allowance for a company-owned car; (iv) club membership dues that are not used exclusively for business purposes; (v) dividends on unvested restricted stock awards; (vi) life insurance premiums paid on behalf of the executive; and, (vii) directors fees paid to the executive for serving on subsidiary and community bank boards. Certain executives received directors fees in 2010, 2009 and 2008, respectively, of $37,400, $37,400 and $33,800 for Mr. Tallent; $7,400, $7,400 and $7,400 for Mr. Freeman; and, $3,000, $3,000 and $6,000 in 2010, 2009 and 2008, respectively, for Mr. White.

(6) Mr. White became an executive officer of United in 2008.

Stock Option and Restricted Stock Grants

When granting equity awards, the Compensation Committee sets option exercise prices at the market closing price on the date of grant. Both stock options and restricted stock awards vest over a number of years in order to encourage employee retention and focus management's attention on sustaining financial performance and building shareholder value over an extended term. Typically, vesting is in equal increments over a four-year period from the date of the grant.

During 2010, United did not grant restricted stock awards, stock options, stock appreciation rights or similar awards to any of its executive officers.

Stock Option Exercises and Restricted Stock Vesting

The following table sets forth the value realized upon the exercise of stock options and the vesting of restricted stock awards or settlement of restricted stock units for the Named Executive Officers during 2010:

OPTION EXERCISES AND VESTING OF RESTRICTED STOCK

	Stock option awards		Restricted stock/unit awards	
Name	Number exercised	Value realized(1)	Number vesting	Value realized(2)
Mr. Tallent	-	-	9,834	$ 46,074
Mr. Freeman	-	-	8,570	39,987
Mr. Schuette	-	-	7,674	35,827
Mr. Shearrow	-	-	12,741	58,578
Mr. White	-	-	3,318	15,583

(1) Represents the difference between the closing price of United's Common Stock on the date of exercise and the per share option exercise price, multiplied by the number of options exercised.

(2) Represents the value realized by multiplying the number of restricted stock/unit awards vesting by the closing price of United's Common Stock on the date of vesting.

Outstanding Equity Awards as of December 31, 2010

The following table sets forth, for each Named Executive Officer, the number of stock options exercisable and unexercisable and the number and value of unvested restricted stock awards as of December 31, 2010:

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Stock options				Restricted stock awards	
Name	Number exercisable	Number unexercisable(1)	Exercise price	Expiration date (2)	Number not vested (3)	Market value not vested (4)
Mr. Tallent	46,758	-	11.22	4/18/11		
	62,344	-	12.50	3/11/12		
	46,758	-	15.78	4/17/13		
	17,663	-	22.85	6/7/14		
	21,198	-	22.24	5/16/15		
	32,210	-	27.76	4/26/16		
	27,274	9,092	29.52	4/25/17		
	23,379	23,379	13.23	4/30/18		
	277,584	32,471			24,311	$ 47,406
Mr. Freeman	8,017	-	11.22	4/18/11		
	24,938	-	12.50	3/11/12		
	31,172	-	15.78	4/17/13		
	10,391	-	22.85	6/7/14		
	13,507	-	22.24	5/16/15		
	20,781	-	27,76	4/26/16		
	16,755	5,585	29.52	4/25/17		
	12,209	12,209	13.28	5/5/18		
	137,770	17,794			20,132	39,257
Mr. Schuette	35,847	-	11.22	3/12/11		
	18,703	-	11.22	4/18/11		
	24,937	-	12.50	3/11/12		
	28,056	-	15.78	4/17/13		
	9,352	-	22.85	6/7/14		
	12,469	-	22.24	5/16/15		
	18,185	-	27.76	4/26/16		
	14,417	4,806	29.52	4/25/17		
	10,390	10,391	13.28	5/5/18		
	172,356	15,197			17,959	35,020
Mr. Shearrow	15,585	5,196	30.23	4/16/17		
	10,390	10,391	13.28	5/5/18		
	25,975	15,587			17,050	33,248
Mr. White	12,988	12,988	29.64	6/1/17		
	7,792	7,793	13.28	5/5/18		
	20,780	20,781			19,565	38,152

(1) With the exception of Mr. White's stock options that expire on June 1, 2017, stock options become exercisable in four equal annual installments beginning on the first anniversary of the grant date. Mr. White's stock options that

expire on June 1, 2017, vest as follows: 6,494 on June 1, 2011 and 6,494 on June 1, 2012.

(2) The expiration date of each stock option is 10 years after the date of grant.

(3) With the exception of Mr. White's restricted stock units granted on June 1, 2007, restricted stock shares and units vest in four equal annual installments, beginning January 31 of the year following the grant date. Mr. White's unvested restricted stock units granted on June 1, 2007 vest on June 1, 2012.

