UNITED COMMUNITY BANKS INC
Form S-4/A
September 22, 2004

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File No. 333-118893

As filed with the Securities and Exchange Commission on September 22, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 1 to FORM S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

UNITED COMMUNITY BANKS, INC.

(Exact name of issuer as specified in its charter)

Georgia	**6712**	**58-1807304**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

United Community Banks, Inc.
Post Office Box 398, 63 Highway 515
Blairsville, Georgia 30512
(706) 745-2151
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jimmy C. Tallent
Post Office Box 398, 63 Highway 515
Blairsville, Georgia 30512
(706) 745-2151
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Richard R. Cheatham
Kilpatrick Stockton, LLP
1100 Peachtree Street, Suite 2800
Atlanta, Georgia 30309-4530
(404) 815-6500

Edward J. Harrell
Martin Snow, LLP
240 Third Street
Macon, Georgia 31201
(478) 749-1700

Approximate date of commencement of proposed sale to the public: The exchange of Registrant's shares for shares of common stock of Eagle National Bank will take place upon consummation of the merger of Eagle National Bank into a subsidiary of the Registrant.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities of an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ____________

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ____________

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

Proxy Statement/Prospectus

These materials are a proxy statement of Eagle National Bank and a prospectus of United Community Banks, Inc. They are furnished to shareholders of Eagle, in connection with the notice of special meeting of shareholders on October 20, 2004 that it accompanies. At the special meeting of Eagle shareholders, you will be asked to vote on the merger of Eagle into United Community Banks, Inc.'s Georgia Bank subsidiary, United Community Bank. United Community Banks, Inc. will be referred to as "United" in this proxy statement/prospectus. United Community Bank will be referred to as "UCB Georgia".

As of September 20, 2004, the record date for the Eagle shareholders meeting, there were 600,000 shares of common stock outstanding and entitled to vote at that meeting. Approval of the merger requires the affirmative vote of holders of at least two-thirds of those shares. Details about the proposed merger are set forth in this proxy statement/prospectus.

In connection with the merger, if approved and consummated, shares of common stock of United will be issued to shareholders of Eagle as part of the consideration for their shares of common stock of Eagle. This document is a prospectus of United with respect to such offering and issuance of United common stock. Up to an aggregate of 414,528 shares of United common stock may be issued to Eagle shareholders if the merger is approved and consummated, based on the exchange ratio summarized in the notice and discussed herein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy or accuracy of these materials. Any representation to the contrary is a criminal offense. Shares of common stock of United are equity securities and are not savings accounts or deposits. An investment in shares of United common stock is not insured by the Federal Deposit Insurance Corporation or any other government agency.

The accompanying materials contain information regarding the proposed merger and the companies participating in the merger, and the Agreement and Plan of Reorganization pursuant to which the merger would be consummated if approved. **We encourage you to read the entire document carefully.**

The date of this proxy statement/prospectus is September 23, 2004, and it is expected to be first mailed to shareholders on or about September 23, 2004.

The accompanying materials incorporate important business and financial information that is not included in or delivered with this document. This business and financial information is available without charge to all Eagle shareholders upon written or oral request made to: Allette B. Cheaves, Secretary, Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia 30281. To obtain delivery of such business and financial information before the special meeting, your request must be received no later than October 15, 2004.

850 Eagles Landing Parkway
Stockbridge, Georgia 30281

Notice Of Special Meeting Of Shareholders
To Be Held On October 20, 2004

A special meeting of shareholders of Eagle National Bank will be held on October 20, 2004, at 4:00 p.m., at Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia, for the following purposes:

1. to consider and vote on an Agreement and Plan of Reorganization, under which Eagle National Bank, a bank chartered under the laws of the United States, will merge with and into United Community Bank, a wholly-owned Georgia bank subsidiary of United Community Banks, Inc., as more particularly described in the accompanying proxy statement/prospectus; and

2. to transact such other business as may properly come before the special meeting or any adjournments of the special meeting.

If Eagle shareholders approve the merger, Eagle will be merged with and into UCB Georgia. In connection with the merger, Eagle shareholders may elect to receive shares of United common stock or cash or a combination of both in exchange for their Eagle common stock on the following basis:

0.8636 shares of United common stock; or

$20.32 in cash, without interest;

provided that no more than 480,000 shares may be exchanged for stock and no more than 120,000 shares may be exchanged for cash.

Approval of the merger will require the approval of the holders of at least two-thirds of the Eagle common stock entitled to vote at the special meeting. Only shareholders of record of Eagle common stock at the close of business on September 20, 2004 will be entitled to vote at the special meeting or any adjournments thereof. Eagle's board of directors has unanimously adopted a resolution approving the merger and the merger agreement, and unanimously recommends that Eagle shareholders vote for the proposal to approve the merger.

If the merger is completed, Eagle shareholders who dissent with respect to the merger will be entitled to receive a cash payment for their shares of Eagle common stock if they comply with certain statutory provisions of Section 215a of Title 12 of the United States Code regarding the rights of dissenting shareholders, all as more fully explained under the heading "Details of the Proposed Merger Rights of Dissenting Shareholders" (page 23) and in Appendix B to the accompanying proxy statement/prospectus.

A form of proxy for use by Eagle shareholders is enclosed. To ensure representation at the special meeting, each Eagle shareholder is requested to sign, date, and return the proxy card promptly in the enclosed, stamped envelope. A previously submitted proxy may be revoked by notifying Allette B. Cheaves, Secretary, Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia 30281 in writing at the address below, or by submitting an executed, later-dated proxy prior to the special meeting to Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia 30281. A previously submitted proxy also may be revoked by attending the special meeting and requesting the right to vote in person. A properly signed and returned proxy card, if not revoked, will be voted at the special meeting in the manner specified by the duly submitted proxy.

By Order of the Board of Directors,

/s/ SAMUEL K. PARRISH
President and Chief Executive Officer

September 23, 2004
Stockbridge, Georgia

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What am I being asked to approve?

A: You are being asked to approve the Agreement and Plan of Reorganization by and between Eagle and United, pursuant to which Eagle will be merged with and into United's wholly-owned Georgia bank subsidiary UCB Georgia. Approval of the merger requires the affirmative vote of at least two-thirds of the outstanding shares of Eagle common stock. **The Eagle board of directors has unanimously approved and adopted the Agreement and Plan of Reorganization and recommends voting FOR approval of this merger agreement.**

Q: What will I receive in the merger?

A: You will receive (a) 0.8636 shares of United common stock for each share of Eagle common stock; or (b) $20.32 in cash, without interest, for each share of Eagle common stock you own on the effective date of the merger; or (c) any combination of 0.8636 shares of United common stock and $20.32 in cash, without interest, for each share of Eagle common stock (provided that no more than 480,000 shares may be exchanged for stock and no more than 120,000 shares may be exchanged for cash). United will not issue fractional shares in the merger. Instead, you will receive a cash payment, without interest, for the value of any fraction of a share of United common stock that you would otherwise be entitled to receive based on $23.53 a share of United common stock. *For example*: If you own 100 shares of Eagle common stock and elect to receive all stock in the merger, you will be entitled to receive 0.8636 shares of United for each Eagle share, rounded down to the nearest whole share, or 86 shares of United common stock. In addition, you will be entitled to receive $23.53 in cash for your .36 fractional share of United (.36 × $23.53) for a total cash payment of $8.47.

Q: What should I do now?

A: Indicate on the enclosed proxy card how you want to vote with respect to the proposed merger, and sign and mail the proxy card in the enclosed envelope as soon as possible so that your shares will be represented at the meeting. If you sign and send in a proxy card but do not indicate how you want to vote, your proxy will be voted in favor of the proposal to approve and adopt the merger. A special shareholders meeting will take place at 4:00 p.m. on October 20, 2004 at Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia, to vote on the merger proposal.

You may attend the special meeting and elect to vote your shares in person, rather than voting by proxy. In addition, you may withdraw your proxy up to and including the day of the special meeting by notifying Allette B. Cheaves, Secretary, prior to the meeting, in writing, or by submitting an executed, later-dated proxy to: Allette B. Cheaves, Secretary, Eagle National Bank, 850 Eagle Landing Parkway, Stockbridge, Georgia 30281.

Q: How can I elect stock, cash or both?

A: You may indicate a preference to receive United common stock, cash or a combination of both in the merger by completing the form of election/letter of transmittal that will be sent to you promptly after the close of the merger. If holders elect to receive stock for more than 480,000 shares or cash for more than 120,000 shares of Eagle common stock, each holder so electing will receive stock or cash for a reduced number of shares so that the total number of shares exchanged for stock or cash does not exceed 480,000 or 120,000, respectively, based on the ratio of shares elected to be exchanged for stock or cash by all Eagle shareholders. If you do not make an election by the deadline provided on the form, you will be treated as though you elected to receive cash unless cash has been fully subscribed by the electing Eagle shareholders, in which event you will be treated as if you elected stock. If one form of consideration has been oversubscribed and you do not make an election by that date, you will be treated as having elected to receive the form of consideration that was not oversubscribed. **Although**

Eagle's directors intend on electing to receive all stock in the merger, Eagle's board of directors makes no recommendation as to whether you should chose United common stock or cash or a combination of both for your shares of Eagle National Bank common stock. You should consult with your own financial advisor on this decision.

Q: What information should I consider?

A: We encourage you to read this entire document carefully. You should also review the factors considered by each company's board of directors discussed in "Details of the Proposed Merger Background of and Reasons for the Merger" beginning on page 13.

Q: When is the merger expected to be completed?

A: We plan to complete the merger during the fourth quarter of 2004.

Q: What are the tax consequences of the merger to me?

A: We expect that the exchange of shares of Eagle common stock for United common stock by Eagle shareholders generally will be tax-free to Eagle shareholders for federal income tax purposes. However, Eagle shareholders will have to pay taxes at either capital gains or ordinary income rates, depending upon individual circumstances, on cash received in exchange for their shares of Eagle common stock, or cash received in lieu of fractional shares. To review the tax consequences to Eagle shareholders in greater detail, see "Details of the Proposed Merger Material Federal Income Tax Consequences of the Merger and Opinion of Tax Counsel" beginning on page 24.

Your tax consequences will depend on your personal situation. You should consult your tax adviser for a full understanding of the tax consequences of the merger to you.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: Your broker will vote your shares of common stock only if you provide instructions on how to do so. Following the directions your broker provides, you should instruct your broker how to vote your shares. If you do not provide instructions to your broker, your shares will not be voted, which will have the effect of a vote against the merger.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, you will receive written instructions from United for exchanging your Eagle common stock certificates for United common stock certificates and cash.

Q: Who should I call with questions?

A: You should call Allette B. Cheaves, Secretary, of Eagle, at (770) 507-5855.

SUMMARY

This summary highlights selected information from this proxy statement/prospectus regarding the proposed merger. For a more complete description of the terms of the proposed merger, you should carefully read the entire proxy statement/prospectus, and the related documents to which it refers. The Agreement and Plan of Reorganization, which is the legal document that governs the proposed merger, is included as Appendix A.

