

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): July 22, 2015

**United Community Banks, Inc.**

(Exact name of registrant as specified in its charter)

Georgia  
(State or other jurisdiction of  
incorporation)

No. 001-35095  
(Commission File Number)

No. 58-180-7304  
(IRS Employer  
Identification No.)

125 Highway 515 East  
Blairsville, Georgia 30512  
(Address of principal executive offices)

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:

- 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))
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**Item 2.02 Results of Operations and Financial Condition.**

On July 22, 2015, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter ended June 30, 2015 (the “News Release”). In connection with issuing the News Release, on July 22, 2015 at 11:00 a.m. ET, the Registrant intends to hold a conference call/webcast to discuss the News Release. In addition to the News Release, during the conference call the Registrant intends to discuss certain financial information contained in the Second Quarter 2015 Investor Presentation (the “Investor Presentation”), which will be posted to the Registrant’s website at [www.ucbi.com](http://www.ucbi.com). The Investor Presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 8.01 Other Events.**

The News Release, including financial schedules, is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The presentation of the Registrant’s financial results includes operating and core earnings measures, which are measures of performance determined by methods other than in accordance with generally accepted accounting principles, or GAAP. Management included non-GAAP core earnings measures because it believes they are useful for evaluating the Registrant’s operations and performance over periods of time, and uses core earnings measures in managing and evaluating the Registrant’s business and intends to refer to them in discussions about the Registrant’s operations and performance. Operating earnings measures exclude merger-related charges. Core earnings measures also exclude credit related costs such as the provision for loan losses and foreclosed property expense, securities gains and losses, income taxes and other items of a non-recurring nature. Operating and core earnings measures are useful in evaluating the underlying earnings performance trends of the Registrant. Management believes these non-GAAP performance measures may provide users of the Registrant’s financial information with a meaningful measure for assessing the Registrant’s financial results and comparing those financial results to prior periods.

Operating and core earnings measures should be viewed in addition to, and not as an alternative to or substitute for, the Registrant’s performance measures determined in accordance with GAAP, and are not necessarily comparable to non-GAAP performance measures that may be presented by other companies.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation, Second Quarter 2015
99.2	News Release, dated July 22, 2015

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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/ Rex S. Schuette

Rex S. Schuette

Executive Vice President and

Chief Financial Officer

Date: July 22, 2015

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UNITED COMMUNITY BANKS, INC.  
SECOND QUARTER  
**2015**  
**INVESTOR'S**  
PRESENTATION



## Disclosures

### CAUTIONARY STATEMENT

This investor presentation may contain 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 Community Banks, Inc.'s filings with the Securities and Exchange Commission, including its 2014 Annual Report on Form 10-K and its most recent quarterly report on Form 10-Q under the sections entitled "Forward-Looking Statements". Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

### NON-GAAP MEASURES

This presentation also contains financial measures determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). Such non-GAAP financial measures include: operating net income, operating net income available to common shareholders, operating diluted income per common share, operating ROE, operating ROA, operating

efficiency ratio, operating dividend payout ratio, core fee revenue, core operating expense, core earnings, tangible common equity to tangible assets, tangible equity to tangible assets and tangible common equity to risk-weighted assets. The most comparable GAAP measures to these measures are: net income, net income available to common shareholders, diluted income per common share, ROE, ROA, efficiency ratio, dividend payout ratio, fee revenue, operating expense, net income, and equity to assets.

Management uses these non-GAAP financial measures because we believe they are useful for evaluating our operations and performance over periods of time, as well as in managing and evaluating our business and in discussions about our operations and performance. Management believes these non-GAAP financial measures provide users of our financial information with a meaningful measure for assessing our financial results and credit trends, as well as for comparison to financial results for prior periods. These non-GAAP financial measures should not be considered as a substitute for financial measures determined in accordance with GAAP and may not be comparable to other similarly titled financial measures used by other companies. For a reconciliation of the differences between our non-GAAP financial measures and the most comparable GAAP measures, please refer to the 'Non-GAAP Reconciliation Tables' at the end of the Appendix to this presentation.

## Highlights Second Quarter 2015

			2Q15	1Q15	2Q14
<b>Net Income</b> (\$ in millions)	+	Operating <sup>(1)</sup>	\$ 20.0	\$ 17.7	\$ 16.4
	+	GAAP	17.8	17.7	16.4
<b>EPS</b>	+	Operating <sup>(1)</sup>	.32	.29	.27
		GAAP	.28	.29	.27
<b>ROA</b>	+	Operating <sup>(1)</sup>	1.00%	.94%	.88%
		GAAP	.89	.94	.88
<b>ROCE</b>	+	Operating <sup>(1)</sup>	9.90	9.34	8.99
		GAAP	8.83	9.34	8.99

### IMPROVING QUARTERLY RESULTS

#### Net Interest Revenue

▶ **\$61.3 Million vs. \$57.6 Million in 1Q15 and \$55.0 Million in 2Q14**

- Loan growth of \$142 million in 2Q15, up \$520 million, or 12%, from 2Q14
- Margin of 3.30% vs. 3.31% in 1Q15 and 3.21% in 2Q14
  - Loan yield of 4.24%, down 4 bps from 1Q15; investment sec's yield of 2.15%, down 6 bps from 1Q15
  - Lower funding costs – down 2 bps from 1Q15 and 10 bps from 2Q14
  - Balance sheet restructured late 2Q14

#### Core Fee Revenue

▶ **\$ 17.2 Million - Up \$3.3 Million from 2Q14**

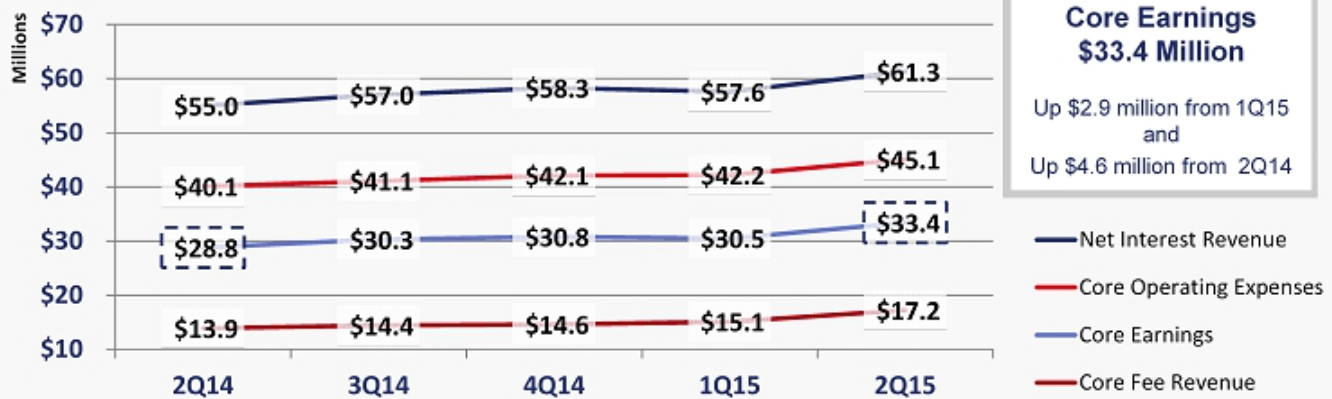
- Gain on sales of SBA loans of \$1.49 million vs. \$1.14 million in 1Q15 and \$.74 million in 2Q14
- Mortgage revenue of \$3.71 million, up \$1.83 million from 2Q14

## IMPROVING QUARTERLY RESULTS

<b>Loan Growth</b>	<ul style="list-style-type: none"> <li>▶ <b>Growth in Many Sectors</b> <ul style="list-style-type: none"> <li>• Loan growth of \$142 million, or 12% annualized (excludes FNB - \$238 million)</li> <li>• Loan Production of \$518 million vs. \$423 million 1Q15 and \$357 million year ago</li> </ul> </li> </ul>
<b>Core Transaction Deposits</b>	<ul style="list-style-type: none"> <li>▶ <b>Up \$109 Million from First Quarter, or 11% Annualized</b> <ul style="list-style-type: none"> <li>• Up \$381 million from 2Q14, or 11%</li> <li>• Represents 68% of total customer deposits</li> </ul> </li> </ul>
<b>Credit Quality</b>	<ul style="list-style-type: none"> <li>▶ <b>Solid Improvement</b> <ul style="list-style-type: none"> <li>• Provision of \$.9 million vs. \$1.8 million in 1Q15</li> <li>• Net charge-offs decline to .08% of total loans vs. .22% in 1Q15</li> <li>• NPAs were .26% of total assets vs. .26% in 1Q15 and .32% in 2Q14</li> <li>• Allowance 1.36% (1.42% FNB) of total loans vs. 1.46% at 1Q15 and 1.66% at 2Q14</li> </ul> </li> </ul>
<b>Capital Ratios</b>	<ul style="list-style-type: none"> <li>▶ <b>Solid and Well-Capitalized</b> <ul style="list-style-type: none"> <li>• Quarterly dividend of 5 cents per share</li> <li>• Tier I Common to Risk Weighted Assets of 11.9%; Tangible Common to RWAs of 13.2%</li> <li>• Tier I Risk Based Capital of 11.9% and Tier I Leverage of 9.1%</li> </ul> </li> </ul>
<b>Acquisition</b>	<ul style="list-style-type: none"> <li>▶ <b>Executing Growth Strategy</b> <ul style="list-style-type: none"> <li>• Closed merger with MoneyTree Corporation (First National Bank: "FNB") on May 1</li> <li>• Announced merger with Palmetto Bancshares (The Palmetto Bank) on April 22; received all regulatory approvals; shareholders' meeting on August 12; expect closing on September 1</li> </ul> </li> </ul>



## Trends – Core Earnings, Fee Revenue, and Expenses



Core Earnings			
\$ in Thousands	Variance - Incr/(Decr)		
	2Q15	1Q15	2Q14
Net Interest Revenue	\$ 61,317	\$ 3,700	\$ 6,367
Fee Revenue	17,220	2,100	3,282
Gross Revenue	78,537	5,800	9,649
Operating Expense (Excl OREO)	45,135	2,944	5,004
Pre-Tax, Pre-Credit (Core)	\$ 33,402	\$ 2,856	\$ 4,645
Net Interest Margin	3.30 %	(.01) %	.09 %

