

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 12, 2020

**UNITED COMMUNITY BANKS, INC.**

(Exact name of registrant as specified in its charter)

Georgia  
(State or other jurisdiction  
of incorporation)

001-35095  
(Commission file number)

58-1807304  
(IRS employer  
identification no.)

125 Highway 515 East, Blairsville, Georgia  
(Address of principal executive offices)

30512  
(Zip Code)

Registrant's telephone number, including area code: (706) 781-2265

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$1 par value	UCBI	Nasdaq Global Select Market
Depository shares, each representing 1/1,000 <sup>th</sup> interest in a share of Series I Non-Cumulative Preferred Stock	UCBIO	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 8.01. Other Events.**

On June 12, 2020, United Community Banks, Inc. (the “Company”) filed a preliminary prospectus supplement for an underwritten public offering of the Company’s Fixed-to-Floating Senior Notes (the “Senior Notes”).

A copy of the investor presentation being used in connection with the offering of the Senior Notes is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The offering of the Senior Notes is being made pursuant to the Company’s effective shelf registration statement on Form S-3 (Registration No. 333-224367) initially filed on April 20, 2018 with the Securities and Exchange Commission and subsequently amended by the Post-Effective Amendment No. 1 filed on June 3, 2020. Any offer or sale of the Senior Notes will be made only by means of a prospectus supplement relating to the offering and the accompanying prospectus.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

**Exhibit No. Description of Exhibit**

[99.1](#) [Investor Presentation dated June 2020.](#)

104 The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITED COMMUNITY BANKS, INC.

By: /s/ Melinda Davis Lux

Name: Melinda Davis Lux

Title: Executive Vice President, General Counsel and Corporate Secretary

Date: June 12, 2020

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# United Community Banks, Inc. Fixed Income Presentation June 2020



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# Disclosures & Forward Looking Statements

This presentation has been prepared by United Community Banks, Inc. ("United") solely for informational purposes based on information regarding its operations, as well as information from public sources.

## Cautionary Note Regarding Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, about the Company, the Bank and their respective subsidiaries. Forward-looking statements are neither statements of historical fact nor assurance of future performance and generally can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "projects", "plans", "goal", "targets", "potential", "estimates", "pro forma", "seeks", "intends", or "anticipates", or similar expressions. These forward-looking statements speak only as of the date hereof, and are based on management's current assumptions, beliefs and information. As such, the Company's actual results could differ materially and adversely from those expressed in any forward-looking statement as a result of various factors, certain of which are discussed in more detail in the Company's periodic reports filed with the Securities and Exchange Commission. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the Company's objectives or plans will be achieved. The forward-looking statements contained herein reflect the Company's beliefs, estimates and predictions as of the date hereof, and the Company undertakes no obligation to revise or update the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events for any reason, except as required by law.

## Non-GAAP Measures

This presentation includes financial information determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). This financial information includes certain operating performance measures, which exclude merger-related and other charges that are not considered part of recurring operations. Such measures include: "Diluted earnings per share – operating," "Tangible book value per share," "Return on common equity – operating," "Return on tangible common equity – operating," "Return on assets – operating," "Return on assets – pre-tax, pre-provision, excluding merger-related and other charges," "Efficiency ratio – operating," "Expenses – operating," and "Tangible common equity to tangible assets."

Management has included these non-GAAP measures because it believes these measures may provide useful supplemental information for evaluating United's underlying performance trends. Further, management uses these measures in managing and evaluating United's business and intends to refer to them in discussions about our operations and performance. Operating performance measures should be viewed in addition to, and not as an alternative to or substitute for, measures determined in accordance with GAAP, and are not necessarily comparable to non-GAAP measures that may be presented by other companies. To the extent applicable, reconciliations of these non-GAAP measures to the most directly comparable GAAP measures can be found in the 'Non-GAAP Reconciliation Tables' included in the exhibits to this presentation.

## Additional Information

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities of United by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. Neither the SEC nor any other regulatory body has approved or disapproved of the securities of United or passed on the accuracy or adequacy of this presentation. Any representation to the contrary is a criminal offense. Securities of United are not deposits or insured by the Federal Deposit Insurance Corporation or any other agency.

United has filed a registration statement (including a prospectus) and a preliminary prospectus supplement with the SEC relating to the offering of senior notes. The offering of senior notes will be made only by means of the prospectus in that registration statement and related preliminary prospectus supplement, which will be filed with the SEC. Before you invest in any potential offering of senior notes, you should read the prospectus, and the related preliminary prospectus supplement and other documents United has filed with the SEC for more complete information about United and the potential offering. When available, you may get these documents for free by visiting EDGAR on the SEC website, [www.sec.gov](http://www.sec.gov). Alternatively, United will arrange to send you the prospectus and the related prospectus supplement after filing if you request it.

In connection with its proposed merger (the "Merger") with Three Shores Bancorporation, Inc. ("Three Shores"), the Company has filed a registration statement on Form S-4 (File No. 333-237862) with the Securities and Exchange Commission ("SEC"). The registration statement contains the proxy statement of Three Shores and the prospectus of the Company that has been sent to Three Shores' shareholders seeking their approval for the Merger and to register the shares of the Company's common stock to be issued in the Merger. INVESTORS AND SECURITY HOLDERS, PRIOR TO MAKING ANY INVESTMENT OR VOTING DECISION, ARE ENCOURAGED TO READ THE REGISTRATION STATEMENT AND PROXY STATEMENT/PROSPECTUS THAT IS A PART OF THE REGISTRATION STATEMENT (AND ANY OTHER DOCUMENTS FILED WITH THE SEC CONNECTION WITH THE MERGER OR INCORPORATED BY REFERENCE INTO THE PROXY STATEMENT/PROSPECTUS) BECAUSE SUCH DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER, UNITED OR THREE SHORES. The registration statement and other documents filed with the SEC may be obtained for free on the SEC's website at [www.sec.gov](http://www.sec.gov). The definitive proxy statement/prospectus is also available for free on the Company's website at [www.ucbi.com](http://www.ucbi.com).

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

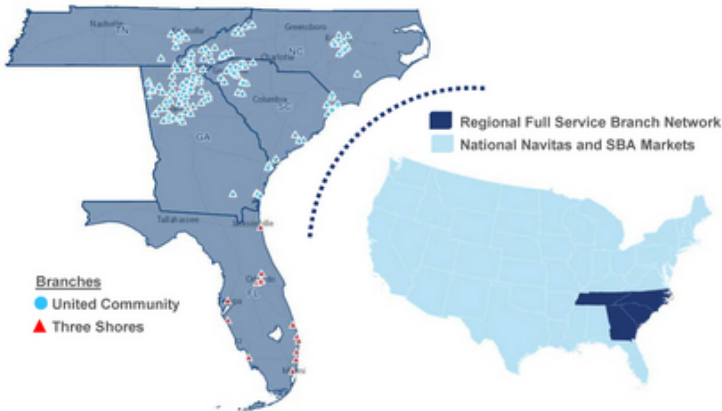


## Terms of Proposed Offering

<b>Issuer</b>	<ul style="list-style-type: none"><li>• United Community Banks, Inc. (NASDAQ: UCBI)</li></ul>
<b>Principal Amount</b>	<ul style="list-style-type: none"><li>• \$</li></ul>
<b>Security</b>	<ul style="list-style-type: none"><li>• Fixed-to-Floating Rate Senior Notes</li></ul>
<b>Term</b>	<ul style="list-style-type: none"><li>• 10 years</li></ul>
<b>Optional Redemption</b>	<ul style="list-style-type: none"><li>• Callable at Par after 5 years</li></ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"><li>• General corporate purposes</li></ul>
<b>Joint Bookrunning Managers</b>	<ul style="list-style-type: none"><li>• US Bancorp, Morgan Stanley</li></ul>

# United Community Banks, Inc.

Committed to Service Since 1950



## Premier Southeast Regional Bank

- Headquartered in Blairsville, GA with an executive office in Greenville, SC.
- Metro-focused branch network with locations in the fastest growing MSAs in the Southeast
- 142 branches, 7 loan production sites, and 5 mortgage loan offices across GA | NC | SC | TN
- Expansion into key Florida markets with Three Shores acquisition
- Top 10 market share in GA and SC
- Proven ability to integrate bank transactions – 8 transactions over the past 10 years

## Extended Navitas and SBA Markets

- Offered in 48 states across the continental U.S.
- SBA business has both in-footprint and national business (4 specific verticals); \$27MM 1Q20 originations
- Navitas subsidiary lends on essential use commercial equipment and makes up 8.5% of loans

Market data as of May 28, 2020

- (1) See non-GAAP reconciliation table slides in the Appendix for a reconciliation of operating performance measures to GAAP performance measures
- (2) Peers defined as members in KBW Regional Banking Index (KRX)

## 1Q 2020 Overview

**\$13.1**  
Billion in Assets  
One of the largest regional banks in the U.S. by assets

**\$1.6**  
Billion Market Cap  
UCBI (NASDAQ)

**12.9%**  
CET1

**14.9%**  
Total RBC

**0.28%**  
NPAs / Assets

**0.56%**  
Cost of Deposits  
One of the lowest cost of deposit bases vs. peers <sup>(2)</sup>

**\$8.9**  
Billion in Total Loans

**\$11.0**  
Billion in Total Deposits

**81%**  
Loans to Deposits


**0.99%**  
Return on average assets - GAAP

**56.2%**  
Efficiency ratio – GAAP

**55.6%**  
Efficiency ratio – operating <sup>(1)</sup>

# Who We Are

Full-Service Regional Bank with a Strong Culture Rooted in Sound Credit Underwriting & Growth