In addition, the sections entitled "Where You Can Find More Information," on page 53, and "Incorporation of Certain Documents By Reference," on page 54, contain references to additional sources of information about United and Eagle.

The Companies (see pages 28 and 33)

United Community Banks, Inc.
63 Highway 515
Blairsville, Georgia 30512
(706) 745-2151

United is the third-largest bank holding company headquartered in Georgia. Substantially all of United's activities are conducted through its three wholly-owned subsidiaries, United Community Bank, a Georgia bank, United Community Bank, a North Carolina bank and United Community Bank Tennessee, a Tennessee bank. United's subsidiaries operate 21 community banks with 78 locations throughout north Georgia, metro Atlanta, coastal Georgia, western North Carolina and eastern Tennessee. United's banks provide customary types of banking services, such as checking accounts, savings accounts, and time deposits. They also engage in commercial and consumer lending, make secured and unsecured loans, and provide other financial services.

United also operates United Community Mortgage Services, a full-service retail mortgage lending operation approved as a seller/servicer for Fannie Mae and the Federal Home Mortgage Corporation, as a division of its Georgia bank subsidiary, and Brintech, Inc., a New Smyrna Beach, Florida based consulting firm for the financial services industry. Brintech provides consulting, advisory and implementation services in the areas of strategic planning, profitability improvement, technology, efficiency, setwork, networking, Internet banking, website development, marketing, core processing, and telecommunications. Additionally, United provides retail brokerage services through a third party broker/dealer.

At June 30, 2004, United had total consolidated assets of approximately $4.5 billion, total consolidated loans of approximately $3.3 billion, total consolidated deposits of approximately $3.3 billion, and total consolidated stockholders' equity of approximately $330.5 million.

Eagle National Bank
850 Eagles Landing Parkway
Stockbridge, Georgia 30281
(770) 507-5855

Eagle is a bank chartered under the laws of the United States. Eagle operates in two locations in Stockbridge and McDonough, both in Henry County, Georgia. Eagle provides customary types of banking services such as checking accounts, savings accounts, and time deposits. It also engages in commercial and consumer lending, makes secured and unsecured loans, and provides other financial services.

At June 30, 2004, Eagle had total assets of approximately $64.1 million, total loans of approximately $48.6 million, total deposits of approximately $58.1 million, and total shareholders' equity of approximately $5.8 million.

The Terms of the Merger (see page 15)

If the merger is approved, Eagle will be merged with and into UCB Georgia, with UCB Georgia being the surviving company. As a result of the merger, you may elect to receive shares of United common stock or cash or a combination of both in exchange for your shares of Eagle common stock on the following basis:

- 0.8636 shares of United common stock; or
- $20.32 in cash, without interest;

provided that no more than 480,000 shares may be exchanged for stock and no more than 120,000 shares may be exchanged for cash.

You will receive a cash payment for any United fractional shares to which you would otherwise be entitled in an amount equal to the fraction multiplied by $23.53.

The Reasons Management of Both Companies Support the Merger (see page 13)

The boards of directors of Eagle and United support the merger and believe that it is in the best interests of both companies, and their respective shareholders. The board of directors of Eagle believes that the merger presents Eagle with the chance to better service its market. The board of directors of Eagle also feels that the merger will enhance Eagle's size in the market, thereby eliminating one of the factors that has restricted Eagle's market competitiveness and providing an opportunity for Eagle to realize its market ambitions. The Eagle board of directors believes that the merger will permit Eagle shareholders to have an equity interest in a resulting financial institution that has greater financial resources and a larger shareholder base, which will increase liquidity and marketability of the equity investment of Eagle shareholders. The board of directors of United believes that Eagle provides United with an expansion opportunity into an attractive market area. Both boards of directors also believe that the terms of the merger are fair and equitable. In addition, both boards of directors believe that following the merger, the size of the combined organization is sufficiently large to take advantage over time of significant economies of scale, but is still small enough to maintain many of the competitive advantages of community-oriented banks.

Shareholders' Meeting

The special meeting of shareholders of Eagle will be held on October 20, 2004 at 4:00 p.m., at Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia for the purpose of voting on approval of the merger.

Record Date

You are entitled to vote at the shareholders' meeting if you owned shares of Eagle common stock on September 20, 2004.

Vote Required (see page 17)

Approval by holders of at least two-thirds of the Eagle common stock outstanding on September 20, 2004, is required to approve the merger. As of September 20, 2004, 600,000 shares of Eagle common stock were issued and outstanding, each of which is entitled to one vote per share. All of the directors and executive officers of Eagle have agreed to vote their shares in favor of the merger. There are 203,150 shares, or 33.9%, of Eagle common stock beneficially owned (excluding options) by its directors and executive officers, all of which are entitled to vote on this merger.

Conditions, Termination, and Effective Date **(see page 14)**

The merger will not occur unless certain conditions are met, and United or Eagle can terminate the merger agreement if specified events occur or fail to occur. The merger must be approved by the Eagle shareholders, the FDIC, and the Department of Banking and Finance of the State of Georgia. Notice of the merger will be provided to the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency.

The closing of the merger will occur after the merger is approved by Eagle shareholders and the foregoing regulators and after the articles of merger are filed as required under Georgia law.

Rights of Dissenting Shareholders **(see page 23)**

You are entitled to dissent from the merger and to receive a cash payment for your Eagle common stock if you follow certain statutory provisions regarding the rights of dissenting shareholders under Section 215a of Title 12 of the United States Code.

Federal Income Tax Consequences **(see page 24)**

Eagle has received an opinion from Kilpatrick Stockton LLP stating that, assuming the merger is completed as currently anticipated, Eagle will not recognize any gain or loss for federal income tax purposes, and shareholders of Eagle to the extent they receive United stock will not recognize any gain or loss for federal income tax purposes. All cash you receive as a result of the merger, including any cash you receive in lieu of fractional shares or as payment for exercising your right to dissent, will be treated as amounts distributed in redemption of your Eagle common stock, and that amount will be taxable under the Internal Revenue Code as either ordinary income or capital gain or loss, depending upon your particular circumstances. Neither United nor Eagle has requested a ruling to this effect from the Internal Revenue Service.

Accounting Treatment **(see page 22)**

The merger will be accounted for as a purchase for financial reporting and accounting purposes.

Opinion of Financial Advisor **(see page 25)**

Stevens & Company has rendered an opinion to Eagle that based on and subject to the procedures, matters, and limitations described in its opinion and other matters it considered relevant, as of the date of its opinion, the merger consideration is fair from a financial point of view to the shareholders of Eagle. A summary of Stevens & Company's opinion begins on page 25 and the full opinion is attached as Appendix C to this proxy statement/prospectus.

Markets for Common Stock

United's common stock trades on the Nasdaq Stock Market under the symbol "UCBI". The following table sets forth the high and low quarterly sales prices per share of United common stock as quoted on Nasdaq since the third quarter of 2002. Amounts have been restated to reflect the proforma effect of United's three-for-two split effective April 28, 2004:

Fiscal Year	Quarterly Period	High	Low
2004	Second Quarter	$ 25.36	$ 21.89
	First Quarter	$ 24.62	$ 21.37
2003	Fourth Quarter	$ 23.93	$ 18.51
	Third Quarter	$ 20.02	$ 16.34
	Second Quarter	$ 18.00	$ 15.37
	First Quarter	$ 18.00	$ 14.67
2002	Fourth Quarter	$ 18.00	$ 14.49
	Third Quarter	$ 19.70	$ 15.43
	Second Quarter	$ 20.00	$ 15.97

On August 2, 2004, immediately prior to the public announcement of the merger, the high and low sales prices per share of United common stock were $23.57 and $22.61, respectively.

There has been no public trading market for Eagle common stock. Eagle believes the last sales of Eagle common stock among shareholders in private transactions in the last two years have been for an aggregate of approximately 78,000 shares at prices ranging from $12.25 to $14.50 per share, based on unofficial information that Eagle management believes is reliable. Eagle's management believes 70,000 of such shares were traded in one transaction at a price per share of $12.25.

There were 244 shareholders of record of Eagle common stock as of September 20, 2004.

Dividends (see page 21)

United has declared cash dividends of $.18 per share in 2004 (through the third quarter) and declared aggregate cash dividends of $.20 per share in 2003 and $.167 per share in 2002. United intends to continue paying cash dividends, but the amount and frequency of cash dividends, if any, will be determined by United's board of directors after consideration of earnings, capital requirements, and the financial condition of United, and will depend on cash dividends paid to it by its subsidiary banks. The ability of United subsidiaries to pay dividends to it is restricted by certain regulatory requirements.

Eagle has never declared any dividends on its common stock. Eagle is prohibited under the merger agreement from paying cash dividends prior to the closing of the transaction without the prior written consent of United.

There are Some Differences in Shareholders' Rights Between Eagle and United (see page 19)

Following the merger you will no longer be a Eagle shareholder and, if you receive shares of United following the merger, your rights as a shareholder will no longer be governed by Eagle's articles of incorporation and bylaws. You will be a United shareholder and your rights as a United shareholder will be governed by United's articles of incorporation and bylaws. Your former rights as an Eagle shareholder and your new rights as a United shareholder are different in certain ways, including the following:

- Eagle's bylaws provide for a board of directors consisting of between five and 25 members, while United's bylaws provide for a board of directors consisting of between eight and 14 members.
- The bylaws of Eagle set forth different requirements for removal of directors than do the articles of incorporation and bylaws of United.
- The articles of incorporation of United permit its board of directors to consider the interests of constituencies other than just its shareholders when considering any actions affecting United and its shareholders. Eagle's articles of incorporation and bylaws do not.
- The articles of incorporation of United require a supermajority vote to amend its articles of incorporation and bylaws. Eagle's articles of incorporation and bylaws do not.
- The articles of incorporation of United require a two-tiered supermajority vote to approve certain business combinations. Eagle's articles of incorporation and bylaws do not.
- United's articles of incorporation provide that United is organized under the Georgia Business Corporation Code. Eagle is organized pursuant to the National Bank Act.
- The National Bank Act requires Eagle to keep at all times a full and correct shareholder list that is subject to inspection by shareholders during business hours. The Georgia Business Corporation Code does not impose the same requirements on United.
- The National Bank Act allows the Eagle shareholders to exercise cumulative voting rights in the election of directors. The Georgia Business Corporation Code does not.
- United is subject to filing requirements imposed by the Securities and Exchange Commission. Eagle is not subject to such requirements.

Interests of Directors and Officers of Eagle in the Merger (see page 19)

Some of the directors and officers of Eagle have interests in the merger in addition to their interests as shareholders generally, including the following:

- As a condition to closing the merger and as required by his employment agreement, Samuel K. Parrish, President and Chief Executive Officer of Eagle, will terminate his employment agreement with Eagle for payment of approximately three times his current base salary.
- In connection with the closing of the merger, Major William Loftin, Jr. will continue as Senior Credit Officer of the community bank made up of the former Eagle branches, receive 5,000 options to purchase common stock of United and agree to a one-year noncompetition agreement for a payment of $50,000.
- United will pay directors fees of $500 per meeting to the directors of Eagle who will be asked to serve as advisory board members for UCB Georgia. This amount is an increase over the amount paid by Eagle to the Eagle board members.