Core Fee Revenue			
\$ in Thousands	Variance - Incr/(Decr)		
	2Q15	1Q15	2Q14
Overdraft Fees	\$ 2,730	\$ 132	\$ (214)
Interchange Fees	4,220	582	244
Other Service Charges	1,425	46	(182)
Total Service Charges and Fees	8,375	760	(152)
Mortgage Loan & Related Fees	3,707	952	1,830
Brokerage Fees	1,232	(319)	(13)
Gains from SBA Loan Sales	1,494	353	750
Other	2,412	354	867
Total Fee Revenue - Core	17,220	2,100	3,282
Non-Core <sup>(1)</sup>	46	(516)	(159)
Reported - GAAP	\$ 17,266	\$ 1,584	\$ 3,123

Core Operating Expenses			
\$ in Thousands	Variance - Incr/(Decr)		
	2Q15	1Q15	2Q14
Salaries & Employee Benefits	\$ 27,909	\$ 1,547	\$ 3,921
Communications & Equipment	3,304	33	267
Occupancy	3,415	137	153
FDC Assessment	1,298	89	(127)
Advertising & Public Relations	1,127	377	(12)
Postage, Printing & Supplies	993	55	189
Professional Fees	2,257	338	85
Other Expense	4,832	368	528
Core Operating Expenses	45,135	2,944	5,004
Non-Core <sup>(2)</sup>	3,285	2,415	2,884
Reported GAAP	\$ 48,420	\$ 5,359	\$ 7,888

<sup>(1)</sup> Includes securities gains / losses, charges on prepayment of borrowings, and gains / losses on deferred compensation plan assets

<sup>(2)</sup> Includes foreclosed property costs, severance costs, merger-related charges, charge for settlement of loss sharing agreements and gains / losses on deferred compensation plan liabilities.

# Key Drivers of Net Interest Revenue / Margin

## NET INTEREST REVENUE & MARGIN



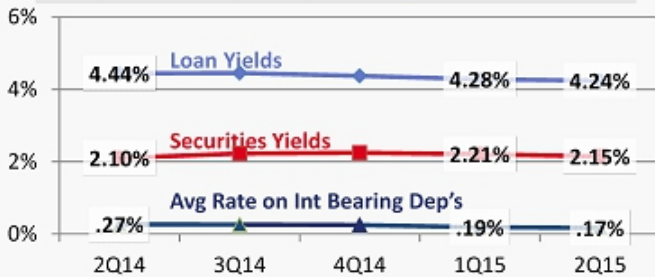
## INCREASE IMPACTED BY

NET INTEREST REVENUE

- ▶ Two months of FNB
- ▶ Solid loan growth of \$142M and lower funding costs

## KEY DRIVERS OF NIR

### Loan / Securities Pricing



### Deposit Pricing (excl. brokered)



CD pricing reflects the quarter-average new and renewed yield  
MMDA / NOW pricing reflects the deposit yield for each quarter

## Balance Sheet Growth – New Loans Funded and Advances<sup>(1)</sup>



\$ in Millions

CATEGORY			
	2Q15	1Q15	2Q14
Commercial C & I	\$ 143.1	\$ 107.5	\$ 115.4
Owner Occupied CRE	79.3	54.2	65.6
Income Producing CRE	73.5	68.3	40.8
Commercial Constr.	4.6	9.5	2.7
<b>Total Commercial</b>	<b>300.5</b>	<b>239.5</b>	<b>224.5</b>
Residential Mortgage	37.3	25.5	19.2
Residential HELOC	43.6	29.4	32.9
Residential Construction	50.9	37.8	34.0
Consumer	93.8	90.6	46.2
<b>Total Categories</b>	<b>\$ 526.1</b>	<b>\$ 422.8</b>	<b>\$ 356.8</b>

MARKET			
Banks:	2Q15	1Q15	2Q14
Atlanta	\$ 116.9	\$ 98.0	\$ 91.0
Coastal Georgia	48.9	43.4	28.5
N. Georgia	66.7	47.0	69.0
North Carolina	27.6	19.6	21.0
Tennessee	17.7	15.0	16.7
Gainesville	12.4	12.3	10.1
South Carolina <sup>(2)</sup>	158.6	112.0	88.3
Other (Indirect Auto)	77.3	75.5	32.2
<b>Total Markets</b>	<b>\$ 526.1</b>	<b>\$ 422.8</b>	<b>\$ 356.8</b>

Specialized Lending (Included in South Carolina)			
	2Q15	1Q15	2Q14
Asset-based Lending	\$ 4.2	\$ 8.9	\$ 5.9
Commercial RE	16.3	36.0	14.1
Healthcare	55.4	39.5	17.2
Middle Market	22.7	16.7	4.1
SBA	31.2	7.3	11.0
Builder Finance	22.6	-	-
<b>Total Special'd Lending</b>	<b>\$ 152.4</b>	<b>\$ 108.4</b>	<b>\$ 52.3</b>

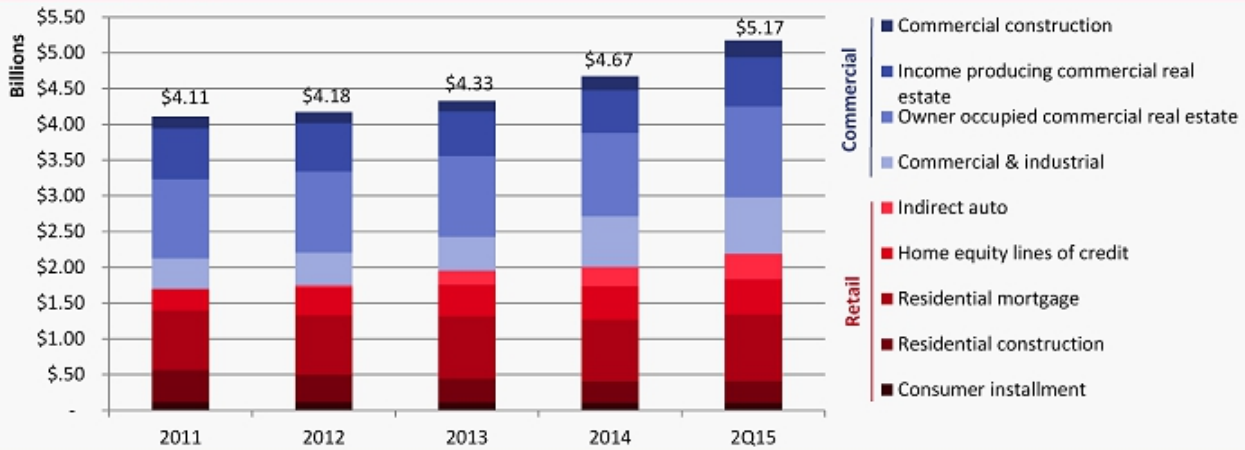
### New Loans Funded and Advances



<sup>(1)</sup>Represents new loans funded and net loan advances (net of payments on lines of credit)

<sup>(2)</sup>Includes Specialized Lending

# Loan Growth

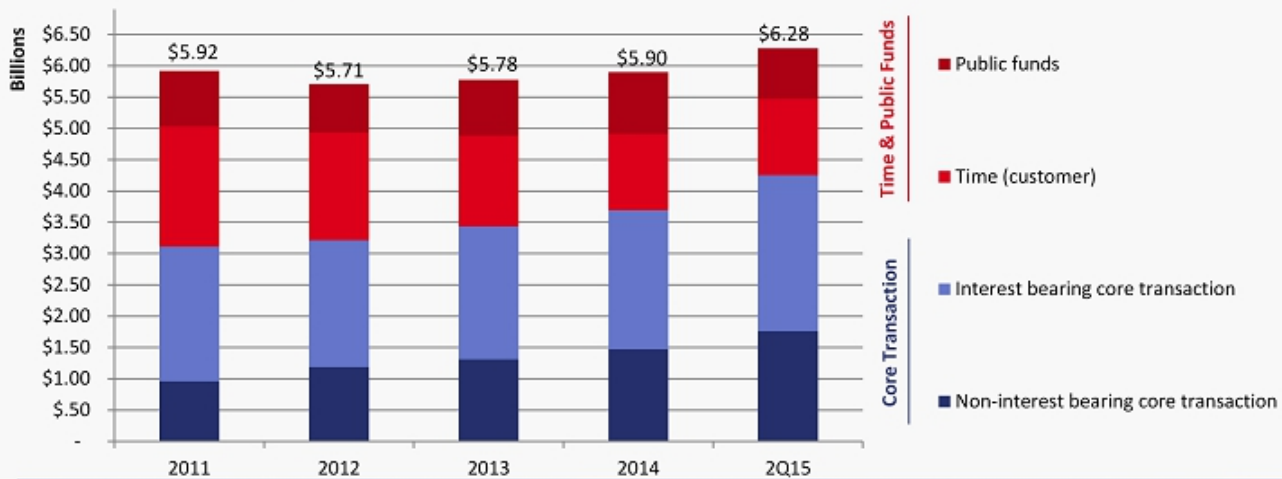


Millions	2011	2012	2013	2014	2Q15
<b>LOANS - BUSINESS MIX BY CATEGORY</b>					
Commercial:					
Comm & Indus	\$ 428	\$ 458	\$ 472	\$ 710	\$ 793
Owner Occ'd	1,112	1,131	1,134	1,163	1,266
Total C & I	1,540	1,589	1,606	1,873	2,059
Income Prod CRE	710	682	623	599	689
Comm Constr	164	155	149	196	238
Total Comm	2,414	2,426	2,378	2,668	2,986
Resi Mortgage	835	829	875	866	935
HELOC	300	385	441	466	491
Resi Constr	448	382	328	299	299
Consum / Install	113	115	111	104	106
Indirect Auto	-	38	196	269	357
Total Loans	\$ 4,110	\$ 4,175	\$ 4,329	\$ 4,672	\$ 5,174

Millions	2011	2012	2013	2014	2Q15
<b>LOANS - BY REGION</b>					
North Georgia	\$ 1,426	\$ 1,364	\$ 1,240	\$ 1,163	\$ 1,155
Atlanta MSA	1,220	1,250	1,275	1,282	1,317
North Carolina	597	579	572	553	533
Coastal Georgia	346	400	423	456	499
Gainesville MSA	265	261	255	257	257
East Tennessee	256	283	280	280	525 <sup>(1)</sup>
So Carolina/Specialized	-	-	88	412	531
Indirect Auto	-	38	196	269	357
Total Loans	\$ 4,110	\$ 4,175	\$ 4,329	\$ 4,672	\$ 5,174