(4) The market value is based on the closing price of United's Common Stock at December 31, 2010 of $1.95, multiplied by the number of unvested shares subject to the awards.

Equity Compensation Plan Information at December 31, 2010

The following table provides information about stock options outstanding as of December 31, 2010 and stock options and/or equity awards available to be granted in future years:

EQUITY COMPENSATION PLAN INFORMATION

	Total outstanding options	Weighted-average exercise price of outstanding options	Number available for issuance under equity compensation plans (1)
Equity compensation plans approved by shareholders	3,476,719	$ 18.08	1,226,857
Equity compensation plans not approved by shareholders (2)	30,940	7.69	-
Total	3,507,659	17.98	1,226,857

(1) Represents the number of stock options or equity awards available to be granted in future years under the existing Equity Plan.
(2) Stock options granted under plans assumed by United through acquisitions prior to December 1, 2004. Such were frozen as to future grants at the time of the acquisitions.

Pension Benefits

The following table presents selective retirement benefit information for 2010 for each Named Executive Officer that was a participant in Modified Retirement Plan.

PENSION BENEFITS

Name	Plan name	Number of years of credited service	Present value of accumulated benefit	Payments during 2010
Mr. Tallent	Modified Retirement Plan	27	$ 822,206	-
Mr. Freeman	Modified Retirement Plan	16	577,601	-
Mr. Schuette	Modified Retirement Plan	10	708,665	-
Mr. Shearrow	Modified Retirement Plan	4	95,288	-

The Modified Retirement Plan provides specified benefits to certain key officers who contribute materially to the continued growth, development and future business success of United and its subsidiaries. Generally, when a participant retires, United will pay to the participant a fixed annual amount in equal installments either (1) for the lifetime of the participant and, if the participant is married upon death, a lesser lifetime amount to the participant's spouse, or (2) a fixed payment for 15 years. The annual benefits, based on seniority and position, range from $30,000 to $150,000 per year and are taxable to the participant. The normal retirement age defined in the plan is age 65 and completion of five years of service.

The Modified Retirement Plan contains provisions that provide for accelerated vesting upon a change in control of United. The Modified Retirement Plan also provides that these benefits will be forfeited if a participant is terminated for cause or, if during a certain period after his or her termination of employment, competes with United, solicits customers or employees, discloses confidential information, or knowingly or intentionally damages United’s goodwill or esteem.

Nonqualified Deferred Compensation

The following table presents information for each Named Executive Officer relating to the Deferred Compensation Plan.

NONQUALIFIED DEFERRED COMPENSATION – ACTIVITY FOR 2010

Name	Executive contributions (1)	Company contributions (2)	Account Earnings	Withdrawals/ distributions	Balance at year-end
Mr. Tallent	$ 44,683	$ 7,750	$(53,492)	$ -	$284,441
Mr. Freeman	31,233	-	(19,863)	-	35,216
Mr. Schuette	34,503	3,288	(41,822)	-	69,616
Mr. Shearrow	54,669	3,271	(43,235)	-	72,716
Mr. White	-	-	(3,846)	(342,505)	-

(1) All executive contributions are included in the amounts under the column headings “Salary”, “Bonus” and “Restricted stock awards” in the “Summary Compensation Table”.
(2) All company contributions are included in the amounts under the column heading “All other” in the “Summary Compensation Table”.

The Deferred Compensation Plan provides for the deferral of up to 75% of annual base salary and up to 100% of annual cash bonus payments or non-equity incentive compensation awards and other specified benefits to selected individuals who contribute materially to the continued growth, development and future business success of United and its affiliates. Further, the Deferred Compensation Plan allows for employer matching contributions for employee contributions that would have been paid under United’s tax-qualified 401(k) plan (the “401(k) Plan”) if such matching contributions would otherwise exceed the maximum allowable amounts under the 401(k) Plan and matching of deferred bonuses, dollar for dollar up to 5% of bonus or non-equity incentive compensation award, subject to the same vesting provisions of the 401(k) Plan. Although the Plan allows the Board of Directors to make discretionary contributions to the account of employee participants, the Board has never made any such discretionary contributions. The Deferred Compensation Plan also provides for the deferral of up to 100% of director fees for service by a non-employee director on the Board of United or any subsidiary or community bank.

Contributions to the Deferred Compensation Plan may be invested in United’s Common Stock and a portfolio of various mutual funds. Participants are 100% vested in their contributions, including earnings or losses thereon. Company contributions, including earnings and losses thereon, vest over a three-year period. Because the amounts deferred under the plan are invested in the underlying mutual fund or, in the case of Common Stock, recorded as common stock issuable (an equity instrument) at the time of the investment, there are no potential future costs of the plan known at this time.