In connection with the merger, United has agreed to provide to officers and employees of Eagle who continue employment with United or its subsidiaries employee benefits under employee benefit plans, on terms and conditions substantially similar to those currently provided to similarly situated United officers and employees.

Also in connection with the merger, United has agreed to purchase all of the outstanding options to purchase Eagle stock held by its officers and directors for cash of $6.75 per option outstanding pursuant to the stock option agreements.

Recent Developments

On August 24, 2004, United entered into an agreement to acquire Liberty Bancshares, Inc., Conyers, Georgia for $36.1 million in shares of United and cash. The transaction is expected to close in the fourth quarter of 2004.

COMPARATIVE SHARE DATA FOR UNITED AND EAGLE

We have summarized below the per share results information for United and Eagle on a historical, pro forma combined and equivalent basis. You should read this information in conjunction with the historical financial statements (and related notes) of United in the annual and quarterly reports and other documents it has filed with the Securities and Exchange Commission, certain of which are incorporated by reference, and the historical financial statements (and related notes) of Eagle contained in this proxy statement/prospectus.

The pro forma combined information gives effect to the merger accounted for as a purchase, assuming all transactions contemplated in this proxy statement/prospectus had been effective for the periods indicated. Pro forma equivalent of one Eagle common share amounts are calculated by multiplying the pro forma combined basic and diluted earnings per share, United historical per share dividend and the pro forma combined book value by the exchange ratio of 0.8636 shares of United common stock so that the per share amounts equate to the respective values for one share of Eagle's common stock. The pro forma information shown below gives no effect to the cash payment of $20.32 per share that Eagle shareholders may elect to receive as part of the transaction. Please note that the maximum number of shares of Eagle that may be exchanged for United common stock is 480,000.

You should not rely on the pro forma information as being indicative of the historical results that we would have had if we had been combined or of the future results that we will experience after the merger.

	Six Months Ended June 30, 2004(1)	Year Ended December 31, 2003(1)
Net earnings per common share (basic)		
United historical	$ .62	$ 1.11
Eagle historical		(.05)
United and Eagle pro forma combined(2)(3)	.61	1.10
Eagle pro forma equivalent(3)	.53	.95
Net earnings per common share (diluted)		
United historical	$ .60	$ 1.08
Eagle historical		(.05)
United and Eagle pro forma combined(2)(3)	.59	1.07
Eagle pro forma equivalent(3)	.51	.92
Cash dividends per common share		
United historical(4)	$ .12	$ .20
Eagle historical		
United and Eagle pro forma combined(2)(5)(6)	.12	.20
Eagle pro forma equivalent(5)	.10	.17
Book value per common share (period end)		
United historical	$ 9.10	$ 8.47
Eagle historical	9.68	9.75
United and Eagle pro forma combined(2)(5)	9.31	8.69
Eagle pro forma equivalent(5)	8.04	7.50

(1) Per share amounts presented above have been restated to reflect the three-for-two stock split effective April 28, 2004.

(2) Computed giving effect to the merger.

(3) Computed based on 414,528 shares of United common stock to be issued to Eagle shareholders for their 480,000 shares at the exchange ratio of 0.8636. Please note that the maximum number of shares of Eagle that may be exchanged for United common stock is 480,000. The proforma amounts presented above do not include assumed cost savings expected from elimination of duplicate back office functions.

(4) Represents historical dividends paid by United, and assumes United will not change its dividend policy as a result of the merger.

(5) Computed based on 414,528 shares of United common stock issued to Eagle shareholders for their 480,000 shares at the exchange ratio of 0.8636.

(6) Represents historical dividends paid per share by United multiplied by the exchange ratio of 0.8636 shares of United common stock for each share of Eagle common stock designated for purposes of this computation.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

We are providing the following information to help you analyze the financial aspects of the merger. We derived this information from United's and Eagle's audited financial statements for 1999 through 2003 and unaudited financial statements as of and for the six months ended June 30, 2003 and 2004. This information is only a summary, and you should read it in conjunction with the historical financial statements (and related notes) of United in the annual and quarterly reports and other documents that it has filed with the Securities and Exchange Commission, certain of which are incorporated by reference, and the historical financial statements (and related notes) of Eagle contained in this proxy statement/prospectus.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF UNITED
(In thousands, except per share amounts)

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
	2004	**2003**	**2003**	**2002**	**2001**	**2000**	**1999**
GAAP Results(1)							
Net interest revenue (taxable equivalent)	$ 77,063	$ 65,608	$ 138,738	$ 119,575	$ 109,162	$ 96,524	$ 80,969
Net income	21,987	17,533	38,118	32,780	27,231	14,517	16,098
Basic earnings per share	..62	..53	1.11	1.02	..86	..47	..53
Diluted earnings per share	.60	.51	1.08	.99	.84	.46	.52
Cash dividends declared per share	.1200	.1000	.2000	.1667	.1333	.1000	.0667
Book value per share	9.10	8.15	8.47	6.89	5.98	4.93	3.94
Total assets	4,525,446	3,905,929	4,068,834	3,211,344	2,749,257	2,528,879	2,384,678
Basic average shares outstanding	35,477	33,060	34,132	32,062	31,691	30,900	30,237
Diluted average shares outstanding	36,655	34,166	35,252	33,241	32,624	31,791	31,263
Operating Results(2)							
Net income	$ 22,291	$ 18,507	$ 39,475	$ 32,780	$ 28,315	$ 21,747	$ 17,253
Basic earnings per share	..63	..56	1.15	1.02	..89	..70	..57
Diluted earnings per share	.61	.54	1.12	.99	.87	.69	.56

(1) Per share amounts and weighted average shares outstanding for periods presented above have been restated to reflect the three-for-two stock split effective April 28, 2004.

(2) Excludes pre-tax merger related and restructuring charges totaling $2.1 million, $1.6 million, $10.6 million and $1.8 million for the years ended December 31, 2003, 2001, 2000 and 1999. These charges decreased net income by $1.4 million, $1.1 million, $7.2 million and $1.2 million, and diluted earnings per share by $.04, $.03, $.23 and $.04, respectively. For the six months ended June 30, 2004 and 2003, pre-tax merger-related and restructuring charges totaling $464,000 and $1.5 million are excluded. These charges decrease net income by $304,000 and $974,000, and diluted earnings per share by $.01 and $.03, respectively. The following is a reconciliation of the operating results to GAAP results:

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
	2004	**2003**	**2003**	**2002**	**2001**	**2000**	**1999**
Net operating income	$ 22,291	$ 18,507	$ 39,475	$ 32,780	$ 28,315	$ 21,747	$ 17,253
Merger-related charges, net of tax	304	974	1,357		1,084	7,230	1,155
Net income	$ 21,987	$ 17,533	$ 38,118	$ 32,780	$ 27,231	$ 14,517	$ 16,098

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF EAGLE
(In thousands, except per share amounts)

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
Net interest revenue	$ 1,152	$ 1,049	$ 2,218	$ 2,403	$ 2,110	$ 1,654	$ 1,213
Net income (loss)	1		(32)	290	210	521	(181)
Basic earnings (loss) per share			(.05)	..48	..35	..87	(.30)
Diluted earnings (loss) per share			(.05)	.48	.35	.87	(.30)
Cash dividends declared per share							
Book value per share	9.68	9.98	9.75	9.98	9.43	8.84	7.74
Total assets	64,133	59,197	61,037	62,486	55,719	49,372	36,869
Basic average shares outstanding	600	600	600	600	600	600	600
Diluted average shares outstanding	600	600	600	600	600	600	600

DETAILS OF THE PROPOSED MERGER

Background of and Reasons for the Merger

In early 2004 the board of directors of Eagle determined that it would be in the best interest of the bank to raise additional capital. In May 2004, the bank began the process of preparing to sell 300,000 additional shares of the bank and engaged Stevens & Company of LaGrange, Georgia to evaluate the stock of the bank for the purpose of pricing the offering. The proposed offering was communicated to shareholders in the cover letter transmitting the notice of the annual meeting of shareholders on May 18, 2004.

On June 1, 2004, Eagle's management received a conditional unsolicited expression of interest in a merger for cash consideration ranging from $19.50 to $23.50 per share, or $11.7 million to $13.1 million, subject to a final determination of price after completion of the offeror's due diligence. The board of directors discussed the offer and determined that the offeror would not be able to pay the cash purchase price without raising additional capital and that an all cash offer was undesirable because it would be taxable and not permit Eagle's shareholders to participate in future growth opportunities in its market. The board also determined that a stock exchange, if offered by such offeror, would be undesirable because of the lack of liquidity in the offeror's stock and the offeror's limited prospects. Based on these determinations, the board of directors decided that the proposal did not warrant further evaluation, and the board of directors rejected the offer and elected remain its planned offering of additional stock and to remain independent.

On June 23, 2004, a second letter was received from the offeror proposing to purchase the bank for $20 per share in cash, or $12 million, and stating that up to 35% of the consideration might be received in stock of the offeror. Based on this expression of interest and the slow growth of Eagle, including its difficulty in participating, because of its relative size, in future growth in its market area, the board of directors of Eagle decided that it would be in the best interest of the bank and the shareholders to determine what type of merger arrangement might be available for the bank as an alternative to raising additional capital, and Stevens & Company was engaged as a consultant to assist with the evaluation of the bank's strategic alternatives, including selling the bank or remaining independent.

During June and July 2004, Stevens & Company contacted 9 potential partners to determine if any were interested in making a proposal to acquire the bank. Information about Eagle was sent to 4 potential partners that expressed an interest in making a proposal. On June 29, 2004, shareholders of Eagle were notified that the offering of 300,000 shares was temporarily put on hold. During the early part of July discussions were held with numerous potentially interested merger partners.

On July 20, 2004, a written offer was received from United to acquire Eagle at a purchase price of $12.5 million payable 80% in stock and 20% in cash. The offer included provisions for payment of $6.75 for each outstanding option to purchase shares of Eagle and for contractual payment obligations of Eagle triggered by the merger to be paid out of the bank and not dilute the shareholders' consideration. United and Eagle conducted a due diligence investigation. Around the same time, Eagle confirmed that the other offer of $12 million would be total consideration and that the options held by employees and the obligations of the bank would reduce the consideration to shareholders to under $11 million, or approximately $18 per share.

On July 20, 2004, a financial consultant contacted Stevens & Company and indicated that he had a client considering making an offer and the consultant's calculations indicated the client could bid $20 to $22 per share in cash. He later indicated that he felt the client may offer as much as $22 to $24 per share in cash. No offer was received and the consultant requested the consideration of offers be delayed for several weeks until he could obtain a proposal and due diligence performed.