Cultural Pillars	Customer Service Is at Our Foundation
<p><b>High-Quality Balance Sheet</b></p> <ul style="list-style-type: none"> <li>✓ Underwriting conservatism and portfolio diversification</li> <li>✓ Top quartile credit quality performance</li> <li>✓ Prudent capital, liquidity and interest-rate risk management</li> <li>✓ Focused on improving return to shareholders with increasing ROTCE and dividend growth</li> </ul>	
<p><b>Profitability</b></p> <ul style="list-style-type: none"> <li>✓ Managing a steady margin with minimal accretion income</li> <li>✓ Fee revenue expansion through focused growth initiatives</li> <li>✓ Continued operating expense discipline while investing in growth opportunities</li> <li>✓ Executing on M&amp;A cost savings</li> <li>✓ High-quality, low-cost core deposit base</li> </ul>	
<p><b>Growth</b></p> <ul style="list-style-type: none"> <li>✓ Addition of Commercial Banking Solutions platforms (middle-market banking, SBA lending, senior care, income-property lending, asset-based lending, builder finance, renewable energy, equipment finance) and actively pursuing additional lending platforms</li> <li>✓ Entered into and continue to target new markets with team lift-outs</li> <li>✓ Continuous emphasis on and enhancement of Mortgage product offerings to drive loan and revenue growth</li> <li>✓ Acquisitions that fit our footprint and culture and deliver desired financial returns</li> </ul>	



# Who We Are

The Bank That SERVICE Built

## Awards and Recognition

### ACCOLADES

NAMED ONE OF AMERICA'S BEST PERFORMING BANKS  
- FORBES MAGAZINE

ONE OF THE BEST BANKS IN THE WORLD  
- FORBES MAGAZINE

TOP-RANKING IN OVERALL SATISFACTION IN THE SOUTH  
- GREENWICH ASSOCIATES

BEST IN CLASS IN CUSTOMER SATISFACTION  
- CUSTOMER SERVICE PROFILES

ONE OF AMERICA'S BEST BANKS TO WORK FOR  
- AMERICAN BANKER

ONE OF ATLANTA AND SOUTH CAROLINA'S TOP WORKPLACES  
- WORKPLACE DYNAMICS



## The United Difference

The Bank That SERVICE Built®

- ✓ Always Personal
- ✓ Always Convenient
- ✓ Always Focused on You

*We help our customers live better lives by delivering high-quality financial products and services. We live by the "Golden Rule of Banking"—we treat our customers the way we want to be treated.*

## Our Expertise

Our markets are led by local presidents with deep roots in their communities

Local decision makers and on-site originators allow for quicker, customized service

We are supported by the best bankers in the industry as proven by our high customer satisfaction scores

This market and industry expertise enables tailored delivery of products and services

# Experienced and Proven Leadership



**H. Lynn Harton**  
Chairman and CEO

- ✓ Over 35 years in banking
- ✓ Former EVP of Commercial Banking for TD Bank and President and CEO of The South Financial Group
- ✓ Previous Executive and C-level roles at BB&T and Regions Bank
- ✓ Served on RMA Board of Directors, RMA Community Bank Council, the CBA National Small Business Banking Committee, and the Equifax Small Business Financial Exchange



**Jefferson Harralson**  
Chief Financial Officer

- ✓ Over 25 years in banking
- ✓ Responsible for finance and reporting, accounting, M&A and investor relations
- ✓ Former Associate Director of Research for Keefe, Bruyette and Woods



**Melinda Davis Lux**  
General Counsel

- ✓ Over 20 years in advising clients as a corporate and M&A attorney
- ✓ Responsible for the bank's legal, compliance and governance affairs
- ✓ Former partner with Womble Bond Dickinson and Global Board Member of Womble Bond Dickinson International



**Rob Edwards**  
Chief Risk Officer

- ✓ Over 30 years in banking
- ✓ Responsible for the oversight of enterprise risk appetite, framework and culture including credit and operational risk
- ✓ Former EVP & Executive Credit Officer of TD Bank and Chief Credit Officer of The South Financial Group



**Rich Bradshaw**  
Chief Banking Officer

- ✓ Over 25 years in lending; joined the United team in 2014
- ✓ Oversees all branches and the bank's diverse commercial lines of business
- ✓ Former SBA head at TD Bank and Carolina First's SBA programs; President of UPS Capital Business Credit
- ✓ Highly decorated Commander in the U.S. Naval Reserve Intelligence Program (retired)



**Mark Terry**  
Chief Information Officer

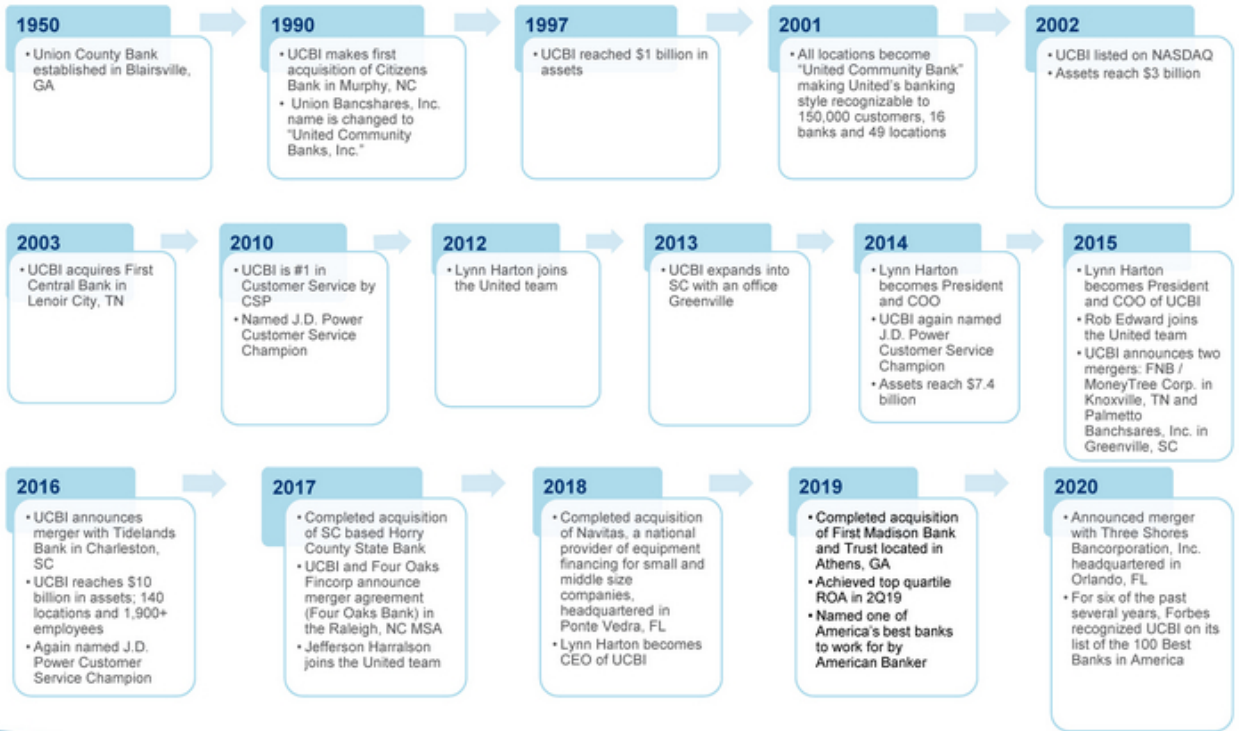
- ✓ Over 25 years in information technology
- ✓ Responsible for the bank's information technology operations including infrastructure, data management information security, and application support
- ✓ Former EVP and CIO of The Palmetto Bank and CIO of the Forcht Group of Kentucky



**Susie Hooper**  
Director of Human Resources

- ✓ Over 40 years in banking
- ✓ Responsible for all aspect of human resources include leadership development, talent acquisition, benefits and compensation
- ✓ Has been a United team member since 1989

# UCBI Milestones



# UCBI Focused on High-Growth MSAs in Southeast

## Located in Most of the Top 20 Markets in the Region

High-Growth MSAs in the Southeast

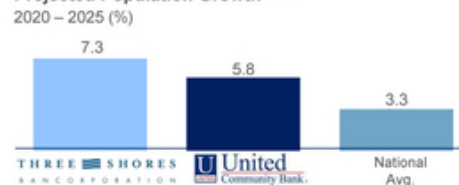
	Fastest Growing Southeast MSAs <sup>(1)</sup>	'20 - '25 Proj. Pop. Growth	'20 Population	'25 Proj. Median Household Income
1.	Myrtle Beach, SC	9.17%	502,515	\$59,235
2.	Cape Coral, FL	8.12%	770,874	\$67,430
3.	Orlando, FL	7.88%	2,655,278	\$68,956
4.	Raleigh, NC	7.75%	1,394,356	\$90,366
5.	Charleston, SC	7.65%	809,100	\$75,912
6.	Naples, FL	7.61%	388,069	\$82,927
7.	Lakeland, FL	7.56%	724,485	\$59,017
8.	Sarasota, FL	7.41%	842,503	\$70,762
9.	Wilmington, NC	7.06%	302,140	\$65,901
10.	Charlotte, NC	6.99%	2,658,337	\$75,204
11.	Spartanburg, SC	6.95%	321,550	\$62,690
12.	Jacksonville, FL	6.81%	1,579,191	\$70,264
13.	Tampa, FL	6.66%	3,219,587	\$64,132
14.	Port St. Lucie-Stuart, FL	6.65%	489,085	\$66,378
18.	Miami-Ft. Lauderdale, FL	6.34%	6,324,937	\$67,104
20.	Atlanta, GA	6.12%	6,073,585	\$81,378