<sup>(1)</sup>Includes FNB acquisition of \$244 million

# Balance Sheet Growth – Customer Deposit Mix



\$ in Millions	2011	2012	2013	2014	2Q15
<b>TOTAL DEPOSIT MIX</b>					
Non-Interest Bearing Core Tx					
Demand Deposit	\$ 955	\$ 1,188	\$ 1,311	\$ 1,471	\$ 1,762
Interest Bearing Core Tx					
NOW	719	654	659	668	752
MMDA	1,030	1,145	1,218	1,259	1,391
Savings	198	226	250	291	348
Total Interest Bearing Core Dep	1,947	2,025	2,127	2,218	2,491
<b>Total Core Deposits</b>	<b>2,902</b>	<b>3,213</b>	<b>3,438</b>	<b>3,689</b>	<b>4,253</b>
Time (Customer)					
< \$100,000	1,121	1,050	888	744	788
> \$100,000	1,012	674	557	479	434
Total Time Dep	2,133	1,724	1,445	1,223	1,222
Public Funds	884	770	894	989	803
Brokered	179	245	412	425	530
<b>Total Deposits</b>	<b>\$ 6,098</b>	<b>\$ 5,952</b>	<b>\$ 6,189</b>	<b>\$ 6,326</b>	<b>\$ 6,808</b>

\$ in Millions	2011	2012	2013	2014	2Q15
<b>CORE DEPOSIT GROWTH - CATEGORY &amp; MARKET</b>					
Demand Deposit	\$ 185	\$ 232	\$ 123	\$ 161	\$ 80
MMDA	150	115	73	41	21
Savings	15	29	24	41	11
NOW	(84)	(65)	4	9	(2)
Growth by Category	\$ 266	\$ 311	\$ 224	\$ 252	\$ 110
Atlanta	102	160	75	84	31
N. Georgia	81	41	62	90	17
North Carolina	27	47	42	35	25
Coastal Georgia	20	38	2	22	6
Tennessee	21	9	4	8	9
Gainesville	15	16	19	10	11
South Carolina	-	-	20	3	11
Growth by Market	\$ 266	\$ 311	\$ 224	\$ 252	\$ 110

## Credit Quality

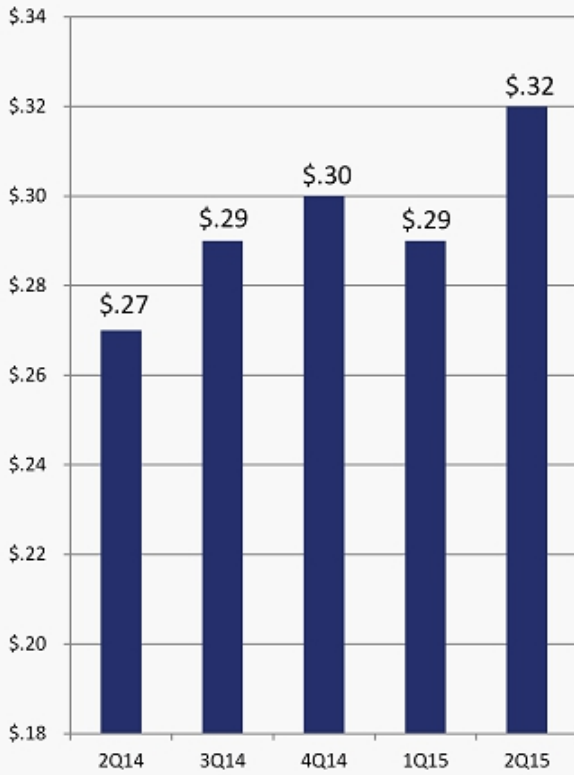
\$ in Millions

	2Q15	1Q15	4Q14	3Q14	2Q14
<b>Net Charge-offs</b>	\$ 1.0	\$ 2.6	\$ 2.5	\$ 3.2	\$ 4.2
as % of Average Loans	.08 %	.22 %	.22 %	.28 %	.38 %
<b>Allowance for Loan Losses</b>	\$ 70.1	\$ 70.0	\$ 71.6	\$ 71.9	\$ 73.2
as % of Total Loans	1.36 %	1.46 %	1.53 %	1.57 %	1.66 %
as % of NFLs	373	368	401	384	353
<b>Past Due Loans (30 - 89 Days)</b>	.24 %	.25 %	.31 %	.35 %	.32 %
<b>Non-Performing Loans</b>	\$ 18.8	\$ 19.0	\$ 17.9	\$ 18.7	\$ 20.7
OREO	2.4	1.2	1.7	3.2	3.0
Total NPAs	21.2	20.2	19.6	21.9	23.7
<b>Performing Classified Loans</b>	115.7	121.7	128.4	149.0	147.5
<b>Total Classified Assets</b>	\$ 136.9	\$ 141.9	\$ 148.0	\$ 170.9	\$ 171.2
as % of Tier 1 / Allowance	18 %	20 %	20 %	24 %	23 %
<b>Accruing TDRs (see page 27)</b>	\$ 86.1	\$ 82.3	\$ 81.3	\$ 82.2	\$ 84.5
<b>As % of Original Principal Balance</b>					
Non-Performing Loans	64.9 %	72.0 %	69.9 %	68.6 %	66.5 %
OREO	46.6	56.6	54.1	54.5	50.4
<b>Total NPAs</b>					
as % of Total Assets	.26	.26	.26	.29	.32
as % of Loans & OREO	.41	.42	.42	.48	.54

# Operating Earnings per Share and Operating Return on Assets

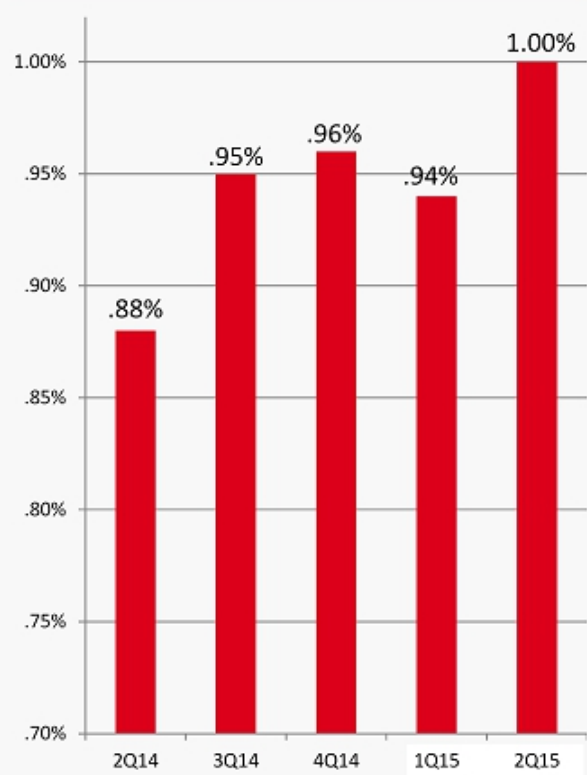


## OPERATING EARNINGS PER SHARE<sup>(1)</sup>



<sup>(1)</sup>Excludes the effect of merger-related charges

## OPERATING RETURN ON ASSETS<sup>(1)</sup>



## Capital Ratios<sup>(1)</sup>

HOLDING COMPANY	Well-Cap	2Q15	1Q15	4Q14	3Q14	2Q14
<b>Tier I RBC</b>	6%	11.9%	11.5%	12.1%	12.1%	11.8%
<b>Total RBC</b>	10	13.1	12.8	13.3	13.3	13.0
<b>Leverage</b>	5	9.1	8.7	8.7	8.7	8.3
<b>Tier I Common RBC</b>		11.9	11.5	11.1	11.0	10.7
<b>Tangible Comm to Assets</b>		9.8	9.8	9.7	9.8	9.6
<b>Tangible Equity to Assets</b>		9.9	9.8	9.7	9.8	9.6
BANK	Well-Cap	2Q15	1Q15	4Q14	3Q14	2Q14
<b>Tier I RBC</b>	6%	12.0%	11.8%	12.9%	12.6%	13.4%
<b>Total RBC</b>	10	13.2	13.1	14.1	13.8	14.6
<b>Leverage</b>	5	9.1	8.9	9.3	9.1	9.4

<sup>(1)</sup>Effective January 1, 2015, all regulatory ratios calculated under Basel III rules.



## Strategic Principles

### LEVERAGE OUR STRENGTHS

- ▶ Community bank service with large bank resources
- ▶ Strong local leadership and senior management
- ▶ Funding strength in legacy markets
- ▶ Consistent and attractive culture
- ▶ Class leading customer satisfaction

### 2015

- ▶ Continue to invest in and improve commercial and retail capabilities
  - Diversify portfolio – focus on: C&I; CRE owner occupied; Specialized Lending for healthcare, corporate, asset-based and SBA
  - Momentum building across footprint
  - Invest in people; strengthen commercial and grow specialized lending area and markets
  - Grow loans in mid- to upper-single digits
- ▶ Improve retail and small business bank
  - Grow sales with better / diversified product design, merchandising and campaign execution
  - Improve our technology with a focus on making it easy for our customers to bank with us
  - Increase core transaction deposits in the mid-single digits
- ▶ Grow net interest revenue by solid loan growth and maintain margin
- ▶ Credit trends and costs continue at or below current levels
- ▶ Grow fee revenue by investing in mortgage, advisory services, and SBA capabilities
- ▶ Maintain operating efficiency below 58 percent while investing in revenue producers
- ▶ Seek acquisition opportunities that fit our culture, risk and return targets

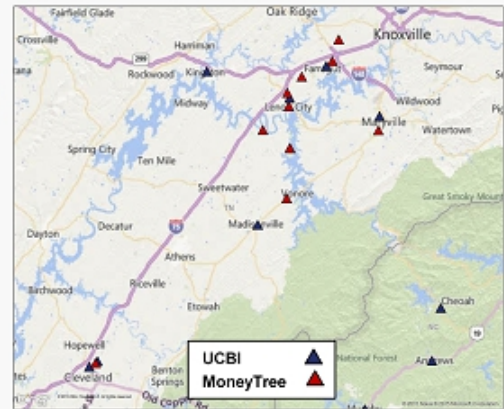
# United Acquisition of MoneyTree Corporation / FNB



**Date Closed:** May 1, 2015

### Pricing Summary

Aggregate Deal Value:	\$52 million
Price Per Share:	\$63.59
Price / 2014 EPS:	19.9x
Price / TBV:	1.4x
Consideration Mix:	80% Stock (2.359M issued) 20% Cash (\$10.7M)