At a July 29, 2004 meeting of the Board of Directors of Eagle, the board decided not to delay their consideration of outstanding offers. The board determined that it was in the best interest of the shareholders to accept an offer primarily for stock to allow the Eagle shareholders to continue to participate in the Bank's market consistent with their original investment goal and to provide a liquid market for the shareholder's shares. Also, the board determined that the outstanding options, contractual payment obligations of the bank due on merger and the taxes incurred by the shareholders in an all cash transaction would reduce the shareholders' net consideration in the proposed offer so that even the $24 per share offer mentioned as a possibility would be approximately the same or lower than the United offer. The board of directors voted to accept the United offer in principle, subject to the terms of the definitive merger agreement being satisfactorily negotiated, including an election by the shareholders to receive cash or stock.

On August 2, 2004, the board of directors of Eagle met and considered the proposed definitive merger agreement between Eagle and United. United agreed to allow Eagle shareholders to elect to receive either cash, stock or any combination of both subject to the total purchase price being paid 80% in stock and 20% in cash. The board then unanimously approved a resolution authorizing the transaction with United and the execution of the definitive merger agreement, and it was signed by Eagle and United.

Without assigning any relative or specific weights, the board of directors of Eagle considered the following material factors in approving the merger:

- the value of the consideration to be received by Eagle shareholders relative to the book value and earnings per share of Eagle common stock;
- information concerning the financial condition, results of operations and business prospects of United;
- the alternatives to the merger, including remaining an independent institution;
- the competition and regulatory environment for financial institutions generally;
- the fact that the merger will provide Eagle with access to greater financial resources and a larger shareholder base, which may increase liquidity and marketability of the equity investment of Eagle shareholders;
- the fact that the merger will enhance Eagle's size in the market and present the opportunity for Eagle to realize its market ambitions;
- the fact that the merger will enable Eagle shareholders to exchange all or a significant portion of their shares of Eagle common stock, in a tax-free transaction, for shares of common stock of a larger company, the stock of which is more widely held and more liquid than that of Eagle; and
- the opinion of Stevens & Company that the consideration to be received by the shareholders as a result of the merger is fair from a financial point of view.

The Merger Agreement

The material features of the merger agreement are summarized below:

Effective Date

The merger agreement provides that the merger will be effective upon the approval of the Agreement and Plan of Merger by the shareholders and the filing of the articles of merger. The merger also is subject to approval by the FDIC and the Department of Banking and Finance of the State of Georgia. Notice of the merger will be provided to the Board of Governors of the Federal Reserve.

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Management of United and Eagle anticipate that the merger will become effective during the fourth quarter of 2004.

Terms of the Merger

As a holder of shares of Eagle common stock, you may elect to receive shares of United common stock or cash or a combination of both in exchange for your shares of Eagle common stock owned on the effective date of the merger on the following basis:

- 0.8636 shares of United common stock; or

- $20.32 in cash, without interest;

provided that in the aggregate 480,000 shares will be exchanged for stock and 120,000 shares will be exchanged for cash.

United will not issue fractional shares of United common stock in connection with the merger. In lieu of issuing any fractional share of United common stock to which a Eagle shareholder would otherwise be entitled, United will pay in cash an amount equal to that fraction multiplied by $23.53 per share.

United shareholders will continue to hold their existing shares of United common stock. If, prior to the merger closing, the outstanding shares of United common stock or Eagle common stock are increased through a stock dividend, stock split, subdivision, recapitalization, or reclassification of shares, or are combined into a lesser number of shares by reclassification, reverse stock split, recapitalization, reduction of capital or other transaction, the number of shares of United common stock and cash to be delivered pursuant to the merger in exchange for a share of Eagle common stock will be proportionately adjusted.

If the merger is completed, Eagle will be merged with and into UCB Georgia. Following the merger, the articles of incorporation, bylaws, corporate identity, and existence of UCB Georgia will not be changed, and Eagle will cease to exist as a separate entity.

Registration of United Common Stock

As a condition to the merger, United agreed to register with the Securities and Exchange Commission the shares of United common stock to be exchanged for shares of Eagle common stock and to maintain the effectiveness of such registration through the issuance of such shares in connection with the closing of the merger. However, such registration will not cover resales of United common stock by any former holders of Eagle common stock and United is under no obligation to maintain the effectiveness of such registration statement, or to prepare and file any post-effective amendments to such registration statement, after the issuance of such shares in connection with the closing of the merger.

Termination and Conditions of Closing

The merger agreement may be terminated at any time either before or after approval of the merger agreement by the shareholders of Eagle, but not later than the effective date of the merger:

- by either party, if a material adverse change in the financial condition or business of the other party has occurred, which change would reasonably be expected to have a material adverse effect on the market price of such party's common stock; or if material loss or damage to the other party's properties or assets has occurred, which change, loss or damage materially affects or impairs such party's ability to conduct its business;

- by either party, if the other party has not substantially complied with, or substantially performed, the terms, covenants or conditions of the merger agreement, and such non-compliance has not otherwise been waived;

- by either party, if the terminating party learns of any facts or conditions not disclosed by the other party in the merger agreement or financial statements, or by United if it learns of any facts or conditions not disclosed by Eagle in its disclosure memorandum, which facts or conditions were required to be disclosed, and which materially and adversely affect the non-terminating party;

- by either party, if any action, suit or proceeding is instituted or threatened against either party seeking to restrain, prohibit or obtain substantial damages in respect of the merger agreement or the consummation of the merger, which, in the good faith opinion of the terminating party makes consummation of the merger inadvisable;

- by either party, if the merger has not occurred on or before December 31, 2004;

- by United, if the holders of more than 10% of the outstanding shares of Eagle common stock elect to exercise statutory dissenters' rights;

- by either party, if the Eagle shareholders do not approve the merger agreement; or

- by United, if it learns of any potential liability arising from noncompliance with any federal, state or local environmental law by Eagle, or any potential liability of Eagle arising from any environmental condition of the properties or assets of Eagle, including any properties or assets in which Eagle holds a security interest.

Eagle must pay to United a termination fee of $500,000, if either party terminates the agreement because the Eagle shareholders did not approve the merger, or if Eagle terminates the merger agreement, or otherwise causes the merger to not occur, while a competing offer is outstanding or after such an offer has been accepted.

The following are some of the required conditions of closing:

- the accuracy of the representations and warranties of all parties contained in the merger agreement and related documents as of the date when made and the effective date;

- the performance of all agreements and conditions required by the merger agreement;

- the delivery of officers' certificates, secretary's certificates, and legal opinions to Eagle and United;

- approval of the merger by at least two-thirds of the shares held by Eagle shareholders;

- approvals of governmental authorities, and the expiration of any regulatory waiting periods;

- effectiveness of the registration statement of United relating to the shares of United common stock to be issued to Eagle shareholders in the merger, of which this document forms a part;

- the receipt by United of a letter from Porter Keadle Moore, LLP with respect to Eagle's unaudited financial statements for 2004;

the receipt by Eagle of the opinion of Kilpatrick Stockton, LLP as to certain federal income tax consequences of the merger to Eagle and Eagle's shareholders;

the execution of a settlement of the employment agreement by and between Eagle and Samuel K. Parrish;

the execution of noncompetition agreements by and between United and Samuel K. Parrish and Major William Loftin, Jr.; and the issuance of certificate of merger by the Secretary of State of the State of Georgia.

Surrender of Certificates and Election of Consideration

After the effective date of the merger, each holder of Eagle common stock (as of that date) will be required to deliver the certificates representing such holder's shares of Eagle common stock to United's exchange agent, SunTrust Bank, in order to receive payment of the consideration from United in connection with the merger. Upon delivery of his, her or its shares, each holder must indicate on the form of election/letter of transmittal that will be sent to the Eagle shareholders promptly after the closing of the merger his, her or its preference as to the proportion of United common stock and/or cash he, she or it wishes to receive by the deadline provided on the form. If holders elect to receive stock for more than 480,000 shares or cash for more than 120,000 shares of Eagle common stock, each holder so electing will receive stock or cash for a reduced number of shares so that the total number of shares exchanged for stock or cash does not exceed 480,000 or 120,000, respectively, based on the ratio of shares elected to be exchanged for stock or cash by that shareholder to the total number of shares elected to be exchanged for stock or cash by all Eagle shareholders. If a holder does not make an election by the deadline provided on the form of election/letter of transmittal, the holder will be treated as though it elected to receive cash unless cash has been fully subscribed by the electing Eagle shareholders, in which event you will be treated as if you elected stock. If one form of consideration has been oversubscribed, such a holder will be treated as having elected to receive the form of consideration that was not oversubscribed.

After delivering his, her, or its shares of Eagle common stock, the holder will receive a stock certificate for 0.8636 shares of United common stock, a cash payment of $20.32, without interest, or any combination of 0.8636 shares of United common stock and $20.32 in cash per share of Eagle common stock that such holder owned on the effective date of the merger (provided that no more than 480,000 shares may be exchanged for stock and no more than 120,000 shares may be exchanged for cash). In lieu of a fractional share, a cash payment, without interest, will be paid for any fractional interest in United common stock.

Until a holder delivers his, her or its shares of Eagle common stock to United, he or she will not receive payment of any dividends or other distributions on shares of United common stock into which his, her, or its shares of Eagle common stock have been converted, if any, and will not receive any notices sent by United to its shareholders with respect to, or to vote, those shares. After delivering the shares to United, the holder will then be entitled to receive any dividends or other distributions, without interest, which become payable after the merger and prior to the holder's delivery of the certificates to United.

Required Shareholder Approval

The holders of at least two-thirds of the outstanding shares of Eagle common stock entitled to vote at the special meeting must approve the merger agreement for the merger to be completed. Abstentions from voting and broker non-votes will be included in determining whether a quorum is present and will have the effect of a vote against the merger agreement.

As of September 20, 2004, the record date for determining the shareholders entitled to notice of and to vote at the special meeting, the outstanding voting securities of Eagle consisted of 600,000 shares of Eagle common stock, with each registered holder of Eagle common stock being entitled to one vote per share. All of the directors and executive officers of Eagle and Eagle's largest non-management shareholder have entered into agreements with United to vote their shares of Eagle common stock in favor of the merger. There are 203,150 shares of Eagle common stock beneficially owned (excluding options) by Eagle's directors and executive officers, which is approximately 33.9% of the outstanding shares of Eagle common stock.

Expenses

All expenses incurred by United in connection with the merger, including all fees and expenses of its agents, representatives, counsel and accountants and the fees and expenses related to filing this proxy statement/prospectus and all regulatory applications with state and federal authorities shall be paid by United. All expenses incurred by Eagle in connection with the merger agreement, including all fees and expenses of its agents, representatives, counsel and accountants for Eagle shall be paid by Eagle. The cost of reproducing and mailing this proxy statement/prospectus has been shared by the parties, with each party paying fifty percent (50%).

