



July 22, 2015

## **United Community Banks, Inc. Reports Net Operating Income of \$20.0 Million for Second Quarter 2015, Up 22 Percent From a Year Ago**

- Operating earnings per diluted share of 32 cents, up 19 percent from a year ago
- Completed merger with MoneyTree Corporation and its wholly owned subsidiary, First National Bank, on May 1st
- Loans up \$142 million from first quarter, or 12 percent annualized, excluding loans acquired in the merger
- Core transaction deposits up \$109 million, or 11 percent annualized, excluding deposits acquired in the merger
- Net interest margin holds steady at 3.30 percent
- Regulatory approvals received for acquisition of Palmetto Bancshares

BLAIRSVILLE, Ga., July 22, 2015 (GLOBE NEWSWIRE) -- United Community Banks, Inc. (NASDAQ:UCBI) ("United") today reported net operating income of \$20.0 million for the second quarter of 2015, up 22 percent from a year ago. Operating earnings per diluted share was 32 cents, up 19 percent from a year ago. The increase reflects strong loan and core deposit growth, a stable net interest margin, growth in fee revenue and a lower provision for credit losses.

Operating earnings and diluted operating earnings per share exclude the effects of merger-related charges which are not considered part of ongoing operations. Including those charges, net income was \$17.8 million for the second quarter, or 28 cents per diluted share. For the first six months, United reported net income of \$35.5 million, or 57 cents per diluted share. Excluding merger related charges, net operating income was \$37.6 million, or 61 cents per diluted share.

"Our second quarter financial performance was outstanding by every measure," said Jimmy Tallent, chairman and chief executive officer. "I'm especially proud to report that we achieved our goal for a one percent return on assets, excluding merger-related charges.

"We had solid loan growth combined with a steady net interest margin," Tallent continued. "Strong recoveries of previously charged-off loans drove our provision for credit losses down to half the first quarter level. Fee revenue was up significantly, with strong growth in our mortgage business and gains from our SBA lending business.

"Second quarter net loan growth of \$142 million, excluding the merger with MoneyTree Corporation and its wholly owned subsidiary, First National Bank ("FNB"), was driven by strong loan production of \$526 million across all United markets. Our community banks originated \$296 million of loan production while our specialized lending area, which includes health care, corporate, SBA, asset-based, middle market and commercial real estate lending, produced \$152 million. Core deposit growth was another contributing factor with a linked-quarter increase of \$109 million, or 11 percent annualized, excluding deposits acquired in the merger. Increased demand deposits in our Atlanta and western North Carolina markets drove over half of this growth."

Second quarter taxable equivalent net interest revenue totaled \$61.3 million, up \$3.70 million from the first quarter and up \$6.37 million from the second quarter of 2014. The acquisition of FNB added just over \$2.0 million to second quarter net interest revenue. The taxable equivalent net interest margin of 3.30 percent held steady with the first quarter and was up 9 basis points from a year ago. Along with loan growth, this drove the remainder of the increase in net interest revenue.

At \$900 thousand, the second quarter provision for credit losses was half of the amount from the first quarter and down \$1.3 million from the second quarter of 2014. Second quarter net charge-offs were \$978 thousand compared with \$2.56 million in the first quarter and \$4.18 million a year ago. Strong recoveries of previously charged-off loans drove net charge-offs down in the second quarter. Nonperforming assets to total assets were .26 percent, equal to last quarter, and down from .32 percent a year ago.

Second quarter fee revenue totaled \$17.3 million, up \$1.58 million from the first quarter and \$3.12 million from the second quarter of 2014. Higher mortgage fees and an increase in gains from SBA loan sales account for most of the increase from both prior periods. Mortgage fees of \$3.71 million were up \$952 thousand from the first quarter and up \$1.83 million from a year ago, reflecting strong growth in home purchases and an increase in refinancing activity. Closed mortgage loans totaled \$128 million in the second quarter of 2015, compared with \$87.9 million in the first quarter and \$68.5 million in the second quarter of 2014. SBA loan sale gains totaled \$1.49 million in the second quarter of 2015 compared with \$1.14 million in the first quarter of 2015 and \$744 thousand in the second quarter of 2014.

Second quarter brokerage fees of \$1.23 million from United's advisory services business were down \$319 thousand from the

first quarter and were level with the second quarter of 2014. Service charges and fees of \$8.38 million were up \$760 thousand from the first quarter, reflecting growth in interchange fees, while down \$152 thousand from a year ago, primarily reflecting the declining trend in overdraft fees.

"Our growth in fee revenue reflects our commitment to diversifying the revenue stream by focusing on fee generating products and services," stated Tallent.

Operating expenses, excluding merger-related charges of \$3.17 million, were \$45.2 million in the second quarter compared to \$43.1 million in the first quarter and \$40.5 million a year ago. The acquisition of FNB added approximately \$1.6 million in operating expenses from the acquisition date of May 1. FNB's expenses are expected to decline as anticipated cost savings are realized. First quarter 2015 operating expenses included a non-core charge of \$690 thousand associated with closing all loss sharing agreements with the FDIC.

Second quarter salaries and employee benefits expense of \$28.0 million was up \$1.52 million from the first quarter and \$3.67 million from a year ago. The increases reflect the addition of FNB's compensation expenses for two months, investment in new producers and support staff for the specialized lending area, and higher commissions and incentives associated with growth in the mortgage business and in commercial loans and core deposits. Other operating expenses of \$4.89 million for the second quarter were down \$358 thousand from the first quarter and up \$486 thousand from the second quarter of 2014. Other operating expenses for the first quarter 2015 included the \$690 thousand charge associated with closing all loss sharing agreements with the FDIC. The increase from a year ago is mostly due to higher lending support costs.

Tallent noted, "The previously announced merger with FNB closed on May 1, and their results of operations are included in United's results from that date forward. Conversion of the operating systems was successfully completed last weekend.

"We also announced our planned merger with Palmetto Bancshares, Inc. and its banking subsidiary, The Palmetto Bank, which is headquartered in Greenville, South Carolina," Tallent said. "The Palmetto Bank is a high-quality franchise with \$1.2 billion in assets and 25 banking offices in the Upstate South Carolina markets. The merger creates significant benefits for United, including meaningful earnings per share accretion, improved growth profile and profitability, attractive rates of return, and higher franchise value. We have received all regulatory approvals and the transaction is scheduled to close on September 1. I am very pleased to welcome both First National Bank and The Palmetto Bank to the United family."

At June 30, 2015, capital ratios were as follows: Tier 1 Risk-Based of 11.9 percent; Total Risk-Based of 13.1 percent; Tier 1 Common Risk-Based of 11.9 percent; and, Tier 1 Leverage of 9.1 percent.

"Our second quarter results continue the positive momentum from the first quarter, with strong growth in loans, core deposits, and fee revenue," Tallent said. "We are excited about executing our growth strategies to expand the franchise and add value for shareholders. And, as always, we look forward to serving our customers - both existing and new - with the outstanding service for which our bankers are so very well known."

#### Conference Call

United will hold a conference call today, Wednesday, July 22, 2015, at 11 a.m. ET to discuss the contents of this news release and to share business highlights for the quarter. To access the call, dial (877) 380-5665 and use the conference number 74542415. The conference call also will be webcast and available for replay for 30 days by selecting "Events & Presentations" within the Investor Relations section of United's website at [www.ucbi.com](http://www.ucbi.com).