### MoneyTree Corporation (First National Bank)

Founded:	1907
Headquarters:	Lenoir City, TN
Total Assets:	\$425 million
Deposits:	\$354 million
Consolidated TCE <sup>(1)</sup> :	\$39 million
FY 2014 ROAA:	0.64%
NPAs / Assets:	0.28%

### Deal Highlights

- 107 year old community bank
- Doubles UCBI's East Tennessee presence
- Increases presence in key markets of Knoxville, Lenoir City and Cleveland
- Meaningful cost synergies resulting from significant branch overlap – consolidating six branches 3Q15
- 1% EPS accretion in 2015; 3% in 2016 and 2017
- Tangible book value dilution of < 1% and breakeven in < 3 years
- Nominal impact on UCBI's capital ratios

<sup>(1)</sup>Including the conversion of the Series C Cumulative Convertible Preferred Stock  
Data Source: SNL Financial and Company Documents; financial data as of 12/31/14

# United Acquisition of Palmetto Bancshares

\$ in Thousands

**Closing Date: September 1, 2015**

**PALMETTO BANCSHARES, INC.**

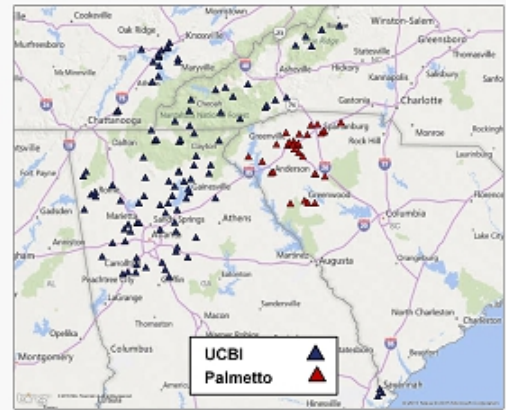
has agreed to merge with



April 22, 2015

## Pricing Summary

Aggregate Deal Value:	\$241 million
Price Per Share:	\$18.53
Price / 2016 EPS:	19.5x
Price / TBV:	1.8x
Consideration Mix:	70% Stock (8.701M shares to be issued) 30% Cash (\$74.0M)



## Palmetto Bancshares, Inc.

Founded:	1906
Headquarters:	Greenville, SC
Total Assets:	\$1,173 million
Loans:	\$836 million
Deposits:	\$967 million
Tangible Common Eq.	\$136 million
ROA:	1.0%
ROE:	8.3%
TCE / TA	11.6%

Data Source: SNL Financial and Company Documents; financial data as of Q1-2015

## Deal Highlights

- Continues Southeastern metro market expansion
- Accelerates Greenville expansion and leverages existing, on-the-ground, senior leadership and in-market resources
- High-quality franchise, founded 108 years ago, with deep community roots
- Shared community banking philosophy driven by client focus, local expertise, and cultural fit
- Strong core deposit base (0.04% overall cost of deposits)
- Significant cost synergies enhance deal economics
- Low execution risk and attractive returns
- Double-digit EPS accretion in 2017, TBV earnback < 5 years, IRR > 20%

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## Non-GAAP Reconciliation Tables

\$ in Thousands

	2Q15	1Q15	4Q14	3Q14	2Q14
<b>CORE FEE REVENUE</b>					
Core fee revenue	\$ 17,220	\$ 15,120	\$ 14,553	\$ 14,419	\$ 13,938
Securities gains, net	13	1,539	208	11	4,435
Losses on prepayment of borrowings	-	(1,038)	-	-	(4,446)
Mark to market on deferred compensation plan assets	33	61	62	(18)	216
<b>Fee revenue (GAAP)</b>	<b>\$ 17,266</b>	<b>\$ 15,682</b>	<b>\$ 14,823</b>	<b>\$ 14,412</b>	<b>\$ 14,143</b>
<b>CORE OPERATING EXPENSE</b>					
Core operating expense	\$ 45,135	\$ 42,191	\$ 42,081	\$ 41,097	\$ 40,131
Foreclosed property expense	60	96	131	285	102
Severance	19	23	353	-	83
Reversal of litigation reserve	-	-	(1,200)	-	-
Loss share settlements	-	690	492	-	-
Merger-related charges	3,173	-	-	-	-
Mark to market on deferred compensation plan liability	33	61	62	(18)	216
<b>Operating expense (GAAP)</b>	<b>\$ 48,420</b>	<b>\$ 43,061</b>	<b>\$ 41,919</b>	<b>\$ 41,364</b>	<b>\$ 40,532</b>
<b>TANGIBLE COMMON EQUITY AND TANGIBLE EQUITY TO TANGIBLE ASSETS</b>					
Tangible common equity to tangible assets	9.83 %	9.82 %	9.72 %	9.83 %	9.58 %
Effect of preferred equity	.08	-	-	-	-
<b>Tangible equity to tangible assets</b>	<b>9.91</b>	<b>9.82</b>	<b>9.72</b>	<b>9.83</b>	<b>9.58</b>
Effect of goodwill and other intangibles	.14	.04	.04	.02	.03
<b>Equity to assets (GAAP)</b>	<b>10.05 %</b>	<b>9.86 %</b>	<b>9.76 %</b>	<b>9.85 %</b>	<b>9.61 %</b>
<b>TANGIBLE COMMON EQUITY TO RISK-WEIGHTED ASSETS<sup>(1)</sup></b>					
Tangible common equity to risk-weighted assets	13.24 %	13.53 %	13.82 %	14.10 %	13.92 %
Effect of preferred equity	.17	-	-	-	-
<b>Tangible equity to risk weighted assets</b>	<b>13.41</b>	<b>13.53</b>	<b>13.82</b>	<b>14.10</b>	<b>13.92</b>
Effect of deferred tax limitation	(2.46)	(2.86)	(3.11)	(3.39)	(3.74)
Effect of other comprehensive income	.28	.19	.35	.34	.53
Effect of trust preferred	.63	.67	1.00	1.02	1.04
<b>Tier I capital ratio (Regulatory)</b>	<b>11.86 %</b>	<b>11.53 %</b>	<b>12.06 %</b>	<b>12.07 %</b>	<b>11.75 %</b>

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

## Non-GAAP Reconciliation Tables

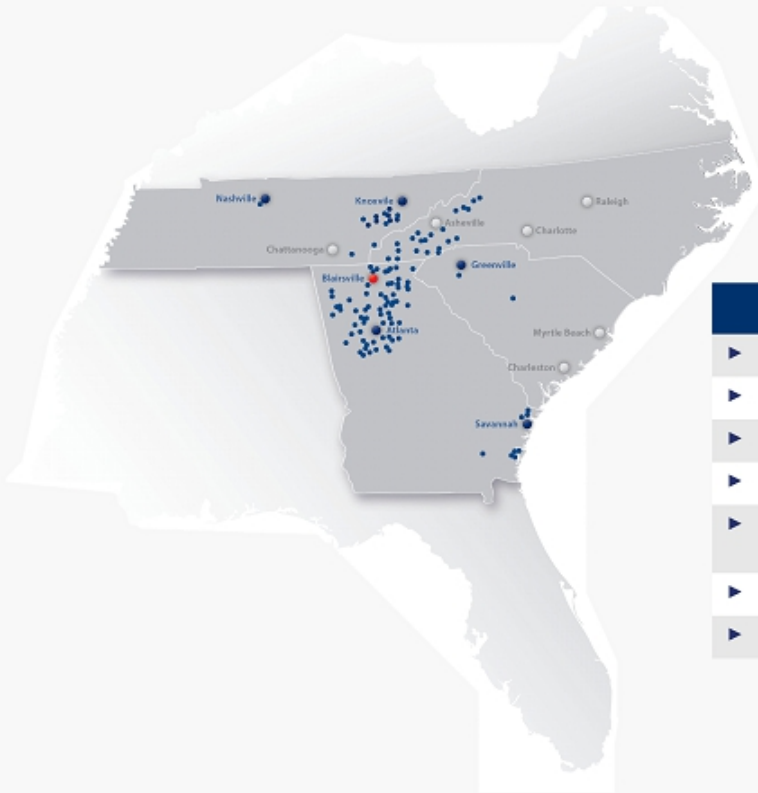
\$ in Thousands

	2Q15	1Q15	4Q14	3Q14	2Q14
<b>RETURN ON ASSETS</b>					
Operating return on assets	1.00 %	.94 %	.96 %	.95 %	.88 %
Merger-related charges	(.11)	-	-	-	-
<b>Return on Assets (GAAP)</b>	<u>.89 %</u>	<u>.94 %</u>	<u>.96 %</u>	<u>.95 %</u>	<u>.88 %</u>
<b>RETURN ON COMMON EQUITY</b>					
Operating return on common equity	9.90 %	9.34 %	9.60 %	9.41 %	8.99 %
Merger-related charges	(1.07)	-	-	-	-
<b>Return on Common Equity (GAAP)</b>	<u>8.83 %</u>	<u>9.34 %</u>	<u>9.60 %</u>	<u>9.41 %</u>	<u>8.99 %</u>
<b>NET INCOME</b>					
Operating net income	\$ 19,972	\$ 17,670	\$ 18,247	\$ 17,616	\$ 16,357
Merger-related charges	(2,176)	-	-	-	-
<b>Net Income (GAAP)</b>	<u>\$ 17,796</u>	<u>\$ 17,670</u>	<u>\$ 18,247</u>	<u>\$ 17,616</u>	<u>\$ 16,357</u>
<b>EARNINGS PER SHARE</b>					
Operating Earnings per Share	\$ 0.32	\$ 0.27	\$ 0.30	\$ 0.29	\$ 0.27
Merger-related charges	(.04)	-	-	-	-
<b>Earnings per Share (GAAP)</b>	<u>\$ 0.28</u>	<u>\$ 0.27</u>	<u>\$ 0.30</u>	<u>\$ 0.29</u>	<u>\$ 0.27</u>

UNITED COMMUNITY BANKS, INC.  
SECOND QUARTER 2015

EXHIBITS  
July 22, 2015

## Current Footprint



### Key Statistics as of 6/30/15

- ▶ Headquartered in Blairsville, Georgia
- ▶ Four state regional community bank: GA, NC, SC and TN
- ▶ 114 Locations
- ▶ Founded in 1950
- ▶ Largest community bank headquartered in Georgia and one of the largest in the Southeast
- ▶ 1,644 employees
- ▶ \$8.2 billion in assets \$5.2 billion in loans; \$6.8 billion in deposits