Generally, when a participant retires or becomes disabled, United will pay the participant their accrued benefits in a lump sum or in equal installments for five, ten, or fifteen years. Alternatively, a participant may elect to have a portion (or all) of their accrued benefits paid out at a specified time before retirement in a lump sum or in annual installments for two, three, four, or five years. The benefit payments are taxable to the participant.

Agreements with Executive Officers and Post-Employment Compensation

Messrs. Tallent, Freeman, Schuette, and Shearrow have each entered into Amended and Restated Change in Control Severance Agreements (the “Severance Agreements”with United. The agreements remain in effect until the termination of such executive's employment without entitlement to the benefits under the agreement, unless earlier terminated by mutual written agreement of the executive and United.

The Severance Agreements provide for payment of compensation and benefits to the executive in the event of a "Change in Control" of United if the executive's employment is involuntarily terminated by United without "Cause" or if the executive terminates his employment for "Good Reason". The executive is not entitled to compensation or payments pursuant to the Severance Agreement if he is terminated by United for Cause, dies, incurs a disability, or voluntarily terminates employment (other than for Good Reason). If a Change in Control occurs during the term of the agreement and the executive's employment is terminated within six months prior to, or 18 months following, the date of the Change in Control, and if such termination is an involuntary termination by United without Cause (and does not arise as a result of death or disability) or a termination by the executive for Good Reason, the executive will be entitled to a lump sum payment equal to his base salary, non-equity incentive compensation award and certain other benefits, as determined by the agreement, for a period of 36 months from the date of his termination. The lump sum payment of medical benefits also includes a tax-gross up.

The Severance Agreements were entered into as of December 31, 2008 (with minor changes from the prior agreements) and are intended to ensure that the payment of any compensation or benefits under the agreement would comply with Internal Revenue Code of 1986, as amended, Section 409A ("Section 409A").

As required by the acquisition agreement pursuant to which United acquired Gwinnett Commercial Group, United entered into an Employment Agreement with Mr. White consistent with an existing agreement he had with such company that provides for a rolling three-year term unless either party gives the other party notice that the term will not be extended. The agreement generally provides that, if Mr. White is terminated at any time by United without Cause, or Mr. White terminates his employment with United for Cause, Mr. White will receive his base salary for a period of 36 months and an amount equal to two times his annual bonus or non-equity incentive compensation award. Additionally, if, within six months following a Change of Control of United, either Mr. White terminates his employment or United terminates Mr. White other than for Cause, the agreement provides for a payment made over 24 monthly installments equal to three times the sum of his base salary then in effect, an amount equal to his average annual bonus or non-equity incentive compensation award of the three most recent years and his monthly automobile allowance multiplied by twelve.

The Employment Agreement also includes covenants by Mr. White not to compete with United or solicit its customers or prospective customers or employees for 36 months after the termination of his employment under certain circumstances.

A "Change in Control" under the Severance Agreements and Employment Agreement generally means the acquisition by any person of beneficial ownership of 20 to 25% or more of the voting power of United's outstanding stock, approval by shareholders of a merger or consolidation or a complete liquidation or dissolution of United or an agreement for the sale or other disposition of all or substantially all of the assets of United, or a majority change in the composition of the Board of Directors. "Cause" with respect to a termination by United under the agreements is generally defined as the involuntary termination of the executive by United as result of an uncured breach of the employment agreement by Mr. White, commission of certain crimes, act or acts which are in violation of policies of United or the failure by the executive to perform his duties. "Cause" with respect to termination by Mr. White is generally defined as an uncured breach of the employment agreement by United, a material adverse diminution in his powers, responsibilities, or duties, or the required relocation of the executive to a location more than 20 miles from his existing business location. "Good Reason" for termination by an executive under the Severance Agreement is generally defined as the occurrence during the six month period prior to, or within the 18 month period following, the date of a Change in Control, of a substantial adverse change in the executive's responsibilities, the required relocation of the executive to a location outside of the market area of United, a material reduction in the levels of coverage of the executive under United's director and officer liability insurance policy or indemnification commitments, or a reduction in the executive's compensation or benefits.

The Severance Agreements provide that the compensation and benefits provided for under the Severance Agreements shall be reduced or modified so as to ensure that United does not pay an Excess Severance Payment. If a reduction is necessary, the Severance Agreements would allow the executive to choose the manner in which the payments would be modified so long as the total payments are capped to avoid being treated as an Excess Severance Payment. None of the Severance Agreements provide for the payment of any taxes or a gross-up of payments to pay any taxes in the event any of the compensation or benefits were considered to be an Excess Severance Payment.

Each of United's Named Executive Officers executed a waiver in connection with United's participation in the CPP pursuant to which they have voluntarily waived any claim against Treasury or United for any changes to such senior executive officer's compensation or benefits that are required to comply with the limitations contained in the EESA, the ARRA or any regulation thereunder. The limitations are described in "Compensation Discussion and Analysis – Regulatory Limits", and, as described therein, all of the Named Executive Officers have executed a letter agreement waiving their right to any severance payment that violates the ARRA.