#### About United Community Banks, Inc.

United Community Banks, Inc. (UCBI) is a bank holding company based in Blairsville, Georgia, with \$8.2 billion in assets. The company's banking subsidiary, United Community Bank, is one of the Southeast's largest full-service banks, operating 114 offices in Georgia, North Carolina, South Carolina and Tennessee. The bank specializes in personalized community banking services for individuals, small businesses and corporations. A full range of consumer and commercial banking services includes mortgage, advisory, treasury management and other products. In 2014 and 2015, United Community Bank was ranked first in customer satisfaction in the southeast by J.D. Power and in 2015 was ranked fourteenth on the Forbes list of America's Best Banks. Additional information about the company and the bank's full range of products and services can be found at [www.ucbi.com](http://www.ucbi.com).

#### Safe Harbor

This news release contains forward-looking statements, as defined by federal securities laws, including statements about United's financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks

and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United's filings with the Securities and Exchange Commission including its 2014 Annual Report on Form 10-K under the sections entitled "Forward-Looking Statements" and "Risk Factors." Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

## UNITED COMMUNITY BANKS, INC.

### Financial Highlights

#### Selected Financial Information

<i>(in thousands, except per share data; taxable equivalent)</i>	2015		2014		Second	2015-2014
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Quarter	
<b>INCOME SUMMARY</b>						
Interest revenue	\$ 66,134	\$ 62,909	\$ 64,353	\$ 63,338	\$ 61,783	
Interest expense	4,817	5,292	6,021	6,371	6,833	
Net interest revenue	61,317	57,617	58,332	56,967	54,950	12%
Provision for credit losses	900	1,800	1,800	2,000	2,200	
Fee revenue	17,266	15,682	14,823	14,412	14,143	22
<b>Total revenue</b>	<b>77,683</b>	<b>71,499</b>	<b>71,355</b>	<b>69,379</b>	<b>66,893</b>	<b>16</b>
Expenses - operating <sup>(1)</sup>	45,247	43,061	41,919	41,364	40,532	12
Income before income tax expense - operating <sup>(1)</sup>	32,436	28,438	29,436	28,015	26,361	23
Income tax expense - operating <sup>(1)</sup>	12,447	10,768	11,189	10,399	10,004	24
<b>Net income - operating <sup>(1)</sup></b>	<b>19,989</b>	<b>17,670</b>	<b>18,247</b>	<b>17,616</b>	<b>16,357</b>	<b>22</b>
Preferred dividends and discount accretion	17	--	--	--	--	
<b>Net income available to common shareholders - operating <sup>(1)</sup></b>	<b>19,972</b>	<b>17,670</b>	<b>18,247</b>	<b>17,616</b>	<b>16,357</b>	<b>22</b>
Merger-related charges, net of income tax benefit	2,176	--	--	--	--	
<b>Net income available to common shareholders - GAAP</b>	<b>\$ 17,796</b>	<b>\$ 17,670</b>	<b>\$ 18,247</b>	<b>\$ 17,616</b>	<b>\$ 16,357</b>	<b>9</b>

#### PERFORMANCE MEASURES

Per common share:

Diluted income - operating (1)	\$ .32	\$ .29	\$ .30	\$ .29	\$ .27	19
Diluted income - GAAP	.28	.29	.30	.29	.27	4
Cash dividends declared	.05	.05	.05	.03	.03	
Book value	12.95	12.58	12.20	12.15	11.94	8
Tangible book value (3)	12.66	12.53	12.15	12.10	11.91	6

Key performance ratios:

Return on common equity - operating (1)(2)(4)	9.90%	9.34%	9.60%	9.41%	8.99%	
Return on common equity - GAAP (2)(4)	8.83	9.34	9.60	9.41	8.99	
Return on assets - operating (1)(4)	1.00	.94	.96	.95	.88	
Return on assets - GAAP (4)	.89	.94	.96	.95	.88	
Dividend payout ratio - operating (1)	15.63	17.24	16.67	10.34	11.11	
Dividend payout ratio - GAAP	17.86	17.24	16.67	10.34	11.11	
Net interest margin (4)	3.30	3.31	3.31	3.32	3.21	
Efficiency ratio - operating (1)	57.59	59.15	57.47	57.96	58.65	
Efficiency ratio - GAAP	61.63	59.15	57.47	57.96	58.65	
Average equity to average assets	10.05	9.86	9.76	9.85	9.61	

Average tangible equity to average assets (3)	9.91	9.82	9.72	9.83	9.58
Average tangible common equity to average assets (3)	9.83	9.82	9.72	9.83	9.58
Tangible common equity to risk-weighted assets (3) (5)	13.24	13.53	13.82	14.10	13.92

#### ASSET QUALITY

Nonperforming loans	\$ 18,805	\$ 19,015	\$ 17,881	\$ 18,745	\$ 20,724	(9)
Foreclosed properties	2,356	1,158	1,726	3,146	2,969	(21)
Total nonperforming assets (NPAs)	21,161	20,173	19,607	21,891	23,693	(11)
Allowance for loan losses	70,129	70,007	71,619	71,928	73,248	
Net charge-offs	978	2,562	2,509	3,155	4,175	(77)
Allowance for loan losses to loans	1.36%	1.46%	1.53%	1.57%	1.66%	
Net charge-offs to average loans (4)	.08	.22	.22	.28	.38	
NPAs to loans and foreclosed properties	.41	.42	.42	.48	.54	
NPAs to total assets	.26	.26	.26	.29	.32	

#### AVERAGE BALANCES (\$ in millions)

Loans	\$ 5,017	\$ 4,725	\$ 4,621	\$ 4,446	\$ 4,376	15
Investment securities	2,261	2,203	2,222	2,231	2,326	(3)
Earning assets	7,444	7,070	7,013	6,820	6,861	8
Total assets	8,017	7,617	7,565	7,374	7,418	8
Deposits	6,669	6,369	6,383	6,143	6,187	8
Shareholders' equity	806	751	738	726	713	13
Common shares - basic (thousands)	62,549	60,905	60,830	60,776	60,712	
Common shares - diluted (thousands)	62,553	60,909	60,833	60,779	60,714	

#### AT PERIOD END (\$ in millions)

Loans	\$ 5,174	\$ 4,788	\$ 4,672	\$ 4,569	\$ 4,410	17
Investment securities	2,322	2,201	2,198	2,222	2,190	6
Total assets	8,246	7,664	7,567	7,526	7,352	12
Deposits	6,808	6,438	6,327	6,241	6,164	10
Shareholders' equity	827	764	740	736	722	15
Common shares outstanding (thousands)	62,700	60,309	60,259	60,248	60,139	

(1) Excludes merger-related charges. (2) Net income available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss). (3) Excludes effect of acquisition related intangibles and associated amortization. (4) Annualized. (5) June 30 and March 31, 2015 calculated under Basel III rules, which became effective January 1, 2015.