- United MSA Presence (Branch and or LPO)
- Three Shores Presence (announced acquisition)

Average Deposits per Branch



Projected Population Growth <sup>(2)</sup>



Projected Household Income Growth <sup>(2)</sup>



Median Household Income (\$000):



**Notes:**

1. Includes MSAs with a population of greater than 300,000
2. Data by MSA shown on a weighted average basis by deposits



## Key Investment Highlights

- ✓ One of the Southeast's largest full-service banks, operating 142 offices in Georgia, North Carolina, South Carolina and Tennessee, and diversified national footprint with Navitas and SBA businesses
- ✓ Culture rooted in excellent customer service, sound credit underwriting and prudent growth
- ✓ Strong track record of growing earnings and improving profitability
- ✓ High-quality balance sheet and strong capital base, entering the current pandemic crisis with strength and momentum
- ✓ Deep and experienced management team
- ✓ Proven acquirer, with solid track-record of bank integrations



# Three Shores Acquisition Overview



# Three Shores Transaction Highlights

Consistent With Our Strategy of Acquiring Franchise-Enhancing Companies Within Target Markets

## Logical Expansion into Contiguous Florida Markets

- ✓ Acquisition of attractive commercial banking franchise with 14 branches and \$1.5 billion of deposits
- ✓ Expands United's franchise into key growing and affluent Florida metro areas
  - Three Shores is located in 7 of the top 20 fastest growing Southeast MSAs <sup>(1)</sup>
  - Key metro areas include Orlando, Ft. Lauderdale, Tampa and Jacksonville
- ✓ Entry into markets where United leadership has robust existing knowledge and banking experience

## Strong Strategic Fit

- ✓ Commercial-oriented banking franchise with ~62% of portfolio in C&I and owner-occupied CRE loans (\$853 million)
- ✓ Established private bank and wealth platform with more than \$900 million of assets under advisement at year-end
- ✓ Strong management team with large bank sophistication and established track record in building business banking and private wealth relationships
- ✓ Well-capitalized institution with solid asset quality results

## Complementary Service-Focused Cultures

- ✓ Brings together two strong banking cultures centered on providing outstanding customer service
- ✓ Relationship focused credit culture with strong long term results
- ✓ Highly experienced and engaged banking and support teams
- ✓ Current CEO Gideon Haymaker to remain with United as President of Florida and Director of Private Banking and Wealth Management

## Financially Compelling

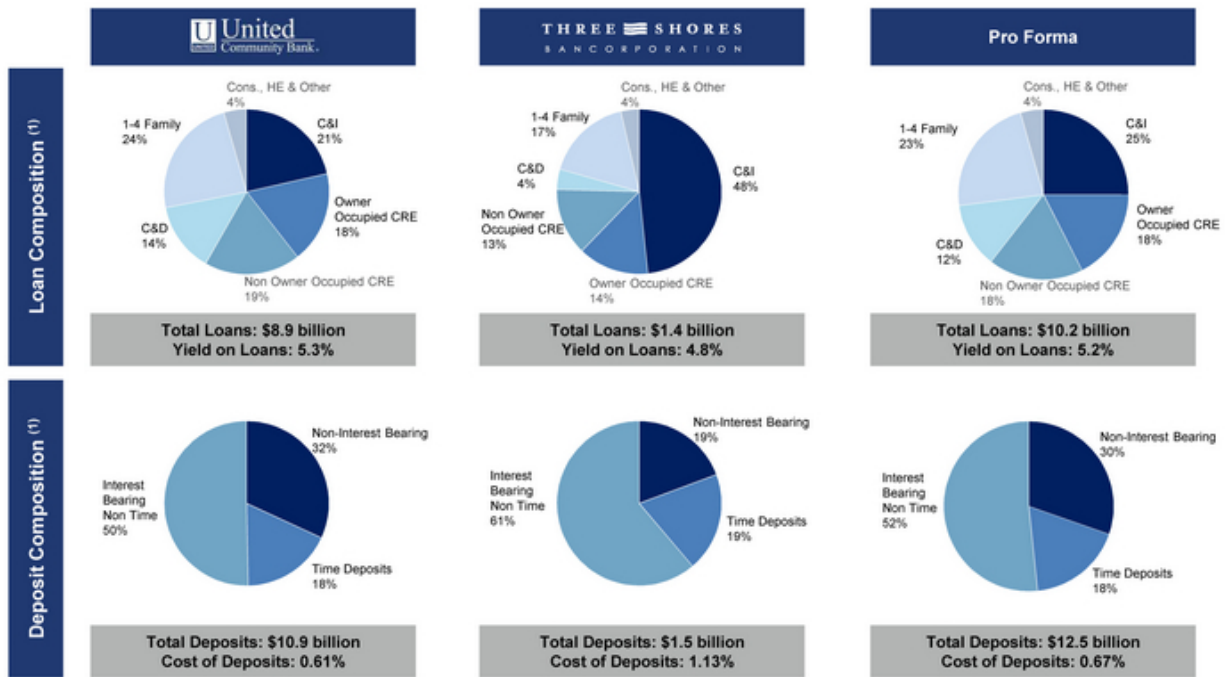
- ✓ Expected EPS accretion of \$0.14 - \$0.18 in 2021 (first full year of operations, updated as of May 21, 2020)
- ✓ Manageable book dilution and earnback period consistent with stated acquisition criteria
- ✓ Expected to improve United's efficiency ratio and ROTCE by 100+ bps each
- ✓ Potential funding and revenue synergies contemplated but not modeled

Source: S&P Global Markets, Company Materials (as of 12/31/19)

**Note:**

1. Based on projected population growth; Includes MSAs with a population of greater than 300,000

# Pro Forma Loan and Deposit Composition



Source: S&P Global Markets

Note:

1. Loan and deposit information as of 12/31/2019 regulatory reported data



# Key Transaction Assumptions and Results

<b>Consideration</b>	<ul style="list-style-type: none"> <li>0.3300 shares of United common stock for each share of Three Shores' common stock</li> <li>\$25 million of options and follow-on rights cashed out at close</li> </ul>
<b>Transaction Value</b>	<ul style="list-style-type: none"> <li>Deal value of ~\$180 million inclusive of value to options and follow-on rights <sup>(1)</sup></li> <li>~7x Three Shores 2019 earnings<sup>(2)</sup> with cost savings <sup>(3)</sup></li> <li>~1.1x Three Shores' stated tangible book value <sup>(3)</sup></li> <li>Core deposit premium of 1.3% <sup>(4)</sup></li> </ul>
<b>Pro Forma Ownership</b>	<ul style="list-style-type: none"> <li>91% United / 9% Three Shores</li> </ul>
<b>Cost Savings</b>	<ul style="list-style-type: none"> <li>24% of Three Shores' estimated non-interest expense (\$9 million pre-tax)</li> </ul>
<b>One Time Expenses</b>	<ul style="list-style-type: none"> <li>Pre-tax one-time expenses of \$15 million</li> </ul>
<b>Credit Mark</b>	<ul style="list-style-type: none"> <li>Credit marks of 2.1% of gross loans (\$27 million) → 3.4% (\$45.6 million)</li> <li>~3x Three Shores' non-performing loans</li> <li>PCD credit mark of \$18 million and non-PCD credit mark of \$9 million → \$32.4 million / \$13.2 million</li> <li>Additional \$15 million estimated allowance related to CECL → \$11.6 million</li> </ul>
<b>Financial Impacts and Returns</b>	<ul style="list-style-type: none"> <li>Expected to be \$0.12 - \$0.14 accretive to EPS on a fully phased in basis → \$0.14 - \$0.18</li> <li>Manageable book value dilution and earnback within stated threshold</li> <li>Expected to improve ROTCE and Efficiency Ratio by 100+ bps each</li> <li>Pro forma Common Equity Tier 1 Capital Ratio at close of 12.4%</li> </ul>
<b>Expected Closing</b>	<ul style="list-style-type: none"> <li>3Q 2020</li> </ul>

Updated as of May 21, 2020

**Note:**

1. Reflects 0.330 per share exchange ratio based on United stock price of \$18.98 as of market close March 9, 2020 and Three Shores' common share count of 24.7 million, deal value reflects value to options and follow-on rights cashed at close
2. Three Shores 2019 earnings adjusted to exclude \$5 million pre-tax charge related to loan fraud in 1Q19
3. Reflects fully diluted deal value inclusive of value to options and follow-on rights, tangible book value assumes preferred equity converts to common
4. Core deposits based on Three Shore's total deposits less jumbo time deposits

## Acquisition Summary & COVID-19 Update

- ✓ Culturally compatible with a focus on customer service that mirrors that of United
- ✓ Provides natural expansion into key Florida metro areas with desirable market demographics
- ✓ Growing private banking and wealth platform additive to existing product suite
- ✓ Financially compelling transaction consistent with United's stated M&A criteria
- ✓ Working to close transaction in the third quarter, subject to regulatory review and approval