## SERVICE IS POINT OF DIFFERENTIATION

- ▶ #1 in Customer Satisfaction according to Customer Service Profiles
- ▶ #1 in Southeast and #2 in US in Customer Satisfaction by national research company
- ▶ Golden rule of banking – treating people the way we want to be treated
- ▶ "The Bank that SERVICE Built" <sup>SM</sup>
- ▶ Customer surveys consistently reveal 95%+ satisfaction rate
- ▶ #14 in "Best Banks in America" for 2015 by Forbes

**"COMMUNITY BANK SERVICE, LARGE BANK RESOURCES"**

Twenty-eight "community banks"	Strategic footprint with substantial banking opportunities	Disciplined growth strategy
<p>Local CEOs with deep roots in their communities</p> <p>Resources of a \$8.2 billion bank</p>	<p>Operate in a number of the more demographically attractive U.S. markets</p>	<p>Organic growth supported by de novos and selective acquisitions</p>



## Experienced Proven Leadership

- Over 40 years in banking
- Led company from \$42 million in assets in 1989 to \$8.2 billion today
- Trustee of Young Harris College
- Georgia Power Company Board Member
- GA Economic Developers Association Spirit of Georgia Award recipient

**Jimmy C. Tallent**  
Chairman & CEO  
Joined 1984



- Over 30 years in banking
- Responsible for overall banking, credit and operations
- Former Consultant and Special Assistant to the CEO and EVP of Commercial Banking for TD Bank Financial Group; and President & CEO of The South Financial Group

**H. Lynn Harton**  
Board, President & COO  
Joined 2012



- Over 35 years in banking
- Responsible for accounting, finance and reporting activities, M&A, and investor relations
- Former CAO and Controller for State Street Corporation
- Former ABA Accounting Committee Chairman

**Rex S. Schuette**  
EVP & CFO  
Joined 2001



- Over 35 years in banking
- Responsible for 28 community banks with 103 branch offices
- Formerly of Riegel Textile Credit Union; President of Farmers and Merchants Bank
- Former Georgia Board of Natural Resources Board Chairman

**Bill M. Gilbert**  
President of  
Community Banking  
Joined 2000



- Over 20 years of experience in consumer and banking law
- Responsible for Legal, Enterprise Risk Management, and Compliance
- Chairman of the Georgia Bankers Association Bank Counsel Section
- Member of the American Bankers Association Regional General Counsels

**Bradley J. Miller**  
EVP, CRO &  
General Counsel  
Joined 2007



- Over 25 years in banking
- Responsible for Credit Risk; including credit underwriting, policy and special assets
- Former EVP & Executive Credit Officer for TD Bank, NA; and Chief Credit Officer of The South Financial Group.

**Robert A. Edwards**  
EVP & CCO  
Joined 2015



- Over 24 years in lending
- Responsible for specialized lending
- Former SBA head: 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)

**Richard W. Bradshaw**  
President, Specialized  
Lending  
Joined 2014



## Market Share Opportunities

### EXCELLENT GROWTH OPPORTUNITIES

Markets	Market Deposits (in billions) <sup>(1)</sup>	United Deposits (in billions) <sup>(2)</sup>	Banks	Offices <sup>(3)</sup>	Deposit Share <sup>(1)</sup>	Rank <sup>(1)</sup>
North Georgia	\$ 6.3	\$ 2.3	11	22	35 %	1
Atlanta, Georgia	56.3	2.3	10	36	4	6
Gainesville, Georgia	2.8	.4	1	5	12	4
Coastal Georgia	7.1	.3	2	8	5	7
W. North Carolina	11.3	.9	1	19	8	3
E. Tennessee	15.7	.6	2	18	4	5
Greenville, SC <sup>(4)</sup>	20.5	1.0	1	26	5	7
<b>Total Markets</b>	<b>\$ 120.0</b>	<b>\$ 7.8</b>	<b>28</b>	<b>134</b>		

<sup>(1)</sup>FDIC deposit market share and rank as of June 30, 2014 for markets where United takes deposits. Data Source: FDIC.

<sup>(2)</sup>Based on current quarter.

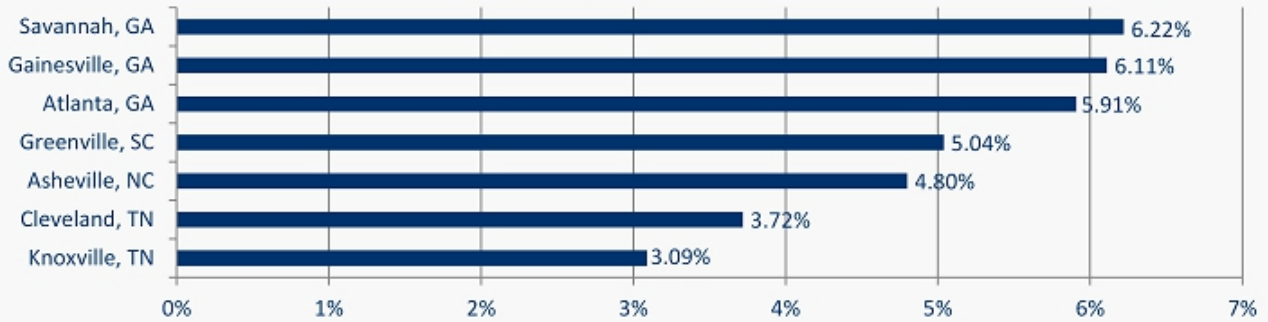
<sup>(3)</sup>Excludes five loan production offices

<sup>(4)</sup>Pro forma with Palmetto Bancshares

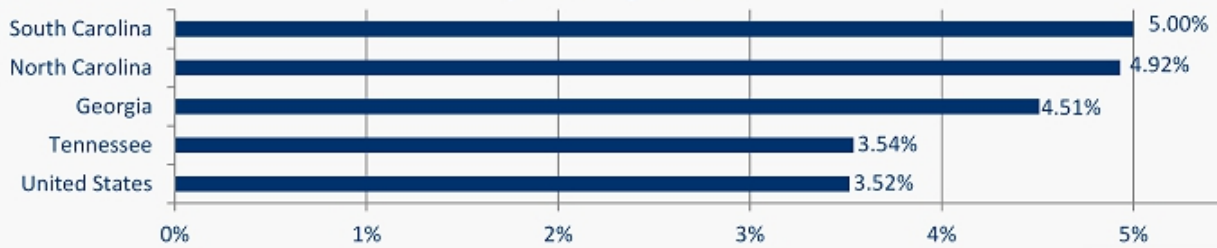
Source: SNL Financial

## Market Share Demographics

**Key MSA Growth Markets  
- Projected Change 2015 - 2020**



**STATE POPULATION GROWTH  
- Projected Change 2015 - 2020**



Source: SNL Financial

# Liquidity

\$ in Millions

	Unused Capacity	2Q15	1Q15	2Q14	Variance	
					vs 1Q15	vs 2Q14
<b>WHOLESALE BORROWINGS</b>						
Brokered Deposits	\$ 163 <sup>(1)</sup>	\$ 530	\$ 498	\$ 424	\$ 32	\$ 106
FHLB	550	385	270	175	115	210
Holding Company LOC	50	-	-	40	-	(40)
Fed Funds	415	25	-	25	25	-
Other Wholesale	-	-	-	11	-	(11)
<b>Total</b>	<b>\$ 1,178</b>	<b>\$ 940</b>	<b>\$ 768</b>	<b>\$ 675</b>	<b>\$ 172</b>	<b>\$ 265</b>
<b>LONG-TERM DEBT</b>						
Senior Debt	\$ 75	\$ 75	\$ 75	\$ 75	\$ -	\$ -
Trust Preferred Securities		39	39	55	-	(16)
<b>Total Long-Term Debt</b>		<b>\$ 114</b>	<b>\$ 114</b>	<b>\$ 130</b>	<b>\$ -</b>	<b>\$ (16)</b>
<b>Loans / Deposits</b>						
	2Q15	1Q15	2Q14	Variance		
				vs. 1Q15	vs 2Q14	
Loans	\$ 5,174	\$ 4,788	\$ 4,410	\$ 386	\$ 764	
Core (DDA, MMDA, Savings)	\$ 4,253	\$ 3,896	\$ 3,624	\$ 357	\$ 629	
Public Funds	803	874	793	(71)	10	
CD's	1,222	1,170	1,321	52	(99)	
<b>Total Deposits (excl Brokered)</b>	<b>\$ 6,278</b>	<b>\$ 5,940</b>	<b>\$ 5,738</b>	<b>\$ 338</b>	<b>\$ 540</b>	
<b>Loan to Deposit Ratio</b>	<b>82%</b>	<b>81%</b>	<b>77%</b>			
<b>Investment Securities:</b>						
Available for Sale -Fixed	\$ 1,282	\$ 1,114	\$ 1,076	\$ 168	\$ 206	
-Floating	690	662	665	(2)	(5)	
Held to Maturity -Fixed	376	396	443	(20)	(67)	
-Floating	4	5	6	(1)	(2)	
<b>Total Investment Securities</b>	<b>\$ 2,322</b>	<b>\$ 2,177</b>	<b>\$ 2,190</b>	<b>\$ 145</b>	<b>\$ 132</b>	
<b>Floating as % of Total Securities</b>	<b>29%</b>	<b>31%</b>	<b>31%</b>			

Wholesale Borrowings

Loans / Deposits

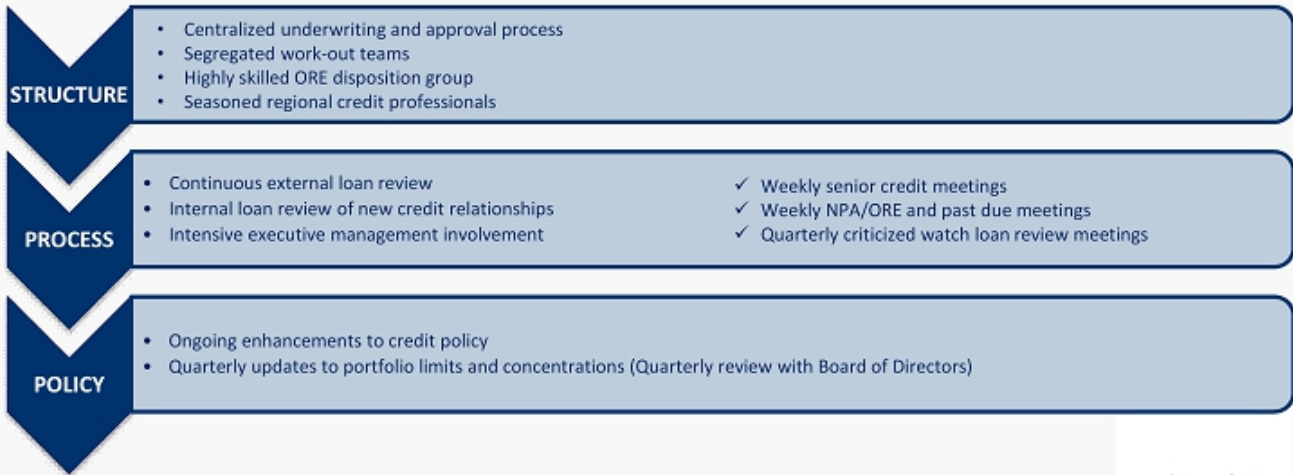
<sup>(1)</sup>Estimated brokered deposit total capacity at 10% of assets