#### UNITED COMMUNITY BANKS, INC.

##### Financial Highlights

##### Selected Financial Information

(in thousands, except per share data; taxable equivalent)	For the Six Months Ended		YTD
	June 30,		2015-2014
	2015	2014	Change
<b>INCOME SUMMARY</b>			
Interest revenue	\$ 129,043	\$ 122,278	

Interest expense	10,109	13,159	
Net interest revenue	118,934	109,119	9%
Provision for credit losses	2,700	4,700	
Fee revenue	32,948	26,319	25
<b>Total revenue</b>	<b>149,182</b>	<b>130,738</b>	<b>14</b>
Expenses - operating <sup>(1)</sup>	88,308	79,582	11
Income before income tax expense - operating <sup>(1)</sup>	60,874	51,156	19
Income tax expense - operating <sup>(1)</sup>	23,215	19,399	20
<b>Net income - operating <sup>(1)</sup></b>	<b>37,659</b>	<b>31,757</b>	<b>19</b>
Preferred dividends and discount accretion	17	439	
<b>Net income available to common shareholders - operating <sup>(1)</sup></b>	<b>37,642</b>	<b>31,318</b>	<b>20</b>
Merger-related charges, net of income tax benefit	2,176	--	
<b>Net income available to common shareholders - GAAP</b>	<b>\$ 35,466</b>	<b>\$ 31,318</b>	<b>13</b>

#### PERFORMANCE MEASURES

Per common share:

Diluted income - operating (1)	\$ .61	\$ .52	17
Diluted income - GAAP	.57	.52	10
Cash dividends declared	.10	.03	
Book value	12.95	11.94	8
Tangible book value (3)	12.66	11.91	6

Key performance ratios:

Return on common equity - operating (1)(2)(4)	9.63%	8.82%	
Return on common equity - GAAP (2)(4)	9.08	8.82	
Return on assets - operating (1)(4)	.97	.87	
Return on assets - GAAP (4)	.92	.87	
Dividend payout ratio - operating (1)	16.39	5.77	
Dividend payout ratio - GAAP	17.54	5.77	
Net interest margin (4)	3.30	3.21	
Efficiency ratio - operating (1)	58.34	58.85	
Efficiency ratio - GAAP	60.44	58.85	
Average equity to average assets	9.96	9.56	
Average tangible equity to average assets (3)	9.87	9.54	
Average tangible common equity to average assets (3)	9.83	9.40	
Tangible common equity to risk-weighted assets (3)(5)	13.24	13.92	

#### ASSET QUALITY

Nonperforming loans	\$ 18,805	\$ 20,724	
Foreclosed properties	2,356	2,969	
Total nonperforming assets (NPAs)	21,161	23,693	
Allowance for loan losses	70,129	73,248	
Net charge-offs	3,540	8,214	
Allowance for loan losses to loans	1.36%	1.66%	
Net charge-offs to average loans (4)	.15	.38	
NPAs to loans and foreclosed properties	.41	.54	
NPAs to total assets	.26	.32	

**AVERAGE BALANCES** (\$ in millions)

Loans	\$ 4,872	\$ 4,366	12
Investment securities	2,232	2,323	(4)
Earning assets	7,258	6,844	6
Total assets	7,818	7,401	6
Deposits	6,520	6,192	5
Shareholders' equity	778	708	10
Common shares - basic (thousands)	61,730	60,386	2
Common shares - diluted (thousands)	61,734	60,388	2

**AT PERIOD END (\$ in millions)**

Loans	\$ 5,174	\$ 4,410	17
Investment securities	2,322	2,190	6
Total assets	8,246	7,352	12
Deposits	6,808	6,164	10
Shareholders' equity	827	722	15
Common shares outstanding (thousands)	62,700	60,139	

(1) Excludes merger-related charges. (2) Net income available to common shareholders, which is net of preferred stock dividends, divided by average realized common equity, which excludes accumulated other comprehensive income (loss). (3) Excludes effect of acquisition related intangibles and associated amortization. (4) Annualized. (5) June 30 and March 31, 2015 calculated under Basel III rules, which became effective January 1, 2015.

**UNITED COMMUNITY BANKS, INC.**

**Non-GAAP Performance Measures Reconciliation**

**Selected Financial Information**

<i>(in thousands, except per share data; taxable equivalent)</i>	<b>2015</b>		<b>2014</b>		
	<b>Second Quarter</b>	<b>First Quarter</b>	<b>Fourth Quarter</b>	<b>Third Quarter</b>	<b>Second Quarter</b>
<b>Interest revenue reconciliation</b>					
Interest revenue - taxable equivalent	\$ 66,134	\$ 62,909	\$ 64,353	\$ 63,338	\$ 61,783
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)
Interest revenue (GAAP)	<u>\$ 65,808</u>	<u>\$ 62,534</u>	<u>\$ 63,955</u>	<u>\$ 62,933</u>	<u>\$ 61,406</u>
<b>Net interest revenue reconciliation</b>					
Net interest revenue - taxable equivalent	\$ 61,317	\$ 57,617	\$ 58,332	\$ 56,967	\$ 54,950
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)
Net interest revenue (GAAP)	<u>\$ 60,991</u>	<u>\$ 57,242</u>	<u>\$ 57,934</u>	<u>\$ 56,562</u>	<u>\$ 54,573</u>
<b>Total revenue reconciliation</b>					
Total operating revenue	\$ 77,683	\$ 71,499	\$ 71,355	\$ 69,379	\$ 66,893
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)
Total revenue (GAAP)	<u>\$ 77,357</u>	<u>\$ 71,124</u>	<u>\$ 70,957</u>	<u>\$ 68,974</u>	<u>\$ 66,516</u>
<b>Expense reconciliation</b>					
Expenses - operating	\$ 45,247	\$ 43,061	\$ 41,919	\$ 41,364	\$ 40,532
Merger-related charges	3,173	--	--	--	--
Expenses (GAAP)	<u>\$ 48,420</u>	<u>\$ 43,061</u>	<u>\$ 41,919</u>	<u>\$ 41,364</u>	<u>\$ 40,532</u>

**Income before taxes reconciliation**

Income before taxes - operating	\$ 32,436	\$ 28,438	\$ 29,436	\$ 28,015	\$ 26,361
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)
Merger-related charges	<u>(3,173)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Income before taxes (GAAP)	<u>\$ 28,937</u>	<u>\$ 28,063</u>	<u>\$ 29,038</u>	<u>\$ 27,610</u>	<u>\$ 25,984</u>

**Income tax expense reconciliation**

Income tax expense - operating	\$ 12,447	\$ 10,768	\$ 11,189	\$ 10,399	\$ 10,004
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)
Merger-related charges, tax benefit	<u>(997)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Income tax expense (GAAP)	<u>\$ 11,124</u>	<u>\$ 10,393</u>	<u>\$ 10,791</u>	<u>\$ 9,994</u>	<u>\$ 9,627</u>

**Net income reconciliation**

Net income - operating	\$ 19,989	\$ 17,670	\$ 18,247	\$ 17,616	\$ 16,357
Merger-related charges, net of income tax benefit	<u>(2,176)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net income (GAAP)	<u>\$ 17,813</u>	<u>\$ 17,670</u>	<u>\$ 18,247</u>	<u>\$ 17,616</u>	<u>\$ 16,357</u>

**Net income available to common shareholders reconciliation**

Net income available to common shareholders - operating	\$ 19,972	\$ 17,670	\$ 18,247	\$ 17,616	\$ 16,357
Merger-related charges, net of income tax benefit	<u>(2,176)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net income available to common shareholders (GAAP)	<u>\$ 17,796</u>	<u>\$ 17,670</u>	<u>\$ 18,247</u>	<u>\$ 17,616</u>	<u>\$ 16,357</u>