Conduct of Business of Eagle Pending Closing

The merger agreement provides that, pending consummation of the merger, Eagle will, except with the written consent of United:

- operate its business in the ordinary course, without the creation of any indebtedness for borrowed money other than ordinary and customary accounts and credit arrangements;
- maintain its properties and assets in good operating condition, ordinary wear and tear excepted;
- maintain and keep in full force and effect all required insurance;
- preserve its capital structure and make no change in its authorized or issued capital stock or other securities, and grant no right or option to purchase or otherwise acquire any of its capital stock or securities;
- not declare or make any dividend, distribution or payment in respect of its common stock;
- make no amendment to its articles of incorporation or bylaws, and preserve its corporate existence and powers;
- acquire no business, corporation, partnership, association or other entity or division thereof, and no assets which are material, in the aggregate, to it;
- not sell, mortgage, lease, buy or otherwise acquire or dispose of any real property or interest therein, or any tangible or intangible asset (other than in the ordinary course of business);
- make no change in its banking and safe deposit arrangements;

- not enter into or renew any material contracts;

- maintain all books and records in the usual, regular and ordinary course;

- file all reports required to be filed with any regulatory or governmental agencies, and deliver copies of such reports to United promptly after they are filed; and

- adopt no new severance plan and grant no severance or termination payments to any officer, director or employee, other than in accordance with existing agreements or the agreements that are conditions to the closing of the merger.

In addition, the merger agreement provides that Eagle will promptly advise United, orally and in writing, of any change or event having, or which the Eagle management believes could have, a material adverse effect on the assets, liabilities, business, operations or financial condition of Eagle.

Interest of Directors and Officers of Eagle in the Merger

As a condition to closing the merger and as provided in his employment agreement, Samuel K. Parrish, President and Chief Executive Officer of Eagle, will terminate his employment agreement with Eagle for a payment of approximately three times his current base salary.

In connection with the closing of the merger, Major William Loftin, Jr. will continue as Senior Credit Officer of the community bank made up of the former Eagle branches, receive 5,000 options to purchase common stock of United and agree to a one-year noncompetition agreement for a payment of $50,000.

United will pay directors fees of $500 per meeting to the directors of Eagle who will be asked to serve as advisory board members for UCB Georgia. This amount is an increase over the amount paid by Eagle to the Eagle board members.

Except as set forth below, no director or officer of Eagle, or any of their associates, has any direct or indirect material interest in the merger, except that those persons may own shares of Eagle common stock which will be converted in the merger into United common stock and cash. United and Eagle do not anticipate that the merger will result in any material change in compensation to employees of Eagle other than as set forth below.

In connection with the merger, United has agreed to provide generally to officers and employees of Eagle who continue employment with United or its subsidiaries employee benefits under employee benefit plans, on terms and conditions substantially similar to those currently provided to similarly situated United officers and employees.

Also in connection with the merger, United has agreed to purchase all of the outstanding options to purchase Eagle stock held by its officers and directors for cash of $6.75 per option outstanding pursuant to the stock option agreements.

There are 203,150 shares, or 33.9%, of Eagle common stock beneficially owned (excluding options) by its directors and executive officers, all of which are entitled to vote on this merger. All of the directors and executive officers of Eagle have agreed to vote their shares in favor of the merger.

Comparison of the Rights of Eagle and United Shareholders

Following the merger you will no longer be an Eagle shareholder and, if you receive shares of United following the merger, your rights as a shareholder will no longer be governed by Eagle's articles of incorporation and bylaws. You will be a United shareholder and your rights as a United shareholder will be governed by United's articles of incorporation and bylaws. Your former rights as a Eagle shareholder and your new rights as a United shareholder are different in certain ways, including the following:

Composition of Board of Directors

The bylaws of Eagle provide that its board of directors will consist of no fewer than five and no more than 25 members. The bylaws of United provide that its board of directors will consist of eight to 14 members.

Removal of Directors

The articles of incorporation of Eagle provide that a director may be removed if the director fails to fulfill a qualification requirement, for cause, or, by shareholders, at a meeting called for that purpose unless the number of votes that would be sufficient to elect him are voted against his removal.

The articles of incorporation of United provide that directors may be removed only for cause and only upon the affirmative vote of the holders of two-thirds of the issued and outstanding shares entitled to vote on the removal.

Shareholders' Meetings

The bylaws of Eagle provide that a special meeting of shareholders may be called upon the written notice of any one or more holders of shares representing at least 25% of the outstanding stock. The bylaws of United provide that a special meeting of shareholders may be called upon the written request of the holders of shares representing at least 25% of the votes that would be entitled to be cast on each issue proposed to be considered at the special meeting.

Ability to Consider Other Constituencies

United's articles of incorporation permit its board of directors, in determining what is believed to be in the best interest of United and its shareholders, to consider the interests of its employees, customers, suppliers and creditors, the communities in which its offices and establishments are located and all other factors that they consider pertinent, in addition to considering the effects of any actions on United and its shareholders. This provision permits United's board of directors to consider numerous judgmental or subjective factors affecting a proposal, including some non-financial matters, and on the basis of these considerations may oppose a business combination or some other transaction which, viewed exclusively from a financial perspective, might be attractive to some, or even a majority, of its shareholders.

Neither the articles of incorporation nor bylaws of Eagle allows the board of directors to consider other constituencies when determining what is in the best interests of shareholders in connection with an action affecting Eagle or its shareholders.

Amendments to Articles of Incorporation and Bylaws

The articles of incorporation of Eagle may be amended by the affirmative vote of the holders of a majority of the stock. The bylaws of Eagle may be amended by the affirmative vote of a majority of the members of the board of directors or a majority of the votes cast by the holders of a majority of the shares issued and outstanding.

The articles of incorporation of United provide that its articles of incorporation, or the bylaws of United, may be amended only by the affirmative vote of holders of two-thirds of the shares of United capital stock then issued and outstanding and entitled to vote. An increase in the number of authorized shares only requires a majority vote.

Approval of Business Combinations

The articles of incorporation of United provide that a two-tiered approval, consisting of the affirmative vote of not less than 75% of the holders of the outstanding common stock and the affirmative vote of not less than 75% of the holders of the outstanding common stock excluding those shares that are beneficially owned, is required for those business combinations with interested shareholders.

Neither the articles of incorporation nor the bylaws of Eagle contain such a provision regarding the approval of certain business combinations.

Governing Law

United is a business corporation organized under the Georgia Business Corporation Code. Eagle is a national bank chartered under the National Bank Act.

Access to Shareholder List

The National Bank Act requires that Eagle keep, at all times, a full and correct list of the names and addresses of all of the shareholders of Eagle, together with the number of shares held by each. The shareholder list is subject to inspection by all Eagle shareholders during business hours of each business day.

The Georgia Business Corporation Code requires that United prepare and make available a list of all shareholders of United entitled to notice of a shareholders' meeting, including the address and number of shares of each shareholder. This shareholder list is subject to inspection by any shareholder at the time and place of the shareholder meeting.

Cumulative Voting

The National Bank Act allows shareholders of Eagle to exercise cumulative voting rights in the election of directors. The right to cumulate votes in an election entitles shareholders to multiply the number of votes that they are entitled to cast by the number of directors for whom they are allowed to vote and cast those votes for one candidate or spread those votes among the candidates as desired.

The Georgia Business Corporation Code does not grant shareholders of United the right to cumulate their votes in the election of directors. Directors are elected by a plurality of votes; shareholders may vote no more than their total number of shares for each candidate.

Securities and Exchange Act Reporting

United is subject to filing requirements imposed by the Securities and Exchange Commission. These filing requirements are both periodic and transaction-based obligations whereby United discloses certain information to the Securities and Exchange Commission, and this information is subsequently made available to the public.

Eagle is not subject to any of the filing requirements imposed by the Securities and Exchange Commission.

Dividends

United has declared cash dividends of $.18 per share in 2004 (through the third quarter) and declared aggregate cash dividends of $.20 per share in 2003 and $.167 per share in 2002. United intends to continue paying cash dividends but the amount and frequency of cash dividends, if any, will be determined by United's board of directors after consideration of earnings, capital requirements, and the financial condition of United, and will depend on cash dividends paid to it by its subsidiary banks.

The ability of its subsidiaries to pay dividends to United is restricted by certain regulatory requirements, as is more fully discussed in the "Business Supervision & Regulation" section of United's 10-K for the fiscal year ended December 31, 2003, which is incorporated by reference.

Eagle has never declared any dividends on its commons stock. Eagle is prohibited under the merger agreement from paying cash dividends prior to the closing of the transaction without the prior written consent of United.

Whether the Eagle shareholders approve the merger agreement, and regardless of whether the merger is completed, the future dividend policies of United and Eagle will depend upon each company's respective earnings, financial condition, applicable legal restrictions, and other factors relevant at the time the respective boards of directors consider whether to declare dividends.

Accounting Treatment

The merger will be accounted for as a purchase for financial reporting and accounting purposes. After the merger, the results of operations of Eagle will be included in the consolidated financial statements of United. The purchase price will be allocated based on the fair values of the assets acquired and the liabilities assumed. Any excess of cost over fair value of the net tangible and identified intangible assets of Eagle acquired will be recorded as goodwill. Any identified intangible asset may be amortized by charges to operations under generally accepted accounting principles.

Resales of United Common Stock by Directors, Executive Officers and Shareholders of Eagle

Although United, through this proxy statement/prospectus, will register the United common stock to be issued in the merger under the Securities Act of 1933, the former directors, executive officers, and 5% or greater shareholders of Eagle and certain other affiliates of United (as defined in Rule 405 of the Securities Act) may not resell the United common stock received by them unless those sales are made pursuant to an effective registration statement under the Securities Act of 1933, or under Rules 144 and 145 of the Securities Act, or another exemption from registration under the Securities Act. Rules 144 and 145 limit the amount of United common stock or other equity securities of United that those persons may sell during any three-month period, and require that certain current public information with respect to United be available and that the United common stock be sold in a broker's transaction or directly to a market maker in United common stock.

Regulatory Approvals

The FDIC will be required to approve the merger. In determining whether to grant that approval, the FDIC will consider the effect of the merger on the financial and managerial resources and future prospects of the companies and banks concerned and the convenience and needs of the communities to be served.

The Georgia Department of Banking and Finance must also approve the merger. **The Department of Banking and Finance's review of the application will not include an evaluation of the proposed transaction from the financial perspective of the individual shareholders of Eagle. Further, no shareholder should construe an approval of the application by the Department of Banking and Finance to be a recommendation that the shareholders vote to approve the proposal. Each shareholder entitled to vote should evaluate the proposal to determine the personal financial impact of the completion of the proposed transaction. Shareholders not fully knowledgeable in such matters are advised to obtain the assistance of competent professionals in evaluating all aspects of the proposal including any determination that the completion of the proposed transaction is in the best financial interest of the shareholder.**

Notice of the merger will be provided to the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency.

Rights of Dissenting Shareholders

Eagle is a bank chartered under the laws of the United States. Federal law confers rights upon shareholders of national banking associations to, in certain circumstances, receive payment for the "fair value" of all or a portion of their shares, and it establishes procedures for the exercise of those rights. These shareholder rights are referred to within this document as "dissenters' rights".

In general, if the merger is completed, under Section 215a of the National Bank Act in Title 12 of the United States Code, an Eagle shareholder who votes against the merger or dissents from the merger, and who otherwise complies with the provisions of Section 215a, is entitled to request and receive payment in cash of an amount equal to the appraisal value of such holder's shares of Eagle common stock held at the time of the approval of the merger by the Office of the Comptroller of the Currency.