# Lending & Credit Environment

\$ in Millions

	<h3>Regional Credit Review – Standard Underwriting</h3> <ul style="list-style-type: none"> <li>• Legal Lending Limit           \$   203</li> <li>• House Lending Limit            25</li> <li>• Project Lending Limit           15</li> <li>• Top 25 Relationships            413</li> </ul>
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## PROACTIVELY ADDRESSING CREDIT ENVIRONMENT



## Performing Classified Loans

\$ in Millions



By Category					
	2Q14	3Q14	4Q14	1Q15	2Q15
Commercial:					
Commercial & Industrial	\$ 6	\$ 7	\$ 8	\$ 7	\$ 6
Owner Occupied	48	50	46	44	40
Total C & I	54	57	54	51	46
Income Producing CRE	25	22	20	20	19
Commercial Construction	4	4	4	3	3
<b>Total Commercial</b>	<b>83</b>	<b>83</b>	<b>78</b>	<b>74</b>	<b>68</b>
Residential Mortgage	42	43	32	30	30
Home Equity Lines of Credit	7	8	5	6	6
Residential Construction	13	12	11	10	10
Consumer / Installment	2	3	2	2	2
<b>Total Performing Classified</b>	<b>\$ 147</b>	<b>\$ 149</b>	<b>\$ 128</b>	<b>\$ 122</b>	<b>\$ 116</b>
Classified to Tier 1 + ALL	23 %	24 %	20 %	20 %	0 %

## TDRs

\$ in Thousands

LOAN TYPE	Accruing		Non-Accruing		Total TDRs	
	2Q15 <sup>(1)</sup>	2Q14	2Q15 <sup>(1)</sup>	2Q14	2Q15 <sup>(1)</sup>	2Q14
Owner Occupied Commercial Real Estate	\$ 31.9	\$ 25.6	\$ 1.5	\$ 1.1	\$ 33.4	\$ 26.7
Income Producing Commercial Real Estate	15.6	18.2	.1	.8	15.7	19.0
Commercial & Industrial	3.6	2.9	-	-	3.6	2.9
Commercial Construction	11.1	11.1	-	.1	11.1	11.2
Total Commercial	62.2	57.8	1.6	2.0	63.8	59.8
Residential Mortgage	17.5	17.7	1.6	2.3	19.1	20.0
Home Equity Lines of Credit	.5	.6	.1	-	.6	.6
Residential Construction	5.8	8.4	.5	2.0	6.3	10.3
Consumer Installment	.1	.3	-	-	.1	.3
Total	\$ 86.1	\$ 84.8	\$ 3.8	\$ 6.3	\$ 89.9	\$ 91.0

### Accruing TDRs

\$ in Millions



► Accruing TDR past due 30 – 89 days = 3.29%

► 56.92% of accruing TDRs are pass credits

<sup>(1)</sup> 73.85 percent of accruing TDR loans have an interest rate of 4 percent or greater

# Lending & Credit Environment

\$ in Millions

	2Q15	
	Amount	Percent
Multi-Residential	\$ 58	25 %
Land Develop - Vacant (Improved)	53	22
Commercial Land Development	24	10
Raw Land - Vacant (Unimproved)	24	10
Hotels / Motels	22	9
Other Properties	13	5
Warehouse	11	5
Retail Building	10	4
Office Buildings	9	4
Restaurants / Franchise	4	2
Poultry Houses	3	1
Assisted Living/Nursing Home/Rehab	3	1
Churches	3	1
<b>Total Commercial Construction</b>	<b>\$ 238</b>	

### Average Loan Size (\$ in thousands)

•Commercial Construction	\$564
•Commercial RE:	
•Composite CRE	483
•Owner Occupied	443
•Income Producing	644

### Commercial RE Characteristics

- 64.7% owner occupied
- Small business, doctors, dentists, attorneys, CPAs
- \$15 million project limit

	Owner Occupied	Income Producing	2Q15	
			Total	Percent
Office Buildings	\$ 335	\$ 151	\$ 487	24.9 %
Retail Building	102	209	311	15.9
Warehouse	116	70	186	9.5
Other Properties	159	27	186	9.5
Churches	153	-	153	7.8
Convenience Stores	97	14	110	5.7
Manufacturing Facility	55	17	72	3.7
Hotels / Motels	-	70	70	3.6
Restaurants/Franchise Fast Food	36	29	65	3.3
Multi-Residential	-	60	60	3.0
Assisted Living / Nursing Home	34	14	48	2.5
Farmland	44	-	44	2.3
Golf Course/Country Club	26	-	26	1.3
Leasehold Property	16	8	24	1.2
Carwash	23	0	23	1.2
Automotive Service	16	7	23	1.2
Automotive Dealership	18	4	22	1.1
Daycare Facility	7	8	15	.8
Funeral Home	14	1	15	.8
Marina	6	-	6	.3
Mobile Home Parks	-	4	4	.2
Movie Theaters/Bowling/Rec	4	-	4	.2
<b>Total Commercial Real Estate</b>	<b>\$ 1,263</b>	<b>\$ 691</b>	<b>\$ 1,955</b>	





***For Immediate Release***

***For more information:***

Rex S. Schuette  
Chief Financial Officer  
(706) 781-2266  
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**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 – 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.

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**UNITED COMMUNITY BANKS, INC.**
**Financial Highlights**
**Selected Financial Information**

<i>(in thousands, except per share data; taxable equivalent)</i>	2015		2014			Second Quarter	For the Six Months Ended		YTD
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	2015-2014 Change	June 30, 2015	2014	2015-2014 Change
<b>INCOME SUMMARY</b>									
Interest revenue	\$ 66,134	\$ 62,909	\$ 64,353	\$ 63,338	\$ 61,783		\$ 129,043	\$ 122,278	
Interest expense	4,817	5,292	6,021	6,371	6,833		10,109	13,159	
Net interest revenue	61,317	57,617	58,332	56,967	54,950	12%	118,934	109,119	9%
Provision for credit losses	900	1,800	1,800	2,000	2,200		2,700	4,700	
Fee revenue	17,266	15,682	14,823	14,412	14,143	22	32,948	26,319	25
<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>	<b>149,182</b>	<b>130,738</b>	<b>14</b>
Expenses - operating <sup>(1)</sup>	45,247	43,061	41,919	41,364	40,532	12	88,308	79,582	11
Income before income tax expense - operating <sup>(1)</sup>	32,436	28,438	29,436	28,015	26,361	23	60,874	51,156	19
Income tax expense - operating <sup>(1)</sup>	12,447	10,768	11,189	10,399	10,004	24	23,215	19,399	20
<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>	<b>37,659</b>	<b>31,757</b>	<b>19</b>
Preferred dividends and discount accretion	17	-	-	-	-		17	439	
<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>	<b>37,642</b>	<b>31,318</b>	<b>20</b>
Merger-related charges, net of income tax benefit	2,176	-	-	-	-		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>	<b>\$ 35,466</b>	<b>\$ 31,318</b>	<b>13</b>
<b>PERFORMANCE MEASURES</b>									
Per common share:									
Diluted income - operating <sup>(1)</sup>	\$ .32	\$ .29	\$ .30	\$ .29	\$ .27	19	\$ .61	\$ .52	17
Diluted income - GAAP	.28	.29	.30	.29	.27	4	.57	.52	10
Cash dividends declared	.05	.05	.05	.03	.03		.10	.03	
Book value	12.95	12.58	12.20	12.15	11.94	8	12.95	11.94	8
Tangible book value <sup>(3)</sup>	12.66	12.53	12.15	12.10	11.91	6	12.66	11.91	6
Key performance ratios:									
Return on common equity - operating <sup>(1)(2)(4)</sup>	9.90%	9.34%	9.60%	9.41%	8.99%		9.63%	8.82%	
Return on common equity - GAAP <sup>(2)(4)</sup>	8.83	9.34	9.60	9.41	8.99		9.08	8.82	
Return on assets - operating <sup>(1)(4)</sup>	1.00	.94	.96	.95	.88		.97	.87	
Return on assets - GAAP <sup>(4)</sup>	.89	.94	.96	.95	.88		.92	.87	
Dividend payout ratio - operating <sup>(1)</sup>	15.63	17.24	16.67	10.34	11.11		16.39	5.77	
Dividend payout ratio - GAAP	17.86	17.24	16.67	10.34	11.11		17.54	5.77	
Net interest margin <sup>(4)</sup>	3.30	3.31	3.31	3.32	3.21		3.30	3.21	
Efficiency ratio - operating <sup>(1)</sup>	57.59	59.15	57.47	57.96	58.65		58.34	58.85	
Efficiency ratio - GAAP	61.63	59.15	57.47	57.96	58.65		60.44	58.85	
Average equity to average assets	10.05	9.86	9.76	9.85	9.61		9.96	9.56	
Average tangible equity to average assets <sup>(3)</sup>	9.91	9.82	9.72	9.83	9.58		9.87	9.54	
Average tangible common equity to average assets <sup>(3)</sup>	9.83	9.82	9.72	9.83	9.58		9.83	9.40	
Tangible common equity to risk-weighted assets <sup>(3)(5)</sup>	13.24	13.53	13.82	14.10	13.92		13.24	13.92	
<b>ASSET QUALITY</b>									
Nonperforming loans	\$ 18,805	\$ 19,015	\$ 17,881	\$ 18,745	\$ 20,724	(9)	\$ 18,805	\$ 20,724	
Foreclosed properties	2,356	1,158	1,726	3,146	2,969	(21)	2,356	2,969	
Total nonperforming assets (NPAs)	21,161	20,173	19,607	21,891	23,693	(11)	21,161	23,693	
Allowance for loan losses	70,129	70,007	71,619	71,928	73,248		70,129	73,248	
Net charge-offs	978	2,562	2,509	3,155	4,175	(77)	3,540	8,214	
Allowance for loan losses to loans	1.36%	1.46%	1.53%	1.57%	1.66%		1.36%	1.66%	
Net charge-offs to average loans <sup>(4)</sup>	.08	.22	.22	.28	.38		.15	.38	
NPAs to loans and foreclosed properties	.41	.42	.42	.48	.54		.41	.54	
NPAs to total assets	.26	.26	.26	.29	.32		.26	.32	
<b>AVERAGE BALANCES (\$ in millions)</b>									
Loans	\$ 5,017	\$ 4,725	\$ 4,621	\$ 4,446	\$ 4,376	15	\$ 4,872	\$ 4,366	12
Investment securities	2,261	2,203	2,222	2,231	2,326	(3)	2,232	2,323	(4)
Earning assets	7,444	7,070	7,013	6,820	6,861	8	7,258	6,844	6