**Diluted income per common share reconciliation**

Diluted income per common share - operating	\$ .32	\$ .29	\$ .30	\$ .29	\$ .27
Merger-related charges	<u>(.04)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Diluted income per common share (GAAP)	<u>\$ .28</u>	<u>\$ .29</u>	<u>\$ .30</u>	<u>\$ .29</u>	<u>\$ .27</u>

**Book value per common share reconciliation**

Tangible book value per common share	\$ 12.66	\$ 12.53	\$ 12.15	\$ 12.10	\$ 11.91
Effect of goodwill and other intangibles	<u>.29</u>	<u>.05</u>	<u>.05</u>	<u>.05</u>	<u>.03</u>
Book value per common share (GAAP)	<u>\$ 12.95</u>	<u>\$ 12.58</u>	<u>\$ 12.20</u>	<u>\$ 12.15</u>	<u>\$ 11.94</u>

**Return on common equity reconciliation**

Return on common equity - operating	9.90%	9.34%	9.60%	9.41%	8.99%
Merger-related charges	<u>(1.07)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Return on common equity (GAAP)	<u>8.83%</u>	<u>9.34%</u>	<u>9.60%</u>	<u>9.41%</u>	<u>8.99%</u>

**Return on assets reconciliation**

Return on assets - operating	1.00%	.94%	.96%	.95%	.88%
Merger-related charges	<u>(.11)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Return on assets (GAAP)	<u>.89%</u>	<u>.94%</u>	<u>.96%</u>	<u>.95%</u>	<u>.88%</u>

**Dividend payout ratio reconciliation**

Dividend payout ratio - operating	15.63%	17.24%	16.67%	10.34%	11.11%
Merger-related charges	<u>2.23</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Dividend payout ratio (GAAP)	<u>17.86%</u>	<u>17.24%</u>	<u>16.67%</u>	<u>10.34%</u>	<u>11.11%</u>

**Efficiency ratio reconciliation**

Efficiency ratio - operating	57.59%	59.15%	57.47%	57.96%	58.65%
Merger-related charges	4.04	--	--	--	--
Efficiency ratio (GAAP)	<u>61.63%</u>	<u>59.15%</u>	<u>57.47%</u>	<u>57.96%</u>	<u>58.65%</u>

**Average equity to assets reconciliation**

Tangible common equity to assets	9.83%	9.82%	9.72%	9.83%	9.58%
Effect of preferred equity	.08	--	--	--	--
Tangible equity to assets	9.91	9.82	9.72	9.83	9.58
Effect of goodwill and other intangibles	.14	.04	.04	.02	.03
Equity to assets (GAAP)	<u>10.05%</u>	<u>9.86%</u>	<u>9.76%</u>	<u>9.85%</u>	<u>9.61%</u>

**Tangible common equity to risk-weighted assets reconciliation <sup>(1)</sup>**

Tangible common equity to risk-weighted assets	13.24%	13.53%	13.82%	14.10%	13.92%
Effect of other comprehensive income	.28	.19	.35	.34	.53
Effect of deferred tax limitation	(2.46)	(2.86)	(3.11)	(3.39)	(3.74)
Effect of trust preferred	.63	.67	1.00	1.02	1.04
Effect of preferred equity	.17	--	--	--	--
Tier I capital ratio (Regulatory)	<u>11.86%</u>	<u>11.53%</u>	<u>12.06%</u>	<u>12.07%</u>	<u>11.75%</u>

<sup>(1)</sup> June 30 and March 31, 2015 calculated under Basel III rules, which became effective January 1, 2015.

**UNITED COMMUNITY BANKS, INC.****Non-GAAP Performance Measures Reconciliation****Selected Financial Information**

<i>(in thousands, except per share data; taxable equivalent)</i>	<b>For the Six Months Ended</b>	
	<b>June 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>Interest revenue reconciliation</b>		
Interest revenue - taxable equivalent	\$ 129,043	\$ 122,278
Taxable equivalent adjustment	<u>(701)</u>	<u>(734)</u>
Interest revenue (GAAP)	<u>\$ 128,342</u>	<u>\$ 121,544</u>
<b>Net interest revenue reconciliation</b>		
Net interest revenue - taxable equivalent	\$ 118,934	\$ 109,119
Taxable equivalent adjustment	<u>(701)</u>	<u>(734)</u>
Net interest revenue (GAAP)	<u>\$ 118,233</u>	<u>\$ 108,385</u>
<b>Total revenue reconciliation</b>		
Total operating revenue	\$ 149,182	\$ 130,738
Taxable equivalent adjustment	<u>(701)</u>	<u>(734)</u>
Total revenue (GAAP)	<u>\$ 148,481</u>	<u>\$ 130,004</u>

**Expense reconciliation**



Expenses - operating	\$ 88,308	\$ 79,582
Merger-related charges	<u>3,173</u>	<u>--</u>
Expenses (GAAP)	<u>\$ 91,481</u>	<u>\$ 79,582</u>
<b>Income before taxes reconciliation</b>		
Income before taxes - operating	\$ 60,874	\$ 51,156
Taxable equivalent adjustment	(701)	(734)
Merger-related charges	<u>(3,173)</u>	<u>--</u>
Income before taxes (GAAP)	<u>\$ 57,000</u>	<u>\$ 50,422</u>
<b>Income tax expense reconciliation</b>		
Income tax expense - operating	\$ 23,215	\$ 19,399
Taxable equivalent adjustment	(701)	(734)
Merger-related charges, tax benefit	<u>(997)</u>	<u>--</u>
Income tax expense (GAAP)	<u>\$ 21,517</u>	<u>\$ 18,665</u>
<b>Net income reconciliation</b>		
Net income - operating	\$ 37,659	\$ 31,757
Merger-related charges, net of income tax benefit	<u>(2,176)</u>	<u>--</u>
Net income (GAAP)	<u>\$ 35,483</u>	<u>\$ 31,757</u>
<b>Net income available to common shareholders reconciliation</b>		
Net income available to common shareholders - operating	\$ 37,642	\$ 31,318
Merger-related charges, net of income tax benefit	<u>(2,176)</u>	<u>--</u>
Net income available to common shareholders (GAAP)	<u>\$ 35,466</u>	<u>\$ 31,318</u>
<b>Diluted income per common share reconciliation</b>		
Diluted income per common share - operating	\$ .61	\$ .52
Merger-related charges	<u>(.04)</u>	<u>--</u>
Diluted income per common share (GAAP)	<u>\$ .57</u>	<u>\$ .52</u>
<b>Book value per common share reconciliation</b>		
Tangible book value per common share	\$ 12.66	\$ 11.91
Effect of goodwill and other intangibles	<u>.29</u>	<u>.03</u>
Book value per common share (GAAP)	<u>\$ 12.95</u>	<u>\$ 11.94</u>
<b>Return on common equity reconciliation</b>		
Return on common equity - operating	9.63%	8.82%
Merger-related charges	<u>(.55)</u>	<u>--</u>
Return on common equity (GAAP)	<u>9.08%</u>	<u>8.82%</u>
<b>Return on assets reconciliation</b>		
Return on assets - operating	.97%	.87%
Merger-related charges	<u>(.05)</u>	<u>--</u>
Return on assets (GAAP)	<u>.92%</u>	<u>.87%</u>
<b>Dividend payout ratio reconciliation</b>		
Dividend payout ratio - operating	16.39%	5.77%