A dissenting shareholder must dissent as to all of the shares of Eagle common stock owned by that shareholder. An Eagle shareholder who chooses to vote against or dissent from the merger and to receive payment of the value of his, her or its shares of Eagle common stock in accordance with the requirements of Section 215a must:

- not vote the shares registered in his or her name in favor of the merger, or deliver to Eagle, prior to or at the meeting at which the shareholder vote on the merger agreement is taken, a written notice of his or her dissent from the merger; and

- deliver to Eagle, at any time prior to thirty (30) days after the consummation of the merger, a written request for the payment of the value of his or her shares, accompanied by the surrender of his, her or its stock certificates.

Any filing of a written notice of intent to dissent with respect to the merger and any written payment request should be sent to: Allette B. Cheaves, Secretary, Eagle National Bank, 850 Eagles Landing Parkway, Stockbridge, Georgia 30281. **A vote against the merger agreement alone will not satisfy the requirements for compliance with Section 215a of the National Bank Act. A shareholder who wishes to dissent from the merger must, as an initial matter, separately comply with *all* of applicable conditions listed above.**

Eagle will provide to each shareholder who timely submitted a written notice of intent to dissent, and who voted against the merger at the special meeting, a dissenters' notice that states the date of the consummation of the merger.

For the purpose of determining the amount to be received in connection with the exercise of statutory dissenters' rights under the Section 215a, the law provides that the value of a dissenting Eagle shareholder's common stock shall be determined as of the effective date of the merger by an appraisal made by a committee of three persons. One appraiser on the committee is selected by the vote of a majority of the dissenting shareholders seeking payment and a second individual is selected by the directors of UCB Georgia. These two persons select the third member of the appraisal committee. The valuation agreed upon by two of the three appraisers shall govern. If the appraised value presented by the committee of appraisers is not satisfactory to any dissenting shareholder who has requested payment, that shareholder may appeal the appraisal to the Office of the Comptroller of the Currency within five (5) days after notification of the appraised value. The Office of the Comptroller of the Currency shall conduct a reappraisal, and that reappraisal shall be final and binding as to that shareholder.

If within 90 days after the consummation of the merger, one or more of the appraisers are not selected or the appraisers fail to determine the value of the shares, the Office of the Comptroller of the Currency shall, upon the written request of any interested party, cause an appraisal to be made which shall be the final appraisal and binding on all parties.

The expenses of the Office of the Comptroller of the Currency in conducting an appraisal shall be paid by UCB Georgia. The value of the shares, as determined, shall be paid promptly by United to the dissenting shareholders. The shares of United stock that would have been delivered to the dissenting shareholder shall be sold. If the shares are sold for a price greater than the amount paid to the dissenting shareholders, the excess of such sale price shall be paid to the dissenting shareholders.

Eagle urges its shareholders to read all of the dissenter's rights provisions found in Section 215a of the National Bank Act and reproduced in full in Appendix B to this proxy statement/prospectus and which are incorporated by reference into this proxy statement/prospectus. In addition, Eagle urges its shareholders to review Appendix D, which is a table showing the results of appraisals conducted by the Office of the Comptroller of the Currency. Although these appraisals are not binding on any appraisals that could be conducted in connection with this transaction, they are illustrative of the results of similar appraisals.

Material Federal Income Tax Consequences of the Merger and Opinion of Tax Counsel

Eagle has received an opinion from Kilpatrick Stockton LLP to the effect that, assuming the merger is completed in accordance with the terms of the merger agreement:

- the merger and the issuance of shares of United common stock in connection therewith, as described in the merger agreement, will constitute a tax-free reorganization under Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended;

- no gain or loss will be recognized by holders of Eagle common stock upon the exchange of such stock for United common stock as a result of the merger;

- gain or loss will be recognized pursuant to Section 302 of the Internal Revenue Code of 1986, as amended, by holders of Eagle common stock upon their receipt of cash for their shares of Eagle common stock, including cash (1) in lieu of fractional shares of United common stock, and (2) upon their exercise of dissenters' rights;

- no gain or loss will be recognized by Eagle as a result of the merger;

- the aggregate tax basis of United common stock received by shareholders of Eagle pursuant to the merger will be the same as the tax basis of the shares of Eagle common stock exchanged therefor, (1) decreased by any portion of such tax basis allocated to fractional shares of United common stock that are treated as redeemed by United, (2) decreased by the amount of cash received by a shareholder in the merger (other than cash received with respect to fractional shares), and (3) increased by the amount of gain recognized by a shareholder in the merger (other than gain recognized with respect to fractional shares); and

- the holding period of the shares of United common stock received by the shareholders of Eagle will include the holding period of the shares of Eagle common stock exchanged therefor, provided that the common stock of Eagle is held as a capital asset on the date of the consummation of the merger.

No ruling will be requested from the Internal Revenue Service with respect to any Federal income tax consequences of the merger.

The foregoing tax opinion and the preceding discussion relate to the material federal income tax consequences of the merger to Eagle shareholders. Eagle shareholders are advised to consult their own tax advisors as to any state, local, or other tax consequences of the merger.

Opinion of Eagle's Financial Advisor

Eagle interviewed several consultants to assist in determining the best strategic alternatives following an unsolicited offer to acquire the bank. Stevens & Company, a LaGrange, Georgia based firm was selected due to their prior experience in the merger and acquisition business in the Southeast in general and with Georgia-based banks in particular. The Eagle board was aware that Stevens had been involved with 47 bank mergers, including another de novo bank in Henry County that had been acquired by Wachovia Corporation.

On August 2, 2004, Stevens & Company delivered the written opinion that as of that date and based upon and subject to factors and assumptions set forth in its opinion, the proposed merger with United was fair from a financial point of view to the shareholders of Eagle, a copy of which is attached as Appendix C. The Stevens opinion is directed to the board of directors of Eagle and addresses only the fairness of the transaction from a financial point of view. Valuing the transaction at $12,536,000, Stevens noted that United would purchase the 51,000 outstanding stock options of Eagle for an intrinsic value of $6.75 to total $344,250. The common shareholders would receive the remainder of $12,191,750 or $20.32 per share. Eighty percent of the proceeds, or $9,753,844 would be in the form of United stock based on the prior twenty day trading average or an exchange ratio of 0.8636. The remaining proceeds would be paid in cash to total $2,438,400.

In arriving at its opinion, Stevens, among other things:

- reviewed the merger agreement;
- reviewed certain financial information on both Eagle and United and the markets in which they operate;
- compared financial and operating performances of Eagle and United as well as operating performances of other financial services businesses in the area;
- reviewed the alternatives of Eagle remaining as an small independent financial institution and the prospects of management growing the bank prior to a sale; and
- performed other analysis, including the support that management may have with their existing shareholder base should a merger not be identified as in the best interest of Eagle.

Stevens held discussions with certain members of the management of Eagle and United with respect to a number of aspects of the merger as well as past and future business models of Eagle assuming a merger with United. Stevens relied upon, without independent verification, the accuracy of all information provided, both audited and unaudited.

The Stevens opinion is based on economic, market, and other conditions as of the date of the opinion. The opinion does not reflect any developments that may occur after the date of the completion of the merger.

Stevens employed several valuation models that are widely used in the financial services industry including, but not limited to, present value discount models, to determine the value of Eagle as an independent, comparison of other bank sales both in terms of book value and earnings multiples, and concluded by modeling a performance break even analysis for United assuming a purchase price of $12,536,000.

Present Value Discount Models

In a present value discount model, Stevens' objective was to determine the highest value of Eagle assuming it remained independent. The model included a 5-year projection of income that would increase return on assets from .05 in year one to 1.5 in the fifth year. Assets would grow at 7.5%, with all earnings in excess of the required 8.5% capital asset ratio being paid to the shareholders in the form of dividends. The fifth year earnings multiple was then discounted at 12% to present value as were all dividends. Adding the present value of dividends and the present value earnings multiple, the model reflected a value of $10,422,615. Accordingly, a price in excess of this number would be in the best interest of the shareholders of Eagle.

Comparison of Other Bank Sales

In reviewing comparative sales of other banks, Stevens presented a detailed list of the last 25 bank sales in Georgia with assets under $1 billion. The list disclosed the target bank, the acquirer, date of the sale, and the purchase price as a multiple of book and a multiple of earnings. Stevens noted that the list of 25 bank sales was a true and correct list of the last 25 bank sales in Georgia with the list being generated by an independent agency, SNL Securities of Charlottesville, Virginia.

Book Value Analysis

The average and median prices to book multiples are as follows on the 25 bank sales:

Average Book Multiple	1.96 times
Median	1.75 times
Eagle's Price to Book Multiple:	2.13 times

Stevens further noted that United's $12,536,000 offer was net to the shareholders. In addition to the stated purchase price, United was assuming certain other obligations of Eagle including management contracts, data processing fees, and merger related expenses. In considering the after tax implications, the price to book would then exceed 2.36 times book.

Price to Earnings

Eagle reported an earnings loss of $31,728 for the year ended December 31, 2003. Management attributed this to the opening of a new branch banking office. Assuming that Eagle attributed a $150,000 loss to the branch opening, 2003 earnings would have been $118,272.

The average and median price to earning multiple on the 25 bank sales were:

Average Earnings Multiple	23.8 times
Median	22.2 times
Eagle's Earnings Multiple Assuming $118,272 in 2003	106.0 times

A Dilution Analysis

Stevens noted that United would be required to issue 414,528 shares of common stock pursuant to the stated exchange ratio. Assuming estimates of $1.44 earnings per share for 2005, Eagle would have to earn $599,999 on those shares plus an additional $75,000 on the cost of capital required for the $2 million cash portion of the offer, or a total of $695,000, for the transaction to be non-dilutive. Based on the past performance, Stevens determined that Eagle shareholders would be in a much more favorable position with the leverage afforded by United.

The foregoing summary material and analyses are not intended to be a complete description of the analyses or data presented by Stevens. Fairness opinions are derived from a complex process and are necessarily susceptible to partial analysis of summary data, included but not limited to the make-up of the existing shareholder base and their desire to be long-term investors. Accordingly, no single analysis was used in concluding overall fairness, rather the totality of factors is reflected in the opinion. Analyses based upon future results are uncertain and are subject to factors and events beyond the control of the parties and their advisors.

Eagle selected Stevens to advise it and deliver a fairness opinion with respect to the merger on the basis of experience and familiarity with Eagle and an ability to perform necessary tests on United. In connection with the engagement, Stevens will receive a fee equal to 1% of the transaction value upon closing. Eagle will indemnify Stevens against certain liabilities, including liabilities arising under the federal securities law.

The full text of the written opinion of Stevens dated August 2, 2004, appears in Appendix C.

INFORMATION ABOUT UNITED COMMUNITY BANKS, INC.

General

Financial and other information about United is set forth on United's Form 10-K for the year ended December 31, 2003, which is incorporated herein by reference.