Total assets	8,017	7,617	7,565	7,374	7,418	8	7,818	7,401	6
Deposits	6,669	6,369	6,383	6,143	6,187	8	6,520	6,192	5
Shareholders' equity	806	751	738	726	713	13	778	708	10
Common shares - basic ( <i>thousands</i> )	62,549	60,905	60,830	60,776	60,712		61,730	60,386	2
Common shares - diluted ( <i>thousands</i> )	62,553	60,909	60,833	60,779	60,714		61,734	60,388	2

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

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

(in thousands, except per share data; taxable equivalent)	2015		2014			For the Six Months Ended June 30,	
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	2015	2014
<b>Interest revenue reconciliation</b>							
Interest revenue - taxable equivalent	\$ 66,134	\$ 62,909	\$ 64,353	\$ 63,338	\$ 61,783	\$ 129,043	\$ 122,278
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)	(701)	(734)
Interest revenue (GAAP)	<u>\$ 65,808</u>	<u>\$ 62,534</u>	<u>\$ 63,955</u>	<u>\$ 62,933</u>	<u>\$ 61,406</u>	<u>\$ 128,342</u>	<u>\$ 121,544</u>
<b>Net interest revenue reconciliation</b>							
Net interest revenue - taxable equivalent	\$ 61,317	\$ 57,617	\$ 58,332	\$ 56,967	\$ 54,950	\$ 118,934	\$ 109,119
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)	(701)	(734)
Net interest revenue (GAAP)	<u>\$ 60,991</u>	<u>\$ 57,242</u>	<u>\$ 57,934</u>	<u>\$ 56,562</u>	<u>\$ 54,573</u>	<u>\$ 118,233</u>	<u>\$ 108,385</u>
<b>Total revenue reconciliation</b>							
Total operating revenue	\$ 77,683	\$ 71,499	\$ 71,355	\$ 69,379	\$ 66,893	\$ 149,182	\$ 130,738
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)	(701)	(734)
Total revenue (GAAP)	<u>\$ 77,357</u>	<u>\$ 71,124</u>	<u>\$ 70,957</u>	<u>\$ 68,974</u>	<u>\$ 66,516</u>	<u>\$ 148,481</u>	<u>\$ 130,004</u>
<b>Expense reconciliation</b>							
Expenses - operating	\$ 45,247	\$ 43,061	\$ 41,919	\$ 41,364	\$ 40,532	\$ 88,308	\$ 79,582
Merger-related charges	3,173	-	-	-	-	3,173	-
Expenses (GAAP)	<u>\$ 48,420</u>	<u>\$ 43,061</u>	<u>\$ 41,919</u>	<u>\$ 41,364</u>	<u>\$ 40,532</u>	<u>\$ 91,481</u>	<u>\$ 79,582</u>
<b>Income before taxes reconciliation</b>							
Income before taxes - operating	\$ 32,436	\$ 28,438	\$ 29,436	\$ 28,015	\$ 26,361	\$ 60,874	\$ 51,156
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)	(701)	(734)
Merger-related charges	(3,173)	-	-	-	-	(3,173)	-
Income before taxes (GAAP)	<u>\$ 28,937</u>	<u>\$ 28,063</u>	<u>\$ 29,038</u>	<u>\$ 27,610</u>	<u>\$ 25,984</u>	<u>\$ 57,000</u>	<u>\$ 50,422</u>
<b>Income tax expense reconciliation</b>							
Income tax expense - operating	\$ 12,447	\$ 10,768	\$ 11,189	\$ 10,399	\$ 10,004	\$ 23,215	\$ 19,399
Taxable equivalent adjustment	(326)	(375)	(398)	(405)	(377)	(701)	(734)
Merger-related charges, tax benefit	(997)	-	-	-	-	(997)	-
Income tax expense (GAAP)	<u>\$ 11,124</u>	<u>\$ 10,393</u>	<u>\$ 10,791</u>	<u>\$ 9,994</u>	<u>\$ 9,627</u>	<u>\$ 21,517</u>	<u>\$ 18,665</u>
<b>Net income reconciliation</b>							
Net income - operating	\$ 19,989	\$ 17,670	\$ 18,247	\$ 17,616	\$ 16,357	\$ 37,659	\$ 31,757
Merger-related charges, net of income tax benefit	(2,176)	-	-	-	-	(2,176)	-
Net income (GAAP)	<u>\$ 17,813</u>	<u>\$ 17,670</u>	<u>\$ 18,247</u>	<u>\$ 17,616</u>	<u>\$ 16,357</u>	<u>\$ 35,483</u>	<u>\$ 31,757</u>
<b>Net income available to common shareholders reconciliation</b>							
Net income available to common shareholders - operating	\$ 19,972	\$ 17,670	\$ 18,247	\$ 17,616	\$ 16,357	\$ 37,642	\$ 31,318
Merger-related charges, net of income tax benefit	(2,176)	-	-	-	-	(2,176)	-
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>	<u>\$ 35,466</u>	<u>\$ 31,318</u>
<b>Diluted income per common share reconciliation</b>							
Diluted income per common share - operating	\$ .32	\$ .29	\$ .30	\$ .29	\$ .27	\$ .61	\$ .52
Merger-related charges	(.04)	-	-	-	-	(.04)	-
Diluted income per common share (GAAP)	<u>\$ .28</u>	<u>\$ .29</u>	<u>\$ .30</u>	<u>\$ .29</u>	<u>\$ .27</u>	<u>\$ .57</u>	<u>\$ .52</u>
<b>Book value per common share reconciliation</b>							
Tangible book value per common share	\$ 12.66	\$ 12.53	\$ 12.15	\$ 12.10	\$ 11.91	\$ 12.66	\$ 11.91
Effect of goodwill and other intangibles	.29	.05	.05	.05	.03	.29	.03
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>	<u>\$ 12.95</u>	<u>\$ 11.94</u>
<b>Return on common equity reconciliation</b>							
Return on common equity - operating	9.90%	9.34%	9.60%	9.41%	8.99%	9.63%	8.82%
Merger-related charges	(1.07)	-	-	-	-	(.55)	-
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>	<u>9.08%</u>	<u>8.82%</u>
<b>Return on assets reconciliation</b>							
Return on assets - operating	1.00%	.94%	.96%	.95%	.88%	.97%	.87%
Merger-related charges	(.11)	-	-	-	-	(.05)	-
Return on assets (GAAP)	<u>.89%</u>	<u>.94%</u>	<u>.96%</u>	<u>.95%</u>	<u>.88%</u>	<u>.92%</u>	<u>.87%</u>
<b>Dividend payout ratio reconciliation</b>							
Dividend payout ratio - operating	15.63%	17.24%	16.67%	10.34%	11.11%	16.39%	5.77%
Merger-related charges	2.23	-	-	-	-	1.15	-
Dividend payout ratio (GAAP)	<u>17.86%</u>	<u>17.24%</u>	<u>16.67%</u>	<u>10.34%</u>	<u>11.11%</u>	<u>17.54%</u>	<u>5.77%</u>
<b>Efficiency ratio reconciliation</b>							
Efficiency ratio - operating	57.59%	59.15%	57.47%	57.96%	58.65%	58.34%	58.85%
Merger-related charges	4.04	-	-	-	-	2.10	-
Efficiency ratio (GAAP)	<u>61.63%</u>	<u>59.15%</u>	<u>57.47%</u>	<u>57.96%</u>	<u>58.65%</u>	<u>60.44%</u>	<u>58.85%</u>
<b>Average equity to assets reconciliation</b>							
Tangible common equity to assets	9.83%	9.82%	9.72%	9.83%	9.58%	9.83%	9.40%
Effect of preferred equity	.08	-	-	-	-	.04	.14
Tangible equity to assets	9.91	9.82	9.72	9.83	9.58	9.87	9.54
Effect of goodwill and other intangibles	.14	.04	.04	.02	.03	.09	.02
Equity to assets (GAAP)	<u>10.05%</u>	<u>9.86%</u>	<u>9.76%</u>	<u>9.85%</u>	<u>9.61%</u>	<u>9.96%</u>	<u>9.56%</u>
<b>Tangible common equity to risk-weighted assets reconciliation <sup>(1)</sup></b>							
Tangible common equity to risk-weighted assets	13.24%	13.53%	13.82%	14.10%	13.92%	13.24%	13.92%
Effect of other comprehensive income	.28	.19	.35	.34	.53	.28	.53



Effect of deferred tax limitation	(2.46)	(2.86)	(3.11)	(3.39)	(3.74)	(2.46)	(3.74)
Effect of trust preferred	.63	.67	1.00	1.02	1.04	.63	1.04
Effect of preferred equity	.17	-	-	-	-	.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>	<u>11.86%</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.**  
**Financial Highlights**  
**Loan Portfolio Composition at Period-End**