Merger-related charges	1.15	--
Dividend payout ratio (GAAP)	<u>17.54%</u>	<u>5.77%</u>

#### Efficiency ratio reconciliation

Efficiency ratio - operating	58.34%	58.85%
Merger-related charges	<u>2.10</u>	<u>--</u>
Efficiency ratio (GAAP)	<u>60.44%</u>	<u>58.85%</u>

#### Average equity to assets reconciliation

Tangible common equity to assets	9.83%	9.40%
Effect of preferred equity	<u>.04</u>	<u>.14</u>
Tangible equity to assets	9.87	9.54
Effect of goodwill and other intangibles	<u>.09</u>	<u>.02</u>
Equity to assets (GAAP)	<u>9.96%</u>	<u>9.56%</u>

#### Tangible common equity to risk-weighted assets reconciliation <sup>(1)</sup>

Tangible common equity to risk-weighted assets	13.24%	13.92%
Effect of other comprehensive income	.28	.53
Effect of deferred tax limitation	(2.46)	(3.74)
Effect of trust preferred	.63	1.04
Effect of preferred equity	<u>.17</u>	<u>--</u>
Tier I capital ratio (Regulatory)	<u>11.86%</u>	<u>11.75%</u>

<sup>(1)</sup> June 30, 2015 calculated under Basel III rules, which became effective January 1, 2015.

## UNITED COMMUNITY BANKS, INC.

### Financial Highlights

#### Loan Portfolio Composition at Period-End

	2015		2014		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
<i>(in millions)</i>					
<b>LOANS BY CATEGORY</b>					
Owner occupied commercial RE	\$ 1,266	\$ 1,167	\$ 1,163	\$ 1,153	\$ 1,163
Income producing commercial RE	689	636	599	605	598
Commercial & industrial	793	716	710	650	554
Commercial construction	<u>238</u>	<u>230</u>	<u>196</u>	<u>181</u>	<u>160</u>
Total commercial	2,986	2,749	2,668	2,589	2,475
Residential mortgage	935	864	866	866	861
Home equity lines of credit	491	465	466	459	451
Residential construction	299	291	299	307	302
Consumer installment	<u>463</u>	<u>419</u>	<u>373</u>	<u>348</u>	<u>321</u>
<b>Total loans</b>	<u>\$ 5,174</u>	<u>\$ 4,788</u>	<u>\$ 4,672</u>	<u>\$ 4,569</u>	<u>\$ 4,410</u>

#### LOANS BY MARKET

North Georgia	\$ 1,155	\$ 1,150	\$ 1,163	\$ 1,168	\$ 1,175
---------------	----------	----------	----------	----------	----------

Atlanta MSA	1,317	1,296	1,282	1,289	1,305
North Carolina	533	539	553	553	555
Coastal Georgia	499	476	456	444	426
Gainesville MSA	257	255	257	254	257
East Tennessee	525	281	280	281	270
South Carolina / Specialized Lending	531	475	412	337	206
Indirect auto	<u>357</u>	<u>316</u>	<u>269</u>	<u>243</u>	<u>216</u>
<b>Total loans</b>	<u><u>\$ 5,174</u></u>	<u><u>\$ 4,788</u></u>	<u><u>\$ 4,672</u></u>	<u><u>\$ 4,569</u></u>	<u><u>\$ 4,410</u></u>

**UNITED COMMUNITY BANKS, INC.**

**Financial Highlights**

**Loan Portfolio Composition at Period-End**

<i>(in millions)</i>	<u>2015</u>		<u>2014</u>	<u>Linked</u>	<u>Year over</u>
	<u>Second</u>	<u>First</u>	<u>Second</u>	<u>Quarter</u>	<u>Year</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Change</u>	<u>Change</u>
<b>LOANS BY CATEGORY</b>					
Owner occupied commercial RE	\$ 1,266	\$ 1,167	\$ 1,163	\$ 99	\$ 103
Income producing commercial RE	689	636	598	53	91
Commercial & industrial	793	716	554	77	239
Commercial construction	<u>238</u>	<u>230</u>	<u>160</u>	8	78
Total commercial	2,986	2,749	2,475	237	511
Residential mortgage	935	864	861	71	74
Home equity lines of credit	491	465	451	26	40
Residential construction	299	291	302	8	(3)
Consumer installment	<u>463</u>	<u>419</u>	<u>321</u>	44	142
<b>Total loans</b>	<u><u>\$ 5,174</u></u>	<u><u>\$ 4,788</u></u>	<u><u>\$ 4,410</u></u>	386	764

**LOANS BY MARKET**

North Georgia	\$ 1,155	\$ 1,150	\$ 1,175	5	(20)
Atlanta MSA	1,317	1,296	1,305	21	12
North Carolina	533	539	555	(6)	(22)
Coastal Georgia	499	476	426	23	73
Gainesville MSA	257	255	257	2	--
East Tennessee	525	281	270	244	255
South Carolina / Specialized Lending	531	475	206	56	325
Indirect auto	<u>357</u>	<u>316</u>	<u>216</u>	41	141
<b>Total loans</b>	<u><u>\$ 5,174</u></u>	<u><u>\$ 4,788</u></u>	<u><u>\$ 4,410</u></u>	386	764

**UNITED COMMUNITY BANKS, INC.**

**Financial Highlights**

**Credit Quality**

<u>Second Quarter 2015</u>		
<u>Nonperforming</u>	<u>Foreclosed</u>	<u>Total</u>

<i>(in thousands)</i>	<b>Loans</b>	<b>Properties</b>	<b>NPAs</b>
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 4,878	\$ 360	\$ 5,238
Income producing CRE	883	--	883
Commercial & industrial	1,389	--	1,389
Commercial construction	59	382	441
Total commercial	7,209	742	7,951
Residential mortgage	8,599	1,373	9,972
Home equity lines of credit	940	54	994
Residential construction	1,358	187	1,545
Consumer installment	699	--	699
<b>Total NPAs</b>	<b>\$ 18,805</b>	<b>\$ 2,356</b>	<b>\$ 21,161</b>
<b>Balance as a % of Unpaid Principal</b>	<b>64.9%</b>	<b>46.6%</b>	<b>62.2%</b>

#### NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 6,157	\$ 657	\$ 6,814
Atlanta MSA	2,361	135	2,496
North Carolina	4,746	690	5,436
Coastal Georgia	659	--	659
Gainesville MSA	864	22	886
East Tennessee	1,885	852	2,737
South Carolina / Specialized Lending	1,565	--	1,565
Indirect auto	568	--	568
<b>Total NPAs</b>	<b>\$ 18,805</b>	<b>\$ 2,356</b>	<b>\$ 21,161</b>

#### NONPERFORMING ASSETS ACTIVITY

<b>Beginning Balance</b>	\$ 19,015	\$ 1,158	\$ 20,173
Acquisitions	--	962	962
Loans placed on non-accrual	6,552	--	6,552
Payments received	(3,839)	--	(3,839)
Loan charge-offs	(1,854)	--	(1,854)
Foreclosures	(1,069)	1,069	--
Capitalized costs	--	--	--
Property sales	--	(895)	(895)
Write downs	--	(9)	(9)
Net gains (losses) on sales	--	71	71
<b>Ending Balance</b>	<b>\$ 18,805</b>	<b>\$ 2,356</b>	<b>\$ 21,161</b>