Securities

The authorized capital stock of United currently consists of 100,000,000 shares of common stock, $1.00 par value per share and 10,000,000 shares of preferred stock, $1.00 par value per share. As of September 21, 2004, 36,254,642 shares of common stock were issued and outstanding, exclusive of 366,112 shares held as treasury shares, 372,000 shares reserved for issuance upon the conversion of subordinated debt and 2,170,898 shares of common stock reserved for issuance upon the exercise of outstanding options. At that date, United had 44,800 shares of Series A Non-Cumulative Preferred Stock issued and outstanding.

Common Stock

All voting rights are vested in the holders of the common stock. Each holder of common stock is entitled to one vote per share on any issue requiring a vote at any meeting. The shares do not have cumulative voting rights. Subject to the right of holders of United's Series A Non-Cumulative Preferred Stock to receive dividends, all shares of United common stock are entitled to share equally in any dividends that United's board of directors may declare on United common stock from sources legally available for distribution. The determination and declaration of dividends is within the discretion of United's board of directors. Upon liquidation, holders of United common stock are entitled to receive on a pro rata basis, after payment or provision for payment of all debts and liabilities of United, and after all distributions payments are made to holders of United's Series A Non-Cumulative Preferred Stock, all assets of United available for distribution, in cash or in kind.

The outstanding shares of United common stock are, and the shares of United common stock to be issued by United in connection with the merger will be, duly authorized, validly issued, fully paid, and nonassessable.

Preferred Stock

United is authorized to issue 10,000,000 shares of preferred stock, issuable in specified series and having specified voting, dividend, conversion, liquidation, and other rights and preferences as United's board of directors may determine. The preferred stock may be issued for any lawful corporate purpose without further action by United shareholders. The issuance of any preferred stock that has conversion rights might have the effect of diluting the interests of United's other shareholders. In addition, shares of preferred stock could be issued with certain rights, privileges, and preferences which would deter a tender or exchange offer or discourage the acquisition of control of United.

United's board of directors designated 287,411 of the 10,000,000 authorized shares of preferred stock as "Series A Non-Cumulative Preferred Stock", of which 44,800 shares remain outstanding. The Series A stock has a stated value of $10.00 per share, and holders of Series A stock are entitled to a preferential annual dividend of 6%, payable quarterly on each January 1, April 1, July 1 and October 1. The declaration of dividends with respect to the Series A stock is within the discretion of United's board of directors.

In addition, holders of the Series A stock are entitled to receive, on a pro rata basis, distributions upon liquidation prior to any payment by United to the holders of its common stock, in an amount equal to the stated value per share of the Series A stock, plus any accrued but unpaid dividends. The Series A stock has no voting rights, except as required under the Georgia Business Corporation Code, and is not convertible into shares of common stock or other securities of United. United may, at its option, redeem all or part of the Series A stock outstanding by paying cash for such shares in an amount equal to the stated value per share, plus any accrued but unpaid dividends.

6.75% *Subordinated Notes due 2012*

United has outstanding $31.5 million aggregate principal amount of 6.75% Subordinated Notes, due 2012. Interest is payable semi-annually in arrears in cash on June 15 and December 15 of each year. The notes may not be redeemed prior to their maturity. No sinking fund is provided for the notes. The notes are general unsecured obligations of United, subordinated to all existing and future secured and senior indebtedness, and payment of principal of the notes may be accelerated only in the case of bankruptcy, insolvency, receivership, conservatorship or reorganization of United or one of United's bank subsidiaries.

Subordinated Step-up Notes due 2015

United has outstanding $35 million aggregate principal amount of Subordinated Step-up Notes due 2015. The notes bear interest at a fixed rate of 6.25% through September 30, 2010, and at a fixed rate of 7.5% thereafter until maturity or earlier redemption. Interest is payable semi-annually in arrears in cash on March 31 and September 30 of each year. The notes are callable at par on September 30, 2010, and September 30 of each year thereafter with maturity until September 30, 2015. The notes are general unsecured obligations of United, subordinated to all existing and future secured and senior indebtedness, and payment of principal of the notes may be accelerated only in the case of bankruptcy, insolvency, receivership, conservatorship or reorganization of United or one of United's bank subsidiaries.

Convertible Subordinated Debentures

Debentures in the principal amount of $3.1 million that are due on December 31, 2006, were outstanding as of June 30, 2004. These debentures bear interest at the rate of one quarter of one percentage point over the prime rate per annum as quoted in *The Wall Street Journal*, payable on April 1, July 1, October 1, and January 1 of each year to holders of record at the close of business on the 15th day of the month immediately preceding the interest payment date. Interest is computed on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. Interest on the debentures is payable, at the option of the board of directors of United, in cash or in additional debentures with the same terms as the outstanding debentures.

The debentures may be redeemed, in whole or in part, from time to time on or after January 1, 1999, at the option of United upon at least 20 days and not more than 60 days notice, at a redemption price equal to 100% of the principal amount of the debentures to be redeemed plus interest accrued and unpaid as of the date of redemption. The holder of any debentures not called for redemption will have the right, exercisable at any time up to December 31, 2006, to convert those debentures at the principal amount thereof into shares of United common stock at the conversion price of $8.33 per share, subject to adjustment for stock splits and stock dividends. The debentures are unsecured obligations of United and are subordinate in right of payment to all obligations of United to its other creditors, except obligations ranking on a parity with or junior to the debentures. The debentures were not issued pursuant to an indenture, and no trustee acts on behalf of debenture holders.

Trust Preferred Securities

United has four wholly owned statutory trusts, which issued guaranteed preferred interests in junior subordinated deferrable interest debentures. The debentures represent the sole asset of the trusts. These debentures qualify as Tier I capital under Federal Reserve Board guidelines. All of the common securities of the trusts are owned by United. United has entered into contractual arrangements which, taken collectively, fully and unconditionally, guarantee payment of: (1) accrued and unpaid distributions required to be paid on the securities; (2) the redemption price with respect to any securities called for redemption by the respective trust; and (3) payments due upon a voluntary or involuntary dissolution, winding up or liquidation of the respective trust. The following is a description of each trust preferred security.

10.60% Trust Preferred Securities

In September 2000, United formed a wholly owned Connecticut statutory business trust, United Community Statutory Trust I ("United Statutory Trust"), which issued $5 million of guaranteed preferred beneficial interests in United's junior subordinated deferrable interest debentures. The proceeds from the issuance of the securities were used by United Statutory Trust to purchase $5.2 million of junior subordinated debentures of United, which carry a fixed interest rate of 10.60%. The securities accrue and pay distributions semiannually at a fixed rate of 10.60% per annum of the stated liquidation value of $1,000 per capital security and are mandatorily redeemable upon maturity of the debentures on September 7, 2030, or upon earlier redemption as provided in the indenture. United has the right to redeem the debentures purchased by United Statutory Trust in whole or in part, on or after September 7, 2010. As specified in the indenture, if the debentures are redeemed prior to maturity, the redemption price will be the principal amount, any accrued but unpaid interest, plus a premium ranging from 5.3% in 2010 to .53% beginning in 2019.

11.295% Trust Preferred Securities

In July 2000, United formed a wholly owned Delaware statutory business trust, United Community Capital Trust II ("United Trust II"), which issued $10 million of guaranteed preferred beneficial interests in United's junior subordinated deferrable interest debentures. The proceeds from the issuance of the securities were used by United Trust II to purchase $10.3 million of junior subordinated debentures of United, which carry a fixed rate of 11.295%. The securities accrue and pay distributions at a fixed rate of 11.295% per annum of the stated liquidation value of $1,000 per capital security. The securities are mandatorily redeemable upon maturity of the debentures on July 19, 2030, or upon earlier redemption as provided in the indenture. United has the right to redeem the debentures purchased by United Trust II in whole or in part, on or after July 19, 2010. As specified in the indenture, if the debentures are redeemed prior to maturity, the redemption price will be the principal amount, any accrued but unpaid interest, plus a premium ranging from 2.824% in 2010 to .565% beginning in 2019.

8.125% Trust Preferred Securities

In July 1998, United formed a wholly owned Delaware statutory business trust, United Community Capital Trust ("United Trust"), which issued $21 million of guaranteed preferred beneficial interests in United's junior subordinated deferrable interest debentures. The proceeds from the issuance of the securities were used by United Trust to purchase $21.7 million of junior subordinated debentures of United that carry a fixed interest rate of 8.125%. The securities accrue and pay distributions semiannually at a fixed rate of 8.125% per annum of the stated liquidation value of $1,000 per capital security. The securities are mandatorily redeemable upon maturity of the debentures on July 15, 2028, or upon earlier redemption as provided in the indenture. United has the right to redeem the debentures purchased by United Trust: (1) in whole or in part, on or after July 15, 2008, and (2) in whole (but not in part) at any time within 90 days following the occurrence and during the continuation of a tax event, investment company event or capital treatment time (as defined in the indenture). As specified in the indenture, if the debentures are redeemed prior to maturity, the redemption price will be the principal amount, any accrued but unpaid interest, plus a premium ranging from 4.06% in 2008 to .41% in 2017.

Floating Rate Trust Preferred Securities

In June 2004, United acquired Fairbanco Holding Company, Inc. and its wholly owned Delaware statutory business trust, Fairbanco Capital Trust I ("Fairbanco Trust"), which issued $5 million of guaranteed preferred beneficial interests in Fairbanco's junior subordinated deferrable interest debentures. The proceeds from the issuance of the securities were used by Fairbanco Trust to purchase $5.2 million of junior subordinated debentures of Fairbanco that bear interest at the rate of 3.65% per annum over the three-day London Interbank Offered Rate, as calculated quarterly pursuant to the indenture. The securities accrue and pay distributions quarterly at the then applicable interest rate. The securities mature on July 30, 2032 unless the maturity date is accelerated pursuant to the indenture. United has the right to redeem the debentures purchased by Fairbanco Trust: (1) in whole or in part, on or after June 30, 2007 at par, and (2) in whole (but not in part) at any time before June 30, 2007 within 60 days following the occurrence and during the continuation of a tax event, investment company event or capital treatment time (as defined in the indenture) at a premium of 3.00%. As specified in the indenture, if the debentures are redeemed prior to maturity, the redemption price will include any accrued but unpaid interest.

Transfer Agent and Registrar

The Transfer Agent and Registrar for United's common stock and the debentures is SunTrust Bank, P.O. Box 4625, Suite 225-A, 58 Edgewood Avenue, Atlanta, Georgia 30302.

Certain Provisions of United's Articles of Incorporation and Bylaws Regarding Change of Control

Ability to Consider Other Constituencies

United's articles of incorporation permit its board of directors, in determining what is believed to be in the best interest of United and its shareholders, to consider the interests of its employees, customers, suppliers and creditors, the communities in which its offices and establishments are located and all other factors that they consider pertinent, in addition to considering the effects of any actions on United and its shareholders. This provision permits United's board of directors to consider numerous judgmental or subjective factors affecting a proposal, including some non-financial matters, and on the basis of these considerations may oppose a business combination or some other transaction which, viewed exclusively from a financial perspective, might be attractive to some, or even a majority, of its shareholders.