Our leadership teams are in regular contact with one another for business integration discussions and monitoring COVID-19 response efforts:

- ✓ 60% of workforce is working remotely
- ✓ ATM withdrawal limits increased and out-of-network ATM fees waived
- ✓ 695 total PPP loans with ~\$230 million funds reserved
- ✓ 241 notes with payments deferrals booked for a total of \$191 million



### Seaside has limited exposure in selected segments:

- Restaurants: \$10 million primarily to one well-known, strong operator
- Hotels: \$22 million in low Loan-to-Value (LTV) loans to reputable flags
- Senior Care: \$30 million with strong financial guarantors

**Note:**

1. COVID response statistics and exposure as of May 4, 2020, except deferrals which are as of May 20, 2020.

# COVID-19 Update



Member FDIC. © 2020 United Community Bank

# COVID-19 Coordination

## Board Governance and COVID-19

### Guidance

- ✓ Our Board has broad and significant crisis experience with three Board members having held leadership positions with major US banks during the Financial Crisis and three others that served on the UCBI Board during that time

### Communication

- ✓ We transitioned a previously planned Board Retreat meeting into a COVID-19 UCBI deep dive with details on operations, credit, finance, technology, human resources and other critical topics

### Oversight

- ✓ Weekly structured calls between CEO and Lead Director
- ✓ Weekly total board update and feedback

## Supporting Our Employees, Customers, and Managing Our Risk



EMPLOYEES

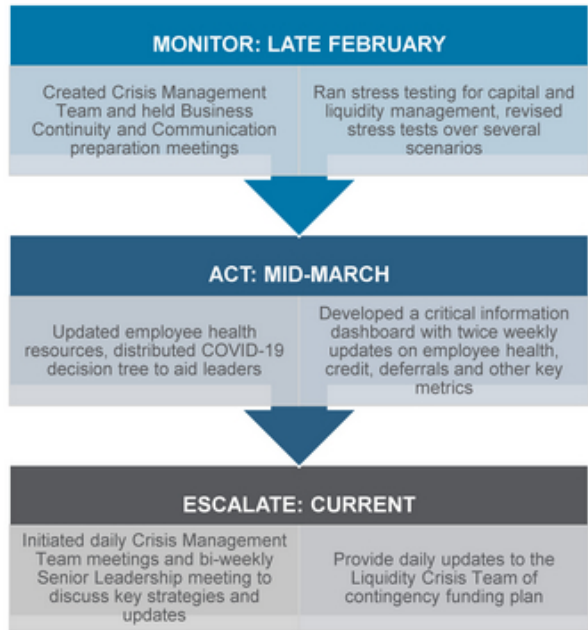


CUSTOMERS






RISK

## Comprehensive Pandemic Plan: Corporate Level



# Supporting Our Employees, Customers, and Managing Our Risk

	 <b>Employees</b>	 <b>Customers</b>	 <b>Risk</b>
<b>Safety</b>	<ul style="list-style-type: none"> <li>✓ Doubled remote access bandwidth to allow for more capacity to work from home if needed—brought capacity to 900 from 350 previously</li> <li>✓ Bought and issued additional laptops to further increase efficiency for home workers</li> <li>✓ Implemented an extra 10 days of paid time off to be used in the case of quarantine, isolation, family care needs or lack of child care related to COVID-19 illness or other related scenario</li> <li>✓ Allowing up to 10 unused 2020 vacation days to be carried over into 2021 if employees are unable to use their full 2020 days due to COVID-19</li> <li>✓ While not specifically COVID-19 related, in the first quarter we established a Minimum Wage Per Hour Enhancement Project to better reward and retain key employees that are on the front lines and those who support each of us every day</li> <li>✓ For responsibilities critical to be “on site” we have:               <ul style="list-style-type: none"> <li>✓ Created rotations to ensure significant space between employees</li> <li>✓ Enhanced cleaning products used to comply with CDC guidelines</li> <li>✓ Increased hand sanitizer in all locations</li> </ul> </li> </ul>	<b>Service</b> <ul style="list-style-type: none"> <li>✓ Flexible deferral options where needed</li> <li>✓ Foreclosures on consumer and commercial properties deferred</li> <li>✓ Committing to lead in the PPP program</li> <li>✓ Waiving fees for loan payments by phone and fees for customers using non-UCB ATMs</li> <li>✓ Modifying all branches to drive-thru only service model, with lobbies available by appointment</li> <li>✓ Leveraging our “commitment to lend” into customer growth, opening commercial DDAs at nearly 3x our normal run rate during the first two weeks of April</li> <li>✓ Commitment to communicate updates, including a significant increase in emails used to alert customers on our PPP loan process</li> </ul>	<b>Monitoring</b> <ul style="list-style-type: none"> <li>✓ Identified, defined and tracked key metrics to determine impact to customers, shareholders and employees</li> <li>✓ Created centralized communication channel for efficient notification of any pandemic impact to branch operations network</li> <li>✓ Heightened online security incident and event management (SIEM) monitoring for increase in number of employees leveraging remote access</li> <li>✓ Enhanced fraud and phishing awareness through increased frequency of communications focused on pandemic scams</li> <li>✓ Implemented Remote Access Vulnerability Testing due to increased remote access users</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>✓ 12 all-employee emails and 7 all-employee voicemails from Lynn Harton (from Mar 3- Apr 30)</li> <li>✓ COVID-19/PPP loan intranet resource created</li> <li>✓ Share the Good internal campaign with over 50 “good stories” submissions</li> </ul>	<b>Digital &amp; Social Media</b> <ul style="list-style-type: none"> <li>✓ Increasing mobile capture limits to enhance customer experience and reduce branch traffic</li> <li>✓ Eliminating mobile capture fees and giving flexibility in waiving NSF fees for impacted clients</li> <li>✓ Leveraging our investments online with 918 retail accounts opened digitally from 3/1-4/16</li> <li>✓ 96% growth on engagement since January 2020 on social media channels</li> <li>✓ 9.2% growth in LinkedIn, 25% growth in Twitter and 9% growth in Facebook followers from 1/1- 4/30</li> </ul>	<b>Info Security</b> <ul style="list-style-type: none"> <li>✓ Leveraging our “commitment to lend” into customer growth, opening commercial DDAs at nearly 3x our normal run rate during the first two weeks of April</li> <li>✓ Commitment to communicate updates, including a significant increase in emails used to alert customers on our PPP loan process</li> </ul>
			<b>Health</b> <ul style="list-style-type: none"> <li>✓ Continually monitoring govt. orders and CDC guidance to adjust our response actions accordingly</li> <li>✓ Thermometers available at operational sites</li> <li>✓ Distancing operational teams with critical functions that must be performed on site</li> </ul>

# Supporting Our Employees, Customers, and Managing Our Risk



## Supporting our Employees: Communications

EMPLOYEE RESOURCE PAGE  
**CORONAVIRUS UPDATES**

We're in this Together

[Click here](#) for archive of customer and employee communications

### General Links

Door Signs	Email Signatures	Employee Transit Exemption Letter	Frequently Asked Questions
See the Good	Share the Good	Submit Questions or Feedback	Yard Signs

### Loan Links

Consumer RE/Non-RE	Business TIRE <\$500	Commercial TIRE >\$500M COVID-19 LAR Mod	Comm TIRE >\$500M COVID-19 LAR Mod Menu/Attachment
Mortgage Loans Serviced by DM	Procedures Summary Commercial TIRE >\$500M and SBA		

### CARES Act

CARES Act Documents	CARES Act Q&A	Borrower Application	Lender Guaranty Application
PPP Loan Interest Form Submissions	Small Business Loans - CARES Act	Treasury Fact Sheet for Lenders	



## Supporting our Customers: Service

### United PPP Loan Process (As of May 18)

**\$1.13 Billion**  
Funded

**10,852**  
Loans Funded

### Unique Emails Sent Per Week



## Supporting Our Customers: Digital

Site-wide direct traffic  
+24% and organic  
traffic +35%

New users up 40%, web  
sessions up 24%,  
bounce rates down 43%

### Active Digital Customers



# Financial Results



Member FDIC. © 2020 United Community Bank

# 1Q20 Highlights

**\$0.40**  
Diluted earnings per share  
- GAAP

**7.9%**  
Return on common equity -  
GAAP  
**10.6%**  
Return on tangible common  
equity - operating<sup>(1)</sup>

**\$0.41**  
Diluted earnings per share  
- operating, down 27%  
YOY

**10%**  
YOY growth in  
Book value per share

**0.99%**  
Return on assets - GAAP

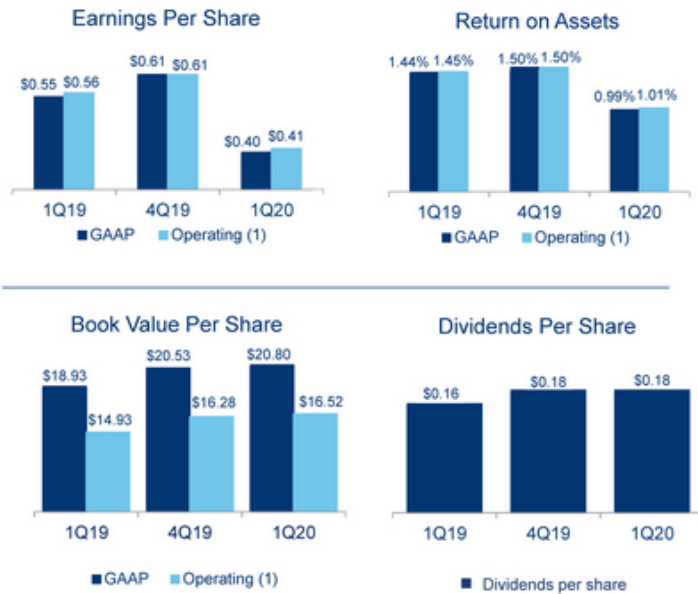
**11%**  
YOY growth in Tangible  
book value per share