#### UNITED COMMUNITY BANKS, INC.

##### Financial Highlights

##### Credit Quality

<i>(in thousands)</i>	<b>First Quarter 2015</b>		
	<b>Nonperforming Loans</b>	<b>Foreclosed Properties</b>	<b>Total NPAs</b>
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 4,360	\$ 173	\$ 4,533

Income producing CRE	835	--	835
Commercial & industrial	1,629	--	1,629
Commercial construction	<u>60</u>	<u>--</u>	<u>60</u>
Total commercial	6,884	173	7,057
Residential mortgage	8,669	796	9,465
Home equity lines of credit	693	50	743
Residential construction	2,127	139	2,266
Consumer installment	<u>642</u>	<u>--</u>	<u>642</u>
<b>Total NPAs</b>	<u><u>\$ 19,015</u></u>	<u><u>\$ 1,158</u></u>	<u><u>\$ 20,173</u></u>
<b>Balance as a % of Unpaid Principal</b>	72.0%	56.6%	70.9%

#### NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 6,101	\$ 662	\$ 6,763
Atlanta MSA	1,903	227	2,130
North Carolina	5,321	159	5,480
Coastal Georgia	901	--	901
Gainesville MSA	781	22	803
East Tennessee	1,808	30	1,838
South Carolina / Specialized Lending	1,700	58	1,758
Indirect auto	<u>500</u>	<u>--</u>	<u>500</u>
<b>Total NPAs</b>	<u><u>\$ 19,015</u></u>	<u><u>\$ 1,158</u></u>	<u><u>\$ 20,173</u></u>

#### NONPERFORMING ASSETS ACTIVITY

<b>Beginning Balance</b>	\$ 17,881	\$ 1,726	\$ 19,607
Acquisitions	--	--	--
Loans placed on non-accrual	5,944	--	5,944
Payments received	(1,513)	--	(1,513)
Loan charge-offs	(2,838)	--	(2,838)
Foreclosures	(459)	459	--
Capitalized costs	--	--	--
Property sales	--	(1,108)	(1,108)
Write downs	--	(166)	(166)
Net gains (losses) on sales	<u>--</u>	<u>247</u>	<u>247</u>
<b>Ending Balance</b>	<u><u>\$ 19,015</u></u>	<u><u>\$ 1,158</u></u>	<u><u>\$ 20,173</u></u>

#### UNITED COMMUNITY BANKS, INC.

##### Financial Highlights

##### Credit Quality

<i>(in thousands)</i>	Fourth Quarter 2014		
	Nonperforming Loans	Foreclosed Properties	Total NPAs
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 4,133	\$ 355	\$ 4,488
Income producing CRE	717	--	717
Commercial & industrial	1,571	--	1,571

Commercial construction	83	15	98
Total commercial	6,504	370	6,874
Residential mortgage	8,196	1,183	9,379
Home equity lines of credit	695	40	735
Residential construction	2,006	133	2,139
Consumer installment	480	--	480
<b>Total NPAs</b>	<b>\$ 17,881</b>	<b>\$ 1,726</b>	<b>\$ 19,607</b>
<b>Balance as a % of Unpaid Principal</b>	69.9%	54.1%	68.1%

#### NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 5,669	\$ 711	\$ 6,380
Atlanta MSA	1,837	372	2,209
North Carolina	5,221	234	5,455
Coastal Georgia	799	105	904
Gainesville MSA	1,310	81	1,391
East Tennessee	1,414	201	1,615
South Carolina / Specialized Lending	1,285	22	1,307
Indirect auto	346	--	346
<b>Total NPAs</b>	<b>\$ 17,881</b>	<b>\$ 1,726</b>	<b>\$ 19,607</b>

#### NONPERFORMING ASSETS ACTIVITY

<b>Beginning Balance</b>	\$ 18,745	\$ 3,146	\$ 21,891
Acquisitions	--	--	--
Loans placed on non-accrual	7,140	--	7,140
Payments received	(5,286)	--	(5,286)
Loan charge-offs	(1,841)	--	(1,841)
Foreclosures	(877)	877	--
Capitalized costs	--	--	--
Property sales	--	(2,483)	(2,483)
Write downs	--	(1)	(1)
Net gains (losses) on sales	--	187	187
<b>Ending Balance</b>	<b>\$ 17,881</b>	<b>\$ 1,726</b>	<b>\$ 19,607</b>

#### UNITED COMMUNITY BANKS, INC.

##### Financial Highlights

##### Credit Quality

	Second Quarter 2015		First Quarter 2015		Fourth Quarter 2014	
	Net Charge-Offs to		Net Charge-Offs to		Net Charge-Offs to	
	Net Charge-Offs	Average Loans <sup>(1)</sup>	Net Charge-Offs	Average Loans <sup>(1)</sup>	Net Charge-Offs	Average Loans <sup>(1)</sup>
<i>(in thousands)</i>						
<b>NET CHARGE-OFFS BY CATEGORY</b>						
Owner occupied CRE	\$ 285	.09%	\$ 357	.12%	\$ 891	.31%
Income producing CRE	(276)	(.17)	241	.16	143	.09
Commercial & industrial	(627)	(.33)	341	.19	(295)	(.17)

Commercial construction	<u>96</u>	.16	<u>22</u>	.04	<u>(6)</u>	(.01)
Total commercial	(522)	(.07)	961	.14	733	.11
Residential mortgage	787	.35	416	.20	1,226	.56
Home equity lines of credit	322	.27	59	.05	238	.20
Residential construction	107	.14	1,061	1.46	(44)	(.06)
Consumer installment	<u>284</u>	.26	<u>65</u>	.07	<u>356</u>	.39
<b>Total</b>	<u><u>\$ 978</u></u>	.08	<u><u>\$ 2,562</u></u>	.22	<u><u>\$ 2,509</u></u>	.22

#### NET CHARGE-OFFS BY MARKET

North Georgia	\$ 911	.32%	\$ 1,053	.37%	\$ 791	.27%
Atlanta MSA	(234)	(.07)	188	.06	147	.05
North Carolina	176	.13	666	.49	1,103	.79
Coastal Georgia	(40)	(.03)	134	.12	30	.03
Gainesville MSA	(233)	(.36)	(65)	(.10)	94	.15
East Tennessee	127	.11	471	.68	54	.08
South Carolina / Specialized Lending	148	.12	--	--	110	.11
Indirect auto	<u>123</u>	.14	<u>115</u>	.16	<u>180</u>	.29
<b>Total</b>	<u><u>\$ 978</u></u>	.08	<u><u>\$ 2,562</u></u>	.22	<u><u>\$ 2,509</u></u>	.22

(1) Annualized.