United has no other employment or severance agreements with any of its Named Executive Officers.

Director Compensation

Non-employee Directors of United received an annual retainer of $20,000 and a separate meeting fee of $3,000 for each of the five regularly scheduled Board meetings attended during 2010. The members of the Audit Committee received a separate meeting fee of $500 per regularly scheduled meeting attended. The Chairmen of the Audit and Compensation Committees each received an additional annual retainer of $5,000. Executive officers who serve as directors do not receive compensation for service on the Board of Directors of United. Certain members of United's Board of Directors and its executive officers also serve as members of one or more of United's subsidiaries and community banks boards of directors for which they are compensated.

The annual retainer and meeting fees are payable in cash or may be deferred pursuant to United's Deferred Compensation Plan. In 2010, no directors elected to defer a portion of their retainer and meeting fees.

In addition to the retainers and meeting fees listed above, United reimburses the non-employee Directors for their travel expenses incurred in attending meetings of the Board or its committees, as well as for fees and expenses incurred in attending director education seminars and conferences. Directors did not receive any restricted stock, stock option or other equity awards or any other personal benefits in 2010.

The table below presents a summary of non-employee Director compensation for 2010:

DIRECTOR COMPENSATION

Name	Fees earned or paid in cash	Nonqualified deferred compensation earnings	All other compensation (1)	Total
Robert L. Head, Jr.	$ 35,000	$ 17,217	$ 12,000	$ 64,217
W.C. Nelson, Jr.	42,500	10,738	12,000	65,238
Robert Blalock	37,500	-	10,500	48,000
L. Cathy Cox	42,500	-	-	42,500
Hoyt O. Holloway	35,000	-	2,500	37,500
John D. Stephens	35,000	-	3,000	38,000
Tim Wallis	35,000	-	6,000	41,000
Zell Miller (2)	35,000	3,418	-	38,418

(1) Directors fees for serving on one or more of United's subsidiary or community bank boards of directors.
(2) Director emeritus.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has served as an officer or employee of United at any time or engaged in any transaction that would be required to be disclosed under "Certain Relationships and Related Transactions".

None of United's executive officers serve as a director or member of the Compensation Committee of any other entity that has an executive officer serving as a member of United's Board of Directors or Compensation Committee.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" included with this Proxy Statement with management. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that it be included herein.

In addition, the Compensation Committee met with United's senior risk officers to review United's incentive compensation plans for all employees. Based on such review and discussions, the Compensation Committee certifies that: (1) it has reviewed with senior risk officers the incentive compensation arrangements with senior executive officers and has made all reasonable efforts to ensure that such arrangements do not encourage senior executive officers to take unnecessary and excessive risks that threaten the value of United; (2) it has reviewed with senior risk officers the employee compensation plans and has made all reasonable efforts to limit any unnecessary risks these plans pose to United; and (3) it has reviewed the employee compensation plans to eliminate any features of these plans that would encourage the manipulation of reported earnings of United to enhance the compensation of any employee.

Cathy Cox, Chairman

Robert Blalock
Hoyt Holloway
W.C. Nelson, Jr.

John Stephens
Tim Wallis

PRINCIPAL AND MANAGEMENT SHAREHOLDERS

The following table sets forth information regarding beneficial ownership of United's voting securities. Unless otherwise indicated, the information presented is as of March 31, 2011 and is based on 104,515,553 shares of United's Common Stock outstanding on such date. Beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and any shares as to which the individual or entity has the right to acquire beneficial ownership within 60 days of March 31, 2011, unless otherwise indicated, through the exercise of any stock option or other right, and any shares that are pledged as security pursuant to various financial obligations. The table sets forth such information with respect to:

each shareholder who is known by us to beneficially own 5% or more of our voting securities;

each director;

each Named Executive Officer; and

all executive officers and directors as a group.

Unless otherwise indicated, each of the shareholders has sole voting and investment power with respect to the shares of voting securities beneficially owned by such shareholder.

BENEFICIAL OWNERSHIP

Name	Number of shares of common stock owned directly or indirectly	Number of shares underlying options exercisable within 60 days	Number of shares of beneficially owned restricted stock	Number of shares issuable under the Deferred Compensation Plan	Number of shares underlying warrants	Total number of shares beneficially owned	Percentage beneficially owned
Fletcher Asset Management, Inc. (1)	-	–-	-	-	10,403,790	10,403,790	9.90 %
BlackRock, Inc. (2)	7,451,032	-	-	-	-	7,451,032	7.87 %
The Vanguard Group (3)	5,787,618	-	-				