**1.01%**  
Return on assets -  
operating<sup>(1)</sup>

Annualized 1Q EOP  
loan growth of 6%  
or \$122 mm

**\$0.18**  
Quarterly Dividend,  
up 13% YOY

Annualized 1Q EOP  
deposit growth of  
5% or \$138 mm



(1) See non-GAAP reconciliation table slides in the Appendix for a reconciliation of operating performance measures to GAAP performance



# Focused on Increasing Profitability

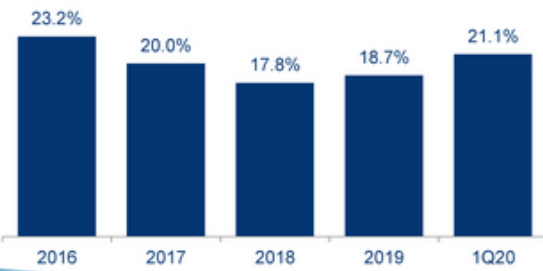
Operating ROAA<sup>(1)</sup>



Net Interest Margin



Fee Income / Revenue



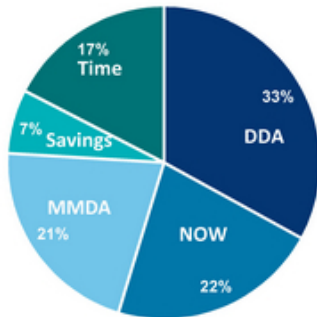
Operating Efficiency Ratio<sup>(1)</sup>



Source: S&P Global Markets and Company Materials  
 Data for the twelve months ended 12/31 for each respective year. Q1 2020 data for the three months ended 3/31/20  
 Net interest margin is calculated on a fully-taxable equivalent basis  
 (1) See non-GAAP reconciliation table slides in the Appendix for a reconciliation of operating performance measures to GAAP performance  
 \*Annualized

# UCBI Valuable Deposit Mix

1Q20 Total Deposits \$11.0 bn



1Q20 Highlights

- ✓ 33% of deposits are Noninterest bearing deposits
- ✓ UCBI cost of deposits down 5 bps to 0.56% in 1Q20
- ✓ UCBI cost of deposits significantly lower than KRX peer levels (0.56% in 1Q20 vs. KRX peers at 0.70%)
- ✓ Total deposits up \$138mm from 4Q19; core demand deposits drove the increase – up \$165mm in 1Q20, offset by a seasonal decline in public NOW deposits

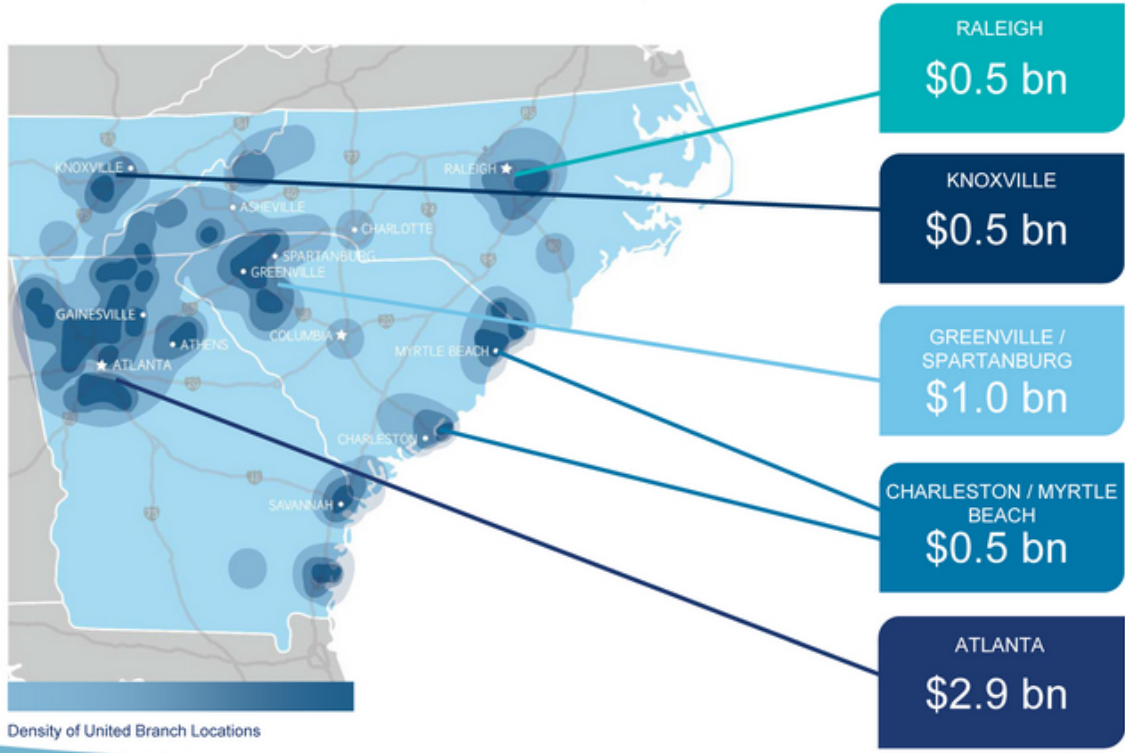
Deposit Growth Over Time, Supported by Significant Low-Cost Core Deposit Base

Period End Core & Total Deposits (\$bn)



Note: Peer comparison banks comprise the KBW Regional Bank Index (ticker: KRX)  
Source: S&P Global Markets

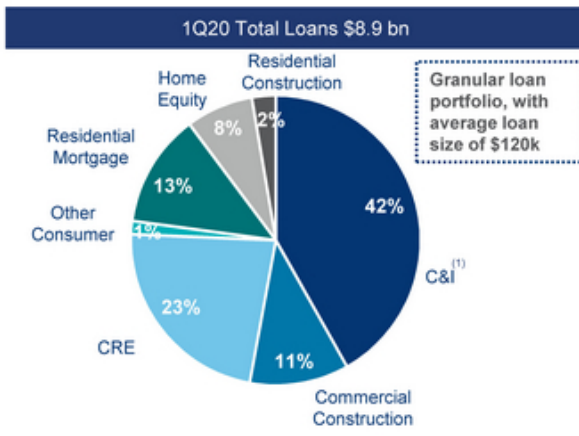
# Attractive Markets – UCBI Deposits



Density of United Branch Locations

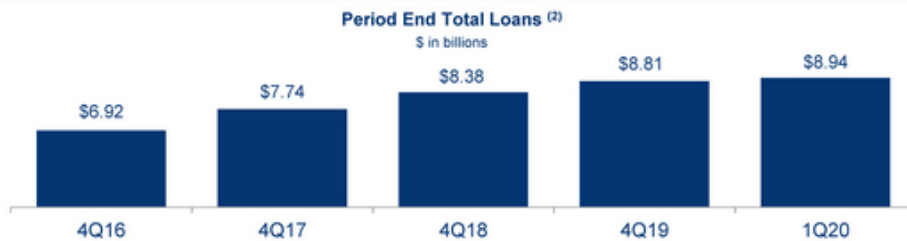
Source: S&P Global Market Intelligence  
UCBI deposits as of 12/31/2019

# Measured Loan Growth



- 1Q20 Highlights
- ✓ Linked-quarter EOP loan growth was \$122mm, or 6% annualized
    - Draws on lines of credit contributed ~ \$60mm as utilization moved to 67% from 63% in 4Q19
    - Since Apr 1<sup>st</sup>, draw activity has been relatively muted
  - ✓ Loan production was \$919mm in the quarter, up 17% YOY
    - Since Apr 1<sup>st</sup>, loan production has centered primarily on PPP loans; \$1.14bn SBA CARES Act loans approved as of May 18<sup>th</sup>
  - ✓ COVID-19 related loan deferrals booked reached ~\$1.4bn as of May 18<sup>th</sup>
  - ✓ Restaurants and hotels each contribute 3% of the total loan portfolio
    - Notably, the portfolio includes \$155mm of Shared National Credits outstanding, just \$73mm of leveraged lending and very little exposure to non-depository financial institutions
  - ✓ Completed \$22mm Navitas loan sale in February at a 6% gain

Disciplined, Organic Balance Sheet Growth Supplemented by Acquisitions



(1) C&I includes commercial and industrial loans, owner-occupied CRE loans and equipment finance loans  
 (2) Excludes loans and foreclosed properties covered by loss sharing agreements with the FDIC.