#### UNITED COMMUNITY BANKS, INC.

##### Consolidated Statement of Income (Unaudited)

<i>(in thousands, except per share data)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
<b>Interest revenue:</b>				
Loans, including fees	\$ 52,976	\$ 48,261	\$ 102,640	\$ 95,949
Investment securities, including tax exempt of \$181, \$193, \$339 and \$381	12,037	12,165	24,095	23,772
Deposits in banks and short-term investments	<u>795</u>	<u>980</u>	<u>1,607</u>	<u>1,823</u>
Total interest revenue	<u>65,808</u>	<u>61,406</u>	<u>128,342</u>	<u>121,544</u>
<b>Interest expense:</b>				
Deposits:				
NOW	348	411	742	851
Money market	806	757	1,479	1,320
Savings	26	21	46	41
Time	<u>895</u>	<u>2,018</u>	<u>2,004</u>	<u>3,789</u>
Total deposit interest expense	2,075	3,207	4,271	6,001
Short-term borrowings	82	908	180	1,748
Federal Home Loan Bank advances	454	80	846	138
Long-term debt	<u>2,206</u>	<u>2,638</u>	<u>4,812</u>	<u>5,272</u>
Total interest expense	<u>4,817</u>	<u>6,833</u>	<u>10,109</u>	<u>13,159</u>
Net interest revenue	60,991	54,573	118,233	108,385
Provision for credit losses	<u>900</u>	<u>2,200</u>	<u>2,700</u>	<u>4,700</u>

Net interest revenue after provision for credit losses	<u>60,091</u>	<u>52,373</u>	<u>115,533</u>	<u>103,685</u>
<b>Fee revenue:</b>				
Service charges and fees	8,375	8,527	15,990	16,425
Mortgage loan and other related fees	3,707	1,877	6,462	3,231
Brokerage fees	1,232	1,245	2,783	2,422
Gains from sales of SBA loans	1,494	744	2,635	744
Securities gains, net	13	4,435	1,552	4,652
Loss from prepayment of debt	--	(4,446)	(1,038)	(4,446)
Other	<u>2,445</u>	<u>1,761</u>	<u>4,564</u>	<u>3,291</u>
Total fee revenue	<u>17,266</u>	<u>14,143</u>	<u>32,948</u>	<u>26,319</u>
<b>Total revenue</b>	<u>77,357</u>	<u>66,516</u>	<u>148,481</u>	<u>130,004</u>
<b>Operating expenses:</b>				
Salaries and employee benefits	27,961	24,287	54,407	48,683
Communications and equipment	3,304	3,037	6,575	6,276
Occupancy	3,415	3,262	6,693	6,640
Advertising and public relations	1,127	1,139	1,877	1,765
Postage, printing and supplies	993	804	1,931	1,580
Professional fees	2,257	2,172	4,176	3,599
FDIC assessments and other regulatory charges	1,298	1,425	2,507	2,778
Merger-related charges	3,173	--	3,173	--
Other	<u>4,892</u>	<u>4,406</u>	<u>10,142</u>	<u>8,261</u>
Total operating expenses	<u>48,420</u>	<u>40,532</u>	<u>91,481</u>	<u>79,582</u>
Net income before income taxes	28,937	25,984	57,000	50,422
Income tax expense	<u>11,124</u>	<u>9,627</u>	<u>21,517</u>	<u>18,665</u>
<b>Net income</b>	<u>17,813</u>	<u>16,357</u>	<u>35,483</u>	<u>31,757</u>
Preferred stock dividends and discount accretion	<u>17</u>	<u>--</u>	<u>17</u>	<u>439</u>
<b>Net income available to common shareholders</b>	<u>\$ 17,796</u>	<u>\$ 16,357</u>	<u>\$ 35,466</u>	<u>\$ 31,318</u>
<b>Earnings per common share:</b>				
Basic	\$ .28	\$ .27	\$ .57	\$ .52
Diluted	.28	.27	.57	.52
<b>Weighted average common shares outstanding:</b>				
Basic	62,549	60,712	61,730	60,386
Diluted	62,553	60,714	61,734	60,388

**UNITED COMMUNITY BANKS, INC.**

**Consolidated Balance Sheet (Unaudited)**

	<b>June 30,</b>	<b>December</b>	<b>June 30,</b>
	<b>2015</b>	<b>31,</b>	<b>2014</b>
	<b>2015</b>	<b>2014</b>	<b>2014</b>
<i>(in thousands, except share and per share data)</i>			
<b>ASSETS</b>			
Cash and due from banks	\$ 80,865	\$ 77,180	\$ 91,791
Interest-bearing deposits in banks	94,032	89,074	100,270
Short-term investments	<u>30,000</u>	<u>26,401</u>	<u>47,999</u>



Cash and cash equivalents	204,897	192,655	240,060
Securities available for sale	1,942,319	1,782,734	1,741,268
Securities held to maturity (fair value \$388,066, \$425,233 and \$458,864)	379,757	415,267	448,752
Mortgage loans held for sale	22,003	13,737	14,918
Loans, net of unearned income	5,173,517	4,672,119	4,410,285
Less allowance for loan losses	<u>(70,129)</u>	<u>(71,619)</u>	<u>(73,248)</u>
Loans, net	5,103,388	4,600,500	4,337,037
Premises and equipment, net	173,313	159,390	161,614
Bank owned life insurance	92,952	81,294	80,922
Accrued interest receivable	21,030	20,103	19,141
Net deferred tax asset	195,746	215,503	233,149
Derivative financial instruments	21,728	20,599	22,024
Goodwill and other intangible assets	20,190	3,641	2,731
Other assets	<u>68,980</u>	<u>61,563</u>	<u>50,450</u>
<b>Total assets</b>	<b><u>\$ 8,246,303</u></b>	<b><u>\$ 7,566,986</u></b>	<b><u>\$ 7,352,066</u></b>

#### LIABILITIES AND SHAREHOLDERS' EQUITY

##### Liabilities:

##### Deposits:

Demand	\$ 1,847,696	\$ 1,574,317	\$ 1,519,635
NOW	1,416,279	1,504,887	1,334,883
Money market	1,406,352	1,273,283	1,245,912
Savings	350,049	292,308	279,203

##### Time:

Less than \$100,000	792,300	748,478	805,289
Greater than \$100,000	465,347	508,228	554,310
Brokered	<u>529,920</u>	<u>425,011</u>	<u>424,313</u>

Total deposits	6,807,943	6,326,512	6,163,545
Short-term borrowings	25,000	6,000	76,256
Federal Home Loan Bank advances	385,125	270,125	175,125
Long-term debt	113,901	129,865	129,865
Derivative financial instruments	32,374	31,997	36,545
Unsettled securities purchases	--	5,425	7,264
Accrued expenses and other liabilities	<u>54,728</u>	<u>57,485</u>	<u>41,497</u>
<b>Total liabilities</b>	<b><u>7,419,071</u></b>	<b><u>6,827,409</u></b>	<b><u>6,630,097</u></b>

##### Shareholders' equity:

Preferred stock, \$1 par value; 10,000,000 shares authorized; Series H; \$1,000 stated value; 9,992 shares issued and outstanding	9,992	--	--
Common stock, \$1 par value; 100,000,000 shares authorized; 54,414,863, 50,178,605 and 50,058,295 shares issued and outstanding	54,415	50,178	50,058
Common stock, non-voting, \$1 par value; 26,000,000 shares authorized; 8,285,516, 10,080,787 and 10,080,787 shares issued and outstanding	8,286	10,081	10,081
Common stock issuable; 413,014, 357,983 and 314,039 shares	6,071	5,168	4,649
Capital surplus	1,123,730	1,080,508	1,091,780
Accumulated deficit	(358,294)	(387,568)	(418,583)
Accumulated other comprehensive loss	<u>(16,968)</u>	<u>(18,790)</u>	<u>(16,016)</u>
<b>Total shareholders' equity</b>	<b><u>827,232</u></b>	<b><u>739,577</u></b>	<b><u>721,969</u></b>
<b>Total liabilities and shareholders' equity</b>	<b><u>\$ 8,246,303</u></b>	<b><u>\$ 7,566,986</u></b>	<b><u>\$ 7,352,066</u></b>

## Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended June 30,

	2015			2014		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<i>(dollars in thousands, taxable equivalent)</i>						
<b>Assets:</b>						
Interest-earning assets:						
Loans, net of unearned income (1)(2)	\$ 5,017,306	\$ 53,081	4.24%	\$ 4,376,174	\$ 48,435	4.44%
Taxable securities (3)	2,235,561	11,856	2.12	2,306,457	11,972	2.08
Tax-exempt securities (1)(3)	25,685	296	4.61	19,592	316	6.45
Federal funds sold and other interest-earning assets	165,643	901	2.18	158,418	1,060	2.68
<b>Total interest-earning assets</b>	<b>7,444,195</b>	<b>66,134</b>	<b>3.56</b>	<b>6,860,641</b>	<b>61,783</b>	<b>3.61</b>
Non-interest-earning assets:						
Allowance for loan losses	(71,006)			(76,843)		
Cash and due from banks	77,124			63,853		
Premises and equipment	167,926			161,443		
Other assets (3)	398,356			408,768		
<b>Total assets</b>	<b>\$ 8,016,595</b>			<b>\$ 7,417,862</b>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,419,142	348	.10	\$ 1,356,141	411	.12
Money market	1,607,665	806	.20	1,361,045	757	.22
Savings	335,093	26	.03	275,540	21	.03
Time less than \$100,000	774,193	791	.41	818,048	933	.46
Time greater than \$100,000	474,905	482	.41	563,489	865	.62
Brokered time deposits	276,073	(378)	(.55)	334,919	220	.26
Total interest-bearing deposits	4,887,071	2,075	.17	4,709,182	3,207	.27
Federal funds purchased and other borrowings	47,698	82	.69	108,311	908	3.36
Federal Home Loan Bank advances	289,707	454	.63	154,795	80	.21
Long-term debt	113,901	2,206	7.77	129,865	2,638	8.15
Total borrowed funds	451,306	2,742	2.44	392,971	3,626	3.70
<b>Total interest-bearing liabilities</b>	<b>5,338,377</b>	<b>4,817</b>	<b>.36</b>	<b>5,102,153</b>	<b>6,833</b>	<b>.54</b>
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,782,405			1,477,849		
Other liabilities	90,091			125,173		
Total liabilities	7,210,873			6,705,175		
Shareholders' equity	805,722			712,687		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 8,016,595</b>			<b>\$ 7,417,862</b>		
<b>Net interest revenue</b>		<b>\$ 61,317</b>			<b>\$ 54,950</b>	
Net interest-rate spread			<b>3.20%</b>			<b>3.07%</b>
<b>Net interest margin <sup>(4)</sup></b>			<b>3.30%</b>			<b>3.21%</b>

(1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.

(2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued and loans that are held for sale.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$18.9 million in 2015 and pretax unrealized gains of \$1.86 million in 2014 are included in other assets for purposes of this presentation.

(4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

## UNITED COMMUNITY BANKS, INC.

### Average Consolidated Balance Sheets and Net Interest Analysis

For the Six Months Ended June 30,

<i>(dollars in thousands, taxable equivalent)</i>	2015			2014		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<b>Assets:</b>						
Interest-earning assets:						
Loans, net of unearned income (1)(2)	\$ 4,872,112	\$ 102,946	4.26%	\$ 4,365,930	\$ 96,303	4.45%
Taxable securities (3)	2,211,293	23,756	2.15	2,303,404	23,391	2.03
Tax-exempt securities (1)(3)	20,987	555	5.29	19,881	624	6.28
Federal funds sold and other interest-earning assets	<u>153,597</u>	<u>1,786</u>	2.33	<u>154,651</u>	<u>1,960</u>	2.53
<b>Total interest-earning assets</b>	<u>7,257,989</u>	<u>129,043</u>	3.58	<u>6,843,866</u>	<u>122,278</u>	3.60
Non-interest-earning assets:						
Allowance for loan losses	(71,596)			(77,165)		
Cash and due from banks	78,069			62,958		
Premises and equipment	163,737			162,112		
Other assets (3)	<u>389,874</u>			<u>409,466</u>		
<b>Total assets</b>	<u>\$ 7,818,073</u>			<u>\$ 7,401,237</u>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,447,370	742	.10	\$ 1,385,964	851	.12
Money market	1,537,678	1,479	.19	1,368,975	1,320	.19
Savings	317,814	46	.03	267,588	41	.03
Time less than \$100,000	755,826	1,515	.40	847,707	1,946	.46
Time greater than \$100,000	484,624	1,146	.48	570,799	1,783	.63
Brokered time deposits	<u>274,708</u>	<u>(657)</u>	(.48)	<u>311,579</u>	<u>60</u>	.04
Total interest-bearing deposits	<u>4,818,020</u>	<u>4,271</u>	.18	<u>4,752,612</u>	<u>6,001</u>	.25
Federal funds purchased and other borrowings	41,953	180	.87	110,436	1,748	3.19
Federal Home Loan Bank advances	264,584	846	.64	140,014	138	.20
Long-term debt	<u>120,782</u>	<u>4,812</u>	8.03	<u>129,865</u>	<u>5,272</u>	8.19
Total borrowed funds	<u>427,319</u>	<u>5,838</u>	2.76	<u>380,315</u>	<u>7,158</u>	3.80
<b>Total interest-bearing liabilities</b>	<u>5,245,339</u>	<u>10,109</u>	.39	<u>5,132,927</u>	<u>13,159</u>	.52

Non-interest-bearing liabilities:

Non-interest-bearing deposits	1,702,140	1,439,447
Other liabilities	<u>92,138</u>	<u>120,943</u>
Total liabilities	7,039,617	6,693,317
Shareholders' equity	<u>778,456</u>	<u>707,920</u>
<b>Total liabilities and shareholders' equity</b>	<b><u><u>\$ 7,818,073</u></u></b>	<b><u><u>\$ 7,401,237</u></u></b>

<b>Net interest revenue</b>	<u>\$ 118,934</u>	<u>\$ 109,119</u>
Net interest-rate spread	<u>3.19%</u>	<u>3.08%</u>
<b>Net interest margin <sup>(4)</sup></b>	<u>3.30%</u>	<u>3.21%</u>

(1) Interest revenue on tax-exempt securities and loans has been increased to reflect comparable interest on taxable securities and loans. The rate used was 39%, reflecting the statutory federal income tax rate and the federal tax adjusted state income tax rate.

(2) Included in the average balance of loans outstanding are loans where the accrual of interest has been discontinued and loans that are held for sale.

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$14.8 million in 2015 and pretax unrealized losses of \$1.37 million in 2014 are included in other assets for purposes of this presentation.

(4) Net interest margin is taxable equivalent net-interest revenue divided by average interest-earning assets.

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