Amendments to Articles of Incorporation and Bylaws

United's articles of incorporation specifically provide that neither the articles of incorporation nor the bylaws of United may be amended without the affirmative vote the holders of two-thirds of the shares issued and outstanding and entitled to vote thereon, except for provisions relating to increasing the number of authorized shares of common and preferred stock of United. This provision could allow the holders of 33.4% of the outstanding capital stock of United to exercise an effective veto over a proposed amendment to the articles or bylaws, despite the fact that the holders of 66.6% of the shares favor the proposal. This provision protects, among other things, the defensive measures included in United's articles of incorporation and bylaws by making more difficult future amendments to the articles of incorporation and bylaws that could result in the deletion or revision of such defensive measures.

Supermajority Approval of Interested Business Combinations

United's articles of incorporation provide that if a proposed business combination between United and any interested shareholder is not approved by three-fourths of all directors of United then in office, the business combination must be approved by the affirmative vote of the holders of at least 75% of the outstanding shares of United's common stock, including the affirmative vote of the holders of at least 75% of the outstanding shares of common stock held by shareholders other than the interested shareholder. This provision may discourage attempts by other corporations or groups to acquire control of United, without negotiation with management, through the acquisition of a substantial number of shares of United's stock followed by a forced merger. This provision may also enable a minority of the shareholders of United to prevent a transaction favored by a majority of the shareholders, and may discourage tender offers or other non-open market acquisitions of United's common stock because of the potentially higher vote requirements for shareholder approval of any subsequent business combination. Additionally, in some circumstances, United's board of directors could, by withholding its consent to such a transaction, cause the 75%/75% shareholder vote to be required to approve a business combination, thereby enabling management to retain control over the affairs of United and their present positions with United.

Removal of Directors

United's articles of incorporation provide that a member of United's board of directors may only be removed for cause, and only upon the affirmative vote of two-thirds of the outstanding shares of capital stock of United entitled to vote thereon. This provision may prevent a significant shareholder from avoiding board scrutiny of a proposed business combination by merely removing directors with conflicting views, and may encourage individuals or groups who desire to propose takeover bids or similar transactions to negotiate with the board of directors. However, outside of the context of an acquisition attempt, it may serve as an impediment to a more legitimate need to remove a director.

Recent Developments

On August 24, 2004, United entered into an agreement to acquire Liberty Bancshares, Inc., Conyers, Georgia for $36.1 million in shares of United and cash. The transaction is expected to close in the fourth quarter of 2004.

INFORMATION ABOUT EAGLE NATIONAL BANK

Description of Business

Eagle engages in a general commercial banking business at two offices in Henry County, Georgia, emphasizing small business and retail banking and offers such customary bank services as consumer and commercial checking accounts, NOW accounts, money market accounts, savings accounts, certificates of deposits, individual retirement accounts, safe deposit facilities, and money transfers. Eagle also finances commercial and consumer transactions, makes secured and unsecured loans, offers lines of credit and credit card accounts and provides a variety of other banking services.

As of June 30, 2004, Eagle had 244 holders of record of its Common Stock and its total assets were $64.1 million.

Deposits

Eagle offers a full range of depository accounts and services to both consumers and businesses. At June 30, 2004, its deposits consisted of the following accounts:

	Amount	Percentage
Noninterest bearing	$ 8,578,000	15%
Interest-bearing (NOW) accounts	3,094,000	5%
Savings	550,000	1%
Money Market Deposits	15,243,000	26%
Certificates of Deposits, $100,000 or less	22,237,000	39%
Certificates of Deposits, $100,000 or more	8,438,000	15%
Total Deposits	$ 58,140,000	100%

Eagle management is of the opinion that its time deposits of $100,000 or more are customer relationship-oriented and represent a reasonably stable source of funds. Eagle is a member of The Federal Home Loan Bank of Atlanta, which provides another source of funding to support its lending and investment activities.

Loans

Eagle makes both secured and unsecured loans to individuals, firms and corporations, and both consumer and commercial lending operations include various types of credit for customers. Secured loans include first and second real estate mortgage loans. Eagle also makes direct installment loans to consumers on both a secured and unsecured basis. At June 30, 2004, consumer, real estate (including residential and commercial mortgage and construction loans) and commercial non-mortgage loans represented approximately 2%, 92%, and 6%, respectively, of its total loan portfolio.

Lending Policy

Eagle's current lending strategy is to make loans primarily to persons who reside, work or own property in its market area. Unsecured loans normally are made only to persons who maintain depository relationships with Eagle. Secured loans are made to persons who are well established and have net worth, collateral and cash flow to support the loan.

Eagle provides each lending officer with written guidelines for lending activities. Lending authority is delegated by Eagle's Board of Directors to loan officers, each of whom is limited in the amount of secured and unsecured loans which he or she can make to a single borrower or related group of borrowers.

Loan Review and Non-performing Assets

An outside service reviews Eagle's loan portfolio to determine deficiencies and corrective action to be taken. The results of the review by the outside service are presented to Eagle's President and the loan committee of the Board of Directors. Past due loans are reviewed at least weekly by Eagle's lending officers and a summary report is reviewed monthly by the loan committee of the Board of Directors. The loan committee of the Board of Directors reviews all new, renewed, and past due loans.

Asset/Liability Management

Eagle's President and Chief Financial Officer manage its assets and liabilities. These officers attempt to manage asset growth, liquidity and capital in order to maximize income and reduce interest rate risk and direct Eagle's overall acquisition and allocation of funds. At monthly meetings, the Asset and Liability Committee (ALCO Committee) reviews and discusses the monthly asset and liability funds budget in relation to the actual flow of funds, as well as peer group comparisons; the ratio of the amount of rate sensitive assets to the amount of rate sensitive liabilities; the ratio of allowance for loan losses to outstanding and non-performing loans; and other variables, such as expected loan demand, investment opportunities, core deposit growth within specified categories, regulatory changes, monetary policy adjustments and the overall state of the economy.

Investment Policy

Eagle's investment portfolio policy is to maximize income consistent with liquidity, asset quality and regulatory constraints. The policy is reviewed from time to time by the Board of Directors. Portfolio composition and performance are reviewed and approved monthly by the Board of Directors. Its President and Chief Financial Officer implement the policy and report information to the full Board of Directors on a monthly basis concerning sales, purchases, maturities and calls, resultant gains or losses, average maturity, federal taxable equivalent yields and appreciation or depreciation by investment categories.

Competition

The banking business is highly competitive. Eagle competes with several banking institutions in Henry County, most of which are larger and have greater resources than it does. Eagle also competes with other financial service organizations, including savings and loan associations, finance companies, credit unions, and certain governmental agencies located throughout the United States.

Location

Eagle's main office is located in a 9,000 square foot building at 850 Eagles Landing Parkway, Stockbridge, Georgia with three drive-through windows. Eagle has a branch office located at 865 Highway 20/81, McDonough, Georgia. Eagle owns both buildings, and they are not subject to any encumbrances. Eagle's management believes that both facilities are adequately covered by insurance.

Employees

As of September 3, 2004, Eagle had 24 full-time employees and three part-time employees. Eagle is not a party to any collective bargaining agreement and believes that its employee relations are good.

Legal Proceedings

Eagle is not aware of any pending or threatened legal proceeding against it.

Security Ownership

The following table provides the numbers of shares and percentage of outstanding shares of Eagle common stock that were beneficially owned as of June 30, 2004, by: (1) persons who are known to us to be the beneficial owners of more than 5% of Eagle common stock (the only class of voting securities); (2) Eagle directors; (3) Eagle executive officers; and (4) all Eagle principal shareholders, directors and executive officers as a group.

Name of Beneficial Owner	Shares Beneficially Owned	Percent of Class (1)
Samuel K. Parrish	141,416(2)	21.7%
James D. Windham	12,417(3)	1.9%
Marcia G. Taylor	29,417(4)	4.5%
Norman W. Strawn, Jr.	10,000(5)	1.5%
Priscilla Parrish	1,450(6)	0.2%
Ron Williamson	55,200	8.5%
Allette B. Cheaves	4,250(7)	0.7%
Major William Loftin, Jr.		
RHB Corp.	50,000	7.7%
Malcolm R. Godwin	46,750(8)	7.2%
Daphne & Richard Duncan	35,417	5.4%
All principal shareholders, directors and executive officers as a group (11 persons)	386,317	59.3%

(1) The percentages shown are based on 651,000 shares of common stock outstanding on June 30, 2004, which includes, as to each person and group listed, the number of shares of common stock deemed owned by such holder pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, assuming the exercise of options held by such holder that are exercisable within 60 days of June 30, 2004.

(2) Includes currently exercisable stock options for 30,000 shares. Does not include 1,450 shares held by Mr. Parrish's spouse.

(3) Includes currently exercisable stock options for 5,000 shares.

(4) Includes currently exercisable stock options for 5,000 shares.

(5) Includes currently exercisable stock options for 5,000 shares.

(6) Does not include 141,416 shares held by Mrs. Parrish's spouse.

(7) Includes currently exercisable stock option for 3,000 shares.

(8) Includes 8,500 shares owned jointly with Mr. Godwin's spouse.

Summary Financial Data

The following table sets forth summary historical financial data from our financial statements and should be read in conjunction with those financial statements, including the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations". The summary financial data as of December 31, 2003 and 2002 and for the years then ended is derived from our audited financial statements and notes, which appear elsewhere in this proxy statement/prospectus. The summary financial data for the six months ended June 30, 2004 and 2003, is derived from unaudited financial statements for those periods. The unaudited financial statements include all adjustments, consisting only of normal recurring items, that management considers necessary for a fair presentation of our financial position and results of operations for these periods.

	As Of and For the Six Months Ended June 30		As Of and For the Years Ended December 31	
	2004	**2003**	**2003**	**2002**
	(in thousands, except share and per share data)			
Balance Sheet Data:				
Federal funds sold	$ 2,391	$ 299	$ 1,641	$ 9,387
Investments	7,006	10,157	8,217	4,667
Loans, net	47,901	41,092	44,651	42,059
Total assets	64,133	59,225	61,037	62,486
Deposits	58,140	53,100	55,032	56,089
Total stockholders' equity	5,805	5,990	5,850	5,989
Average Balances:				
Loans	$ 46,910	$ 41,323	$ 42,570	$ 45,097
Earning assets	57,578	53,312	54,003	52,737
Assets	63,138	58,842	59,654	57,469
Deposits	57,202	52,580	53,200	50,373
Stockholders' equity	5,880	5,999	5,944	5,857
Results of Operations:				
Net interest income	$ 1,152	$ 1,048	$ 2,218	$ 2,403
Provision for loan losses				150
Other income	228	151	268	150
Other expenses	1,378	1,201	2,540	1,936
Net earnings (loss)	1		(32)	290
Per Share Data:				
Diluted & basic earnings (loss) per share	$	$	$ (.05)	$ .48
Key Performance Ratios:				
Return on average equity			(.01)	4.95%
Return on average assets				.50%
Average equity to average assets	9.31%	10.20%	10.00%	10.19%
Average loans to average deposit				