# Commercial Real Estate Overview

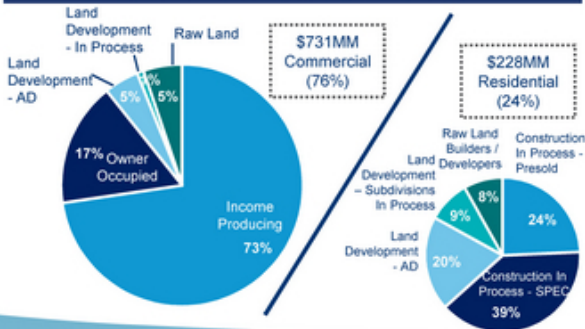
1Q20 Total CRE Loans \$3.0bn



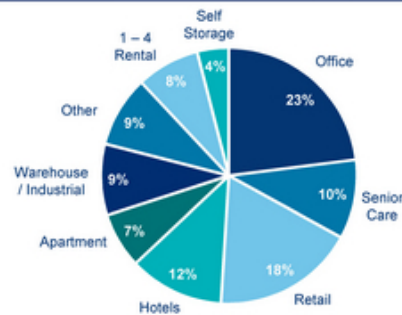
1Q20 Highlights

- ✓ Commercial Real Estate (CRE) portfolio consists of income producing CRE and commercial construction
- ✓ Outstanding loans of \$3.0bn, or 34% of total loans
- ✓ Well-diversified across multiple segments and well balanced exposures vs. broader loan concentration mix
- ✓ Majority of commercial construction loans have LTV between 50-75%
- ✓ Average commercial construction loan size: ~\$451k
- ✓ Average income producing CRE loan size: ~\$632k
- ✓ CRE Loans / Total RBC: 207%<sup>(1)</sup>
- ✓ Construction & Development Loans / Total RBC: 79%<sup>(1)</sup>

1Q20 Commercial Construction \$959mm



1Q20 Income Producing CRE \$2.1bn



Source: S&P Global Markets and Company Materials

1. Commercial Real Estate Loans, Construction & Development Loans and Total Bank Risk-Based Capital based on regulatory classifications
2. Income producing CRE "Other" includes parking garages, airport hangers and RV dealers

# C&I Overview

1Q20 Total C&I Portfolio \$3.8bn



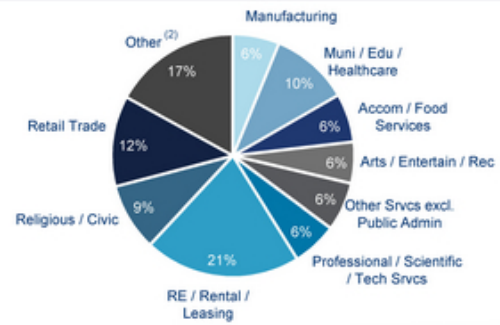
1Q20 Highlights

- ✓ C&I includes commercial & industrial loans, owner-occupied CRE loans and equipment finance loans
- ✓ Outstanding loans of \$3.8bn, or 42% of total loans
- ✓ Diversified well-balanced portfolio across multiple segments
- ✓ Top 10 commitments totaled \$249mm
- ✓ Average loan size of \$417K

1Q20 Commercial & Industrial – Top 5 Categories by Industry

	SMM	% of Portfolio
Manufacturing	\$ 184.4	14%
Municipal, Education, Healthcare, Social	\$ 132.4	10%
Utilities & Information, Telecom, Media	\$ 125.6	10%
Wholesale Trade	\$ 101.8	8%
Real Estate and Rental Leasing	\$ 95.3	7%
<b>Top 5 Industry Segments</b>	<b>\$ 639.4</b>	<b>49%</b>

1Q20 OO CRE Portfolio \$1.7bn



**Note:**

1. Total C&I includes commercial and industrial loans, owner-occupied CRE loans and equipment finance loans
2. OO CRE "Other" across 11 categories, including construction trade, agriculture, wholesale trade, finance & insurance, telecom, transportation & warehousing

## Selected Segments – Restaurants & Hotels

Restaurants by Product			
(\$ millions)	# of Loans	Total Commitment	Total Outstanding
Owner Occupied RE	182	\$ 104.2	\$ 96.9
Construction	11	\$ 17.2	\$ 13.3
C&I	261	\$ 57.3	\$ 49.6
SBA	196	\$ 51.6	\$ 44.6
Navitas	7,305	\$ 94.3	\$ 94.3
<b>Total</b>	<b>7,955</b>	<b>\$ 324.6</b>	<b>\$ 298.7</b>

- ✓ Restaurant exposure totaled \$298.7mm as of 1Q20, or 3% of total loans
- ✓ Top 10 commitments totaled \$59mm
- ✓ As of April 16<sup>th</sup>, \$61mm of restaurant loans were deferred, which equated to approximately 21% of the total restaurant portfolio outstanding
- ✓ Average loan size of \$38K
- ✓ Navitas lends on various essential-use restaurant equipment with an average loan size of \$12K

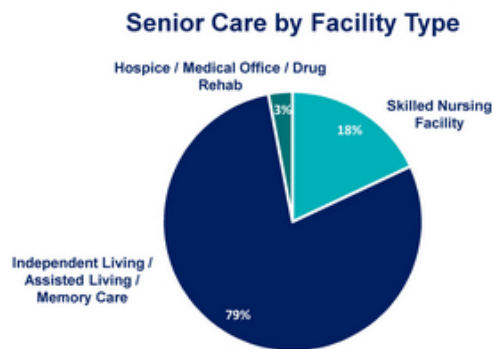
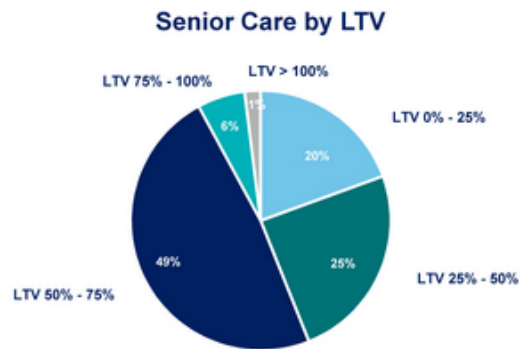
Hotels by Product			
(\$ millions)	# of Loans	Total Commitment	Total Outstanding
CRE	97	\$ 262.2	\$ 232.6
Construction	10	\$ 75.4	\$ 53.0
SBA	7	\$ 7.9	\$ 7.9
Navitas	438	\$ 5.9	\$ 5.9
<b>Total</b>	<b>552</b>	<b>\$ 351.4</b>	<b>\$ 299.4</b>

- ✓ \$299.4mm hotel exposure as of 1Q20, or 3% of total loans
- ✓ Loan to value low at 52% on average
- ✓ Top Tier brands represent approximately 60% of total committed exposure
- ✓ Over 50% of hotel exposure is located within Atlanta, Columbia, Myrtle Beach, Greenville, Savannah and Florence
- ✓ Top 10 commitments totaled \$144mm
- ✓ Average loan size of \$542K
- ✓ As of April 16<sup>th</sup>, \$126mm of hotel loans were deferred, which equated to ~42% of the total hotel portfolio outstanding

# Selected Segments – Senior Care

Senior Care by Product				
(\$ millions)	# of Loans	Total Commitment	Total Outstanding	LTV
CRE	52	\$ 220.6	\$ 199.6	59%
Construction	30	\$ 353.7	\$ 260.8	44%
SBA	5	\$ 2.1	\$ 2.1	60%
<b>Total</b>	<b>87</b>	<b>\$ 576.4</b>	<b>\$ 462.5</b>	<b>51%</b>

- ✓ Senior Care lending team are dedicated specialists with significant experience in the space
- ✓ Senior Care exposure totaled \$462.5mm as of 1Q20, or 5% of total loans
- ✓ Senior Care borrowers provide significant equity up front with 93% of the deals having an LTV of 75% or less
- ✓ Top 10 commitments totaled \$169mm
- ✓ Average loan size of \$5.3mm
- ✓ As of April 16<sup>th</sup>, \$46mm of Senior Care loans were deferred, which equated to approximately 10% of the Senior Care portfolio outstanding





# Managing Our Risk



## Risk Philosophy

We strive to be a bank that knows our risks, manages and monitors what really matters and makes risk adjusted decisions in line with our Risk Appetite at all levels of the organization.

We strive to be a bank where our risk framework provides a competitive advantage over our peers, aiding us in the goal of being cost effective, efficient, impactful and transparent.

We exist to instill a risk aware culture at the Bank that supports the strategic initiatives and performance goals of the Bank while integrating principled and informed decision making to ensure the future viability of the institution.

We do this by:

- ✓ Driving the bank's risk culture, setting the bank's risk appetite and deploying the bank's risk governance.
- ✓ Facilitating management's understanding and monitoring of the overall risk profile of the Bank.
- ✓ Providing objective and measurable information about risks that lead to better decisions and more effective dialogue, as well as providing visibility into all risks that can impact the Bank's ability to deliver its mission.
- ✓ Assessing risk areas, developing risk management strategies, implementing technological solutions, and determining policies and procedures to control risk



## We Follow our 3 Risk Principals

### We don't bet the bank

- ✓ Focus on concentration management – product, customer, and geography

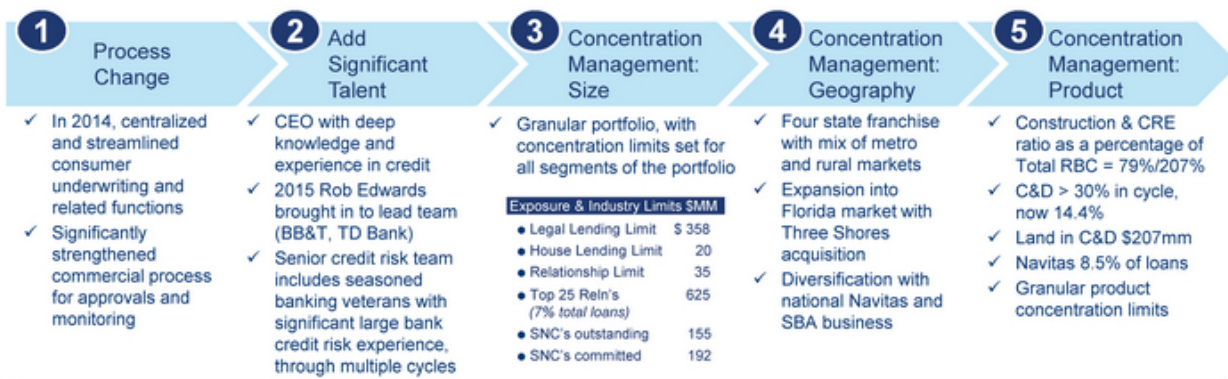
### We don't take risks we don't understand

- ✓ Consistent conservative customer selection and underwriting philosophies
  - Relationship based
  - Footprint centric
  - Professional, "large bank" credit teams

### We speak up

- ✓ Culture of open communication

# Strong Credit Culture & Disciplined Credit Processes



**Structure**

- ✓ Centralized underwriting and approval process for consumer credit
- ✓ Distributed Regional Credit Officers (reporting to Credit) for commercial
- ✓ Dedicated Special Assets team
- ✓ Eight of the top twelve credit leaders recruited post-crisis

**Process**

- ✓ Weekly Senior Credit Committee; approval required for all relationship exposure > \$8.5MM
- ✓ Continuous external loan review
- ✓ Monthly commercial asset quality review
- ✓ Monthly retail asset quality review meetings

**Policy**

- ✓ Continuous review and enhancements to credit policy
- ✓ Quarterly reviews of portfolio limits and concentrations

**BUILT TO  
OUTPERFORM  
IN THE NEXT  
CYCLE**



# Entering Crisis with Strength and Momentum

## Capital

- ✓ UCBI coming into the cycle with greater regulatory capital and tangible common equity compared to peers

Capital as of 4Q19		
	TCE %	CET1 %
UCBI	10.3	13.0
KRX Median	9.3	11.6
UCBI vs. KRX	+1.1	+1.4

## Profitability

- ✓ 4Q19 PTPP ROA is 20% higher compared to peers
- ✓ Efficiency ratio well below peers

Profitability as of 4Q19			
	PTPP Operating ROA % <sup>(1)</sup>	Efficiency Ratio %	Net Interest Margin %
UCBI	2.0	54.9	3.93
KRX Median	1.7	56.8	3.43
UCBI vs. KRX	+0.3	+1.9	+0.50

## Liquidity

- ✓ Significantly lower loan to deposit ratio
- ✓ Significantly less wholesale funding creates a more flexible balance sheet

Liquidity as of 4Q19		
	Loans / Deposits %	Reliance on Wholesale Funding % <sup>(2)</sup>
UCBI	81.4	3.6
KRX Median	94.9	13.7
UCBI vs. KRX	+13.5	+10.2

## Funding

- ✓ Funding base comprised mostly of core deposits; funding costs well below peers

Funding as of 4Q19		
	DDA / Deposits %	Int Exp / Avg Assets %
UCBI	32.0	0.61
KRX Median	24.7	0.80
UCBI vs. KRX	+7.3	+0.19

(1) Pre-tax pre-provision Operating ROA calculated as ROA excluding the effect of income tax expense, provision expense and merger charges

(2) Reliance on Wholesale Funding calculated as (Total Borrowings + Brokered Deposits)/(Total Borrowings + Total Deposits)

# Allowance for Credit Losses

\$ in millions

	4Q19	Day 1 CECL 1/1/2020	1Q20
<b>Allowance for Loan Losses</b>	\$ 62,089 0.70%	\$ 68,969	\$ 81,905 0.92%
<b>Allowance for Unfunded Commitments</b>	\$ 3,458 0.25%	\$ 5,329	\$ 6,470 0.31%
<b>Allowance for Credit Losses</b>	\$ 65,547 0.74%	\$ 74,298	\$ 88,375 0.99%

- ✓ The allowance for credit losses has increased 35% since 4Q19
- ✓ We reviewed multiple scenarios and examined and stressed our inputs
- ✓ We have a one-year forecast period and a two-year, straight-line reversion to industry losses in our CECL model
- ✓ The current environment is inherently unpredictable due to the impact of COVID-19. We continuously review multiple economic scenarios and the potential mitigants of government action

# Strong Credit Quality — UCBI

Net Charge-Offs as % of Average Loans



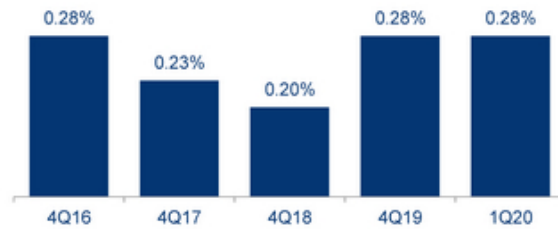
1Q20 Highlights

- ✓ NCOs elevated at \$8.1mm primarily due to a \$6.4mm loss on a single C&I loan
  - Medical testing company with significant P/E failed
  - Not COVID related
  - Remaining leveraged loan book of \$73mm
- ✓ The provision for credit losses increased \$19mm compared to 4Q19 due to the uncertain environment, while the allowance for credit losses and unfunded commitments increased 35% since 4Q19 to \$88mm
- ✓ NPAs were stable in the quarter; CECL transition added \$4mm
- ✓ NPAs improved in 1Q20 excluding accounting change effect

Provision for Credit Losses



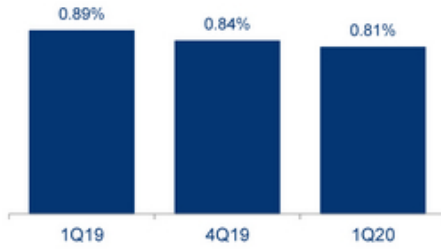
Non-Performing Assets as % of Total Assets



(1) Source: S&P Global Markets

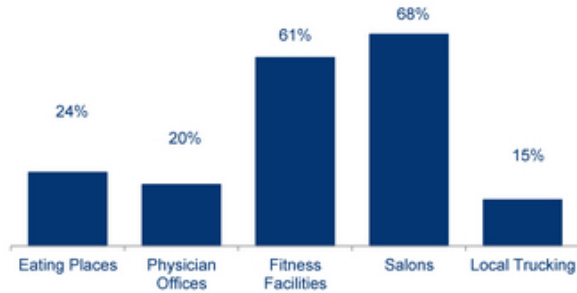
# Strong Credit Quality — Navitas

Net Charge-Offs as % of Average Loans



- ✓ Navitas 1Q20 NCOs = 0.81%
- ✓ Navitas had a >4% 1Q20 pretax ROA and could withstand ~4.5% in annualized losses before reporting a loss
- ✓ Navitas' cumulative net loss rates have approximated 2% for the last 10 years
- ✓ Rating agencies have historically assigned Navitas originations with expected through-the-cycle loss rates of 3.1% to 3.8%

Navitas Deferral % for Top 5 Categories As of April 15



- ✓ Top 5 loan categories by industry type account for 35% of total portfolio (eating places 11%, physician offices 8%, fitness facilities 6%, salons 6%, local trucking 4%)
- ✓ As of April 16<sup>th</sup>, \$169 million of Navitas loans were deferred, which equated to approximately 22% of the total Navitas loan portfolio

# Capital Ratios

Holding Company	1Q19	4Q19	1Q20
<b>Common Equity Tier 1 Capital</b>	12.4 %	13.0 %	12.9 %
<b>Tier 1 Risk-Based Capital</b>	12.7	13.2	13.1
<b>Total Risk-Based Capital</b>	14.6	15.0	14.9
<b>Leverage</b>	9.9	10.3	10.4
<b>Tangible Common Equity to Tangible Assets</b>	9.8	10.3	10.2

1Q20 Highlights
✓ Capital ratios significantly above "well capitalized" and significantly higher than a year ago
✓ The expected impact of adopting CECL was effectively delayed by United's election to use the modified five-year transition provision, which added ~7 bps to CET1 in 1Q20
✓ Quarterly dividend of \$0.18 per share
✓ Repurchased a total of 826,482 shares during 1Q20 at an average price of \$25.14 for a total of \$20.8mm
✓ Share repurchases have been discontinued
✓ Low double leverage at ~104%

CET1 Ratio (%)



Tier 1 Ratio (%)



Total Capital Ratio (%)

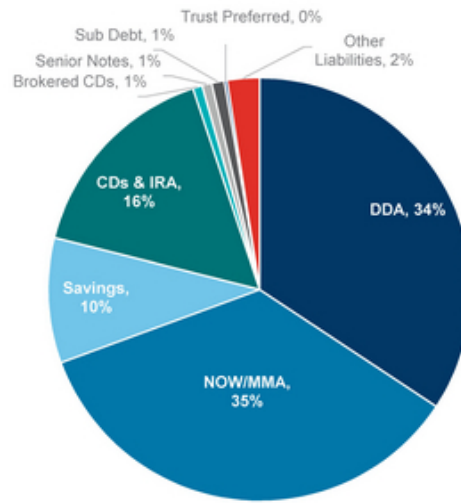


# Funding & Liquidity: Summary

## Overview (as of 1Q20)

- ✓ Strong liquidity profile with the objective to assure sufficient funds are available to meet credit demands, cash flow needs and deposit withdrawals, while also contributing, in conjunction with United's capital position, to safety and soundness in times of stress.
- ✓ Limit wholesale funding, with following concentration limits:
  - No more than 25% Wholesale Funding
  - No more than 10% Brokered CDs
  - No more than 5% non maturity brokered deposits
  - No more than 5% Fed Funds
- ✓ \$11.0B of total deposits; loans to deposits ratio of 81%
- ✓ Significant access to contingent liquidity:
  - FHLB available borrowing base of \$1.4B with zero outstanding
  - Unpledged Securities of \$2.0B
- ✓ Maintain access to other funding markets:
  - Discount Window Borrowing Base of \$1.5B, zero outstanding
  - Over \$1B of Fed Funds Lines
  - Diversified access to brokered CDs, brokered money market deposits, repo markets & loan sale markets
- ✓ Holding Company Sources of Liquidity
  - Holding Company Cash of ~\$140MM
  - Unsecured Line of Credit \$50MM
  - Unrestricted Cash and Deposits ~\$517MM
- ✓ We manage our liquidity position daily and complete detailed liquidity stress tests monthly, and maintain an unencumbered liquid asset reserve to meet obligations under normal conditions for at least 12 months and a minimum of 30 days under severely adverse liquidity conditions.

## Liabilities Mix as of 1Q20



**81%**  
Loans to Deposits  
One of the lowest vs. peers <sup>(1)</sup>



# Core Investment Portfolio

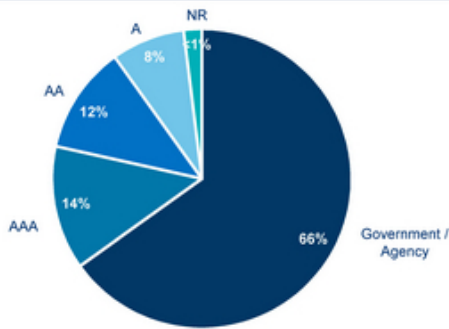
## Investment Portfolio Strategy

- ✓ We manage our investment portfolio for liquidity, interest rate risk management, and earnings in that priority
- ✓ Target a conservative investment portfolio with all core investments either government / agency related or rated A or better
- ✓ Over the last two years we have reduced the size of the investment portfolio and exited all CLO and collateral swap positions
- ✓ No obligations of any issuer >10% of equity at Mar 31, 2020 (excluding U.S. Government Sponsored Entities)

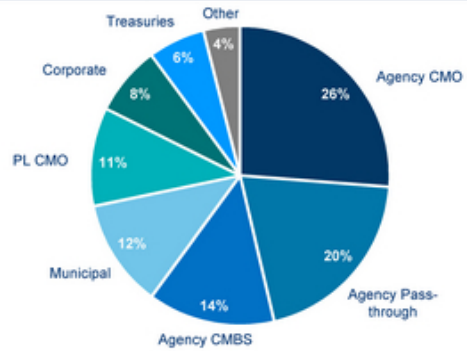
## Securities Portfolio Detail as of 1Q20

Weighted average duration	2.4 Years
Current yield (Tax Equivalent)	2.77%
Book value of securities portfolio	~\$2.5 Bn
Securities portfolio as % of total assets	~19%

## Core Investment Ratings Composition



## Core Investment Portfolio



# Appendix



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# Non-GAAP Reconciliation Tables

\$ in thousands, except per share data

	2016 (1)	2017 (1)	2018 (1)	2019 (1)	1Q20 (1)
<b>Expenses</b>					
Expenses - GAAP	\$241,289	\$267,611	\$306,285	\$322,245	\$ 81,538
Merger-related and other charges	(8,122)	(14,662)	(7,345)	(7,357)	(808)
Expenses - Operating	<u>\$233,167</u>	<u>\$252,949</u>	<u>\$298,940</u>	<u>\$314,888</u>	<u>\$ 80,730</u>
<b>Diluted Earnings per share</b>					
Diluted earnings per share - GAAP	\$ 1.40	\$ 0.92	\$ 2.07	\$ 2.31	\$ 0.40
Merger-related and other charges	0.07	0.14	0.07	0.07	0.01
Impact of tax reform on remeasurement of deferred tax asset	-	0.52	-	-	-
Impairment of deferred tax asset on canceled non-qualified stock options	0.01	-	-	-	-
Release of disproportionate tax effects lodged in OCI	-	0.05	-	-	-
Diluted earnings per share - Operating	<u>1.48</u>	<u>1.63</u>	<u>2.14</u>	<u>2.38</u>	<u>0.41</u>
<b>Book Value per share</b>					
Book Value per share - GAAP	\$ 15.06	\$ 16.67	\$ 18.24	\$ 20.53	\$ 20.80
Effect of goodwill and other intangibles	(2.11)	(3.02)	(4.00)	(4.25)	(4.28)
Tangible book value per share	<u>\$ 12.95</u>	<u>\$ 13.65</u>	<u>\$ 14.24</u>	<u>\$ 16.28</u>	<u>\$ 16.52</u>
<b>Return on Tangible Common Equity</b>					
Return on common equity - GAAP	9.41 %	5.67 %	11.60 %	11.89 %	7.85 %
Effect of merger-related and other charges	0.48	0.92	0.41	0.36	0.16
Impact of tax reform on remeasurement of deferred tax asset	-	3.20	-	-	-
Impairment of deferred tax asset on canceled non-qualified stock options	0.09	-	-	-	-
Release of disproportionate tax effects lodged in OCI	-	0.28	-	-	-
Return on common equity - Operating	<u>9.98</u>	<u>10.07</u>	<u>12.01</u>	<u>12.25</u>	<u>8.01</u>
Effect of goodwill and intangibles	0.76	1.95	3.68	3.56	2.56
Return on tangible common equity - Operating	<u>10.74 %</u>	<u>12.02 %</u>	<u>15.69 %</u>	<u>15.81 %</u>	<u>10.57 %</u>

(1) Merger-related and other charges for 2017, 2018 and 2019 include \$761 thousand, \$1,931 thousand and \$449 thousand, respectively, of intangible amortization resulting from payments made to executives under their change of control agreements. The resulting intangible assets were being amortized over 12 to 24 months. No charges in 2016 or 1Q20.

# Non-GAAP Reconciliation Tables

\$ in thousands, except per share data

	2016 (1)	2017 (1)	2018 (1)	2019 (1)	1Q20 (1)
<b>Return on Assets</b>					
Return on assets - GAAP	1.00 %	0.62 %	1.35 %	1.46 %	0.99 %
Merger-related and other charges	0.05	0.09	0.05	0.05	0.02
Impact of tax reform on remeasurement of deferred tax asset	-	0.35	-	-	-
Impairment of deferred tax asset on canceled non-qualified stock options	0.01	-	-	-	-
Release of disproportionate tax effects lodged in OCI	-	0.03	-	-	-
Return on assets - Operating	<u>1.06 %</u>	<u>1.09 %</u>	<u>1.40 %</u>	<u>1.51 %</u>	<u>1.01 %</u>
<b>Return on Assets to return on assets- pre-tax pre-provision</b>					
Return on assets - GAAP	1.00 %	0.62 %	1.35 %	1.46 %	0.99 %
Income tax expense	0.62	0.95	0.41	0.43	0.27
Provision for credit losses	(0.01)	0.03	0.08	0.10	0.69
Return on assets - pre-tax, pre-provision	<u>1.61</u>	<u>1.60</u>	<u>1.84</u>	<u>1.99</u>	<u>1.95</u>
Merger-related and other charges	0.08	0.14	0.05	0.05	0.03
Return on assets - pre-tax, pre-provision, excluding merger-related and other charges	<u>1.69 %</u>	<u>1.74 %</u>	<u>1.89 %</u>	<u>2.04 %</u>	<u>1.98 %</u>
<b>Efficiency Ratio</b>					
Efficiency Ratio - GAAP	59.80 %	59.95 %	57.31 %	55.77 %	56.15 %
Merger-related and other charges	(2.02)	(3.28)	(1.37)	(1.27)	(0.56)
Efficiency Ratio - Operating	<u>57.78 %</u>	<u>56.67 %</u>	<u>55.94 %</u>	<u>54.50 %</u>	<u>55.59 %</u>
<b>Tangible common equity to tangible assets</b>					
Common Equity to assets ratio - GAAP	10.05 %	10.94 %	11.59 %	12.66 %	12.53 %
Effect of goodwill and intangibles	(1.28)	(1.80)	(2.30)	(2.34)	(2.31)
Tangible common equity to tangible assets ratio	<u>8.77 %</u>	<u>9.14 %</u>	<u>9.29 %</u>	<u>10.32 %</u>	<u>10.22 %</u>

(1) Merger-related and other charges for 2017, 2018 and 2019 include \$761 thousand, \$1,931 thousand and \$449 thousand, respectively, of intangible amortization resulting from payments made to executives under their change of control agreements. The resulting intangible assets were being amortized over 12 to 24 months. No charges in 2016 or 1Q20.