<i>(in millions)</i>	2015		2014			Linked Quarter Change	Year over Year Change
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter		
<b>LOANS BY CATEGORY</b>							
Owner occupied commercial RE	\$ 1,266	\$ 1,167	\$ 1,163	\$ 1,153	\$ 1,163	\$ 99	\$ 103
Income producing commercial RE	689	636	599	605	598	53	91
Commercial & industrial	793	716	710	650	554	77	239
Commercial construction	238	230	196	181	160	8	78
Total commercial	2,986	2,749	2,668	2,589	2,475	237	511
Residential mortgage	935	864	866	866	861	71	74
Home equity lines of credit	491	465	466	459	451	26	40
Residential construction	299	291	299	307	302	8	(3)
Consumer installment	463	419	373	348	321	44	142
<b>Total loans</b>	<u>\$ 5,174</u>	<u>\$ 4,788</u>	<u>\$ 4,672</u>	<u>\$ 4,569</u>	<u>\$ 4,410</u>	386	764
<b>LOANS BY MARKET</b>							
North Georgia	\$ 1,155	\$ 1,150	\$ 1,163	\$ 1,168	\$ 1,175	5	(20)
Atlanta MSA	1,317	1,296	1,282	1,289	1,305	21	12
North Carolina	533	539	553	553	555	(6)	(22)
Coastal Georgia	499	476	456	444	426	23	73
Gainesville MSA	257	255	257	254	257	2	-
East Tennessee	525	281	280	281	270	244	255
South Carolina / Specialized Lending	531	475	412	337	206	56	325
Indirect auto	357	316	269	243	216	41	141
<b>Total loans</b>	<u>\$ 5,174</u>	<u>\$ 4,788</u>	<u>\$ 4,672</u>	<u>\$ 4,569</u>	<u>\$ 4,410</u>	386	764

**UNITED COMMUNITY BANKS, INC.**
**Financial Highlights**
**Credit Quality**

<i>(in thousands)</i>	Second Quarter 2015			First Quarter 2015			Fourth Quarter 2014		
	Nonperforming Loans	Foreclosed Properties	Total NPAs	Nonperforming Loans	Foreclosed Properties	Total NPAs	Nonperforming Loans	Foreclosed Properties	Total NPAs
<b>NONPERFORMING ASSETS BY CATEGORY</b>									
Owner occupied CRE	\$ 4,878	\$ 360	\$ 5,238	\$ 4,360	\$ 173	\$ 4,533	\$ 4,133	\$ 355	\$ 4,488
Income producing CRE	883	-	883	835	-	835	717	-	717
Commercial & industrial	1,389	-	1,389	1,629	-	1,629	1,571	-	1,571
Commercial construction	59	382	441	60	-	60	83	15	98
Total commercial	7,209	742	7,951	6,884	173	7,057	6,504	370	6,874
Residential mortgage	8,599	1,373	9,972	8,669	796	9,465	8,196	1,183	9,379
Home equity lines of credit	940	54	994	693	50	743	695	40	735
Residential construction	1,358	187	1,545	2,127	139	2,266	2,006	133	2,139
Consumer installment	699	-	699	642	-	642	480	-	480
<b>Total NPAs</b>	<b>\$ 18,805</b>	<b>\$ 2,356</b>	<b>\$ 21,161</b>	<b>\$ 19,015</b>	<b>\$ 1,158</b>	<b>\$ 20,173</b>	<b>\$ 17,881</b>	<b>\$ 1,726</b>	<b>\$ 19,607</b>
<b>Balance as a % of Unpaid Principal</b>	64.9%	46.6%	62.2%	72.0%	56.6%	70.9%	69.9%	54.1%	68.1%
<b>NONPERFORMING ASSETS BY MARKET</b>									
North Georgia	\$ 6,157	\$ 657	\$ 6,814	\$ 6,101	\$ 662	\$ 6,763	\$ 5,669	\$ 711	\$ 6,380
Atlanta MSA	2,361	135	2,496	1,903	227	2,130	1,837	372	2,209
North Carolina	4,746	690	5,436	5,321	159	5,480	5,221	234	5,455
Coastal Georgia	659	-	659	901	-	901	799	105	904
Gainesville MSA	864	22	886	781	22	803	1,310	81	1,391
East Tennessee	1,885	852	2,737	1,808	30	1,838	1,414	201	1,615
South Carolina / Specialized Lending	1,565	-	1,565	1,700	58	1,758	1,285	22	1,307
Indirect auto	568	-	568	500	-	500	346	-	346
<b>Total NPAs</b>	<b>\$ 18,805</b>	<b>\$ 2,356</b>	<b>\$ 21,161</b>	<b>\$ 19,015</b>	<b>\$ 1,158</b>	<b>\$ 20,173</b>	<b>\$ 17,881</b>	<b>\$ 1,726</b>	<b>\$ 19,607</b>
<b>NONPERFORMING ASSETS ACTIVITY</b>									
<b>Beginning Balance</b>	\$ 19,015	\$ 1,158	\$ 20,173	\$ 17,881	\$ 1,726	\$ 19,607	\$ 18,745	\$ 3,146	\$ 21,891
Acquisitions	-	962	962	-	-	-	-	-	-
Loans placed on non-accrual	6,552	-	6,552	5,944	-	5,944	7,140	-	7,140
Payments received	(3,839)	-	(3,839)	(1,513)	-	(1,513)	(5,286)	-	(5,286)
Loan charge-offs	(1,854)	-	(1,854)	(2,838)	-	(2,838)	(1,841)	-	(1,841)
Foreclosures	(1,069)	1,069	-	(459)	459	-	(877)	877	-
Capitalized costs	-	-	-	-	-	-	-	-	-
Property sales	-	(895)	(895)	-	(1,108)	(1,108)	-	(2,483)	(2,483)
Write downs	-	(9)	(9)	-	(166)	(166)	-	(1)	(1)
Net gains (losses) on sales	-	71	71	-	247	247	-	187	187
<b>Ending Balance</b>	<b>\$ 18,805</b>	<b>\$ 2,356</b>	<b>\$ 21,161</b>	<b>\$ 19,015</b>	<b>\$ 1,158</b>	<b>\$ 20,173</b>	<b>\$ 17,881</b>	<b>\$ 1,726</b>	<b>\$ 19,607</b>

<i>(in thousands)</i>	Second Quarter 2015		First Quarter 2015		Fourth Quarter 2014	
	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(1)</sup>	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(1)</sup>	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(1)</sup>
<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	96	.16	22	.04	(6)	(.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	284	.26	65	.07	356	.39
<b>Total</b>	<b>\$ 978</b>	<b>.08</b>	<b>\$ 2,562</b>	<b>.22</b>	<b>\$ 2,509</b>	<b>.22</b>
<b>NET CHARGE-OFFS BY MARKET</b>						
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	123	.14	115	.16	180	.29
<b>Total</b>	<b>\$ 978</b>	<b>.08</b>	<b>\$ 2,562</b>	<b>.22</b>	<b>\$ 2,509</b>	<b>.22</b>

<sup>(1)</sup> Annualized.

**UNITED COMMUNITY BANKS, INC.**
**Consolidated Statement of Income (Unaudited)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
<i>(in thousands, except per share data)</i>				
<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	795	980	1,607	1,823
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	895	2,018	2,004	3,789
Total deposit interest expense	<u>2,075</u>	<u>3,207</u>	<u>4,271</u>	<u>6,001</u>
Short-term borrowings	82	908	180	1,748
Federal Home Loan Bank advances	454	80	846	138
Long-term debt	2,206	2,638	4,812	5,272
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	900	2,200	2,700	4,700
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	2,445	1,761	4,564	3,291
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	4,892	4,406	10,142	8,261
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	11,124	9,627	21,517	18,665
<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	17	-	17	439
<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)**

<i>(in thousands, except share and per share data)</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>	<b>June 30, 2014</b>
<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	30,000	26,401	47,999
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	(70,129)	(71,619)	(73,248)
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	68,980	61,563	50,450
<b>Total assets</b>	<b>\$ 8,246,303</b>	<b>\$ 7,566,986</b>	<b>\$ 7,352,066</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
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	529,920	425,011	424,313
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	54,728	57,485	41,497
<b>Total liabilities</b>	<b>7,419,071</b>	<b>6,827,409</b>	<b>6,630,097</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	(16,968)	(18,790)	(16,016)
<b>Total shareholders' equity</b>	<b>827,232</b>	<b>739,577</b>	<b>721,969</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 8,246,303</b>	<b>\$ 7,566,986</b>	<b>\$ 7,352,066</b>

**UNITED COMMUNITY BANKS, INC.**
**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 <sup>(1)(2)</sup>	\$ 5,017,306	\$ 53,081	4.24%	\$ 4,376,174	\$ 48,435	4.44%
Taxable securities <sup>(3)</sup>	2,235,561	11,856	2.12	2,306,457	11,972	2.08
Tax-exempt securities <sup>(1)(3)</sup>	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 <sup>(3)</sup>	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
<b>Total interest-bearing deposits</b>	<b>4,887,071</b>	<b>2,075</b>	<b>.17</b>	<b>4,709,182</b>	<b>3,207</b>	<b>.27</b>
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
<b>Total borrowed funds</b>	<b>451,306</b>	<b>2,742</b>	<b>2.44</b>	<b>392,971</b>	<b>3,626</b>	<b>3.70</b>
<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		
<b>Total liabilities</b>	<b>7,210,873</b>			<b>6,705,175</b>		
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>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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,

(dollars in thousands, taxable equivalent)	2015			2014		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<b>Assets:</b>						
Interest-earning assets:						
Loans, net of unearned income <sup>(1)(2)</sup>	\$ 4,872,112	\$ 102,946	4.26%	\$ 4,365,930	\$ 96,303	4.45%
Taxable securities <sup>(3)</sup>	2,211,293	23,756	2.15	2,303,404	23,391	2.03
Tax-exempt securities <sup>(1)(3)</sup>	20,987	555	5.29	19,881	624	6.28
Federal funds sold and other interest-earning assets	153,597	1,786	2.33	154,651	1,960	2.53
<b>Total interest-earning assets</b>	<b>7,257,989</b>	<b>129,043</b>	<b>3.58</b>	<b>6,843,866</b>	<b>122,278</b>	<b>3.60</b>
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 <sup>(3)</sup>	389,874			409,466		
<b>Total assets</b>	<b>\$ 7,818,073</b>			<b>\$ 7,401,237</b>		
<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	274,708	(657)	(.48)	311,579	60	.04
<b>Total interest-bearing deposits</b>	<b>4,818,020</b>	<b>4,271</b>	<b>.18</b>	<b>4,752,612</b>	<b>6,001</b>	<b>.25</b>
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	120,782	4,812	8.03	129,865	5,272	8.19
Total borrowed funds	427,319	5,838	2.76	380,315	7,158	3.80
<b>Total interest-bearing liabilities</b>	<b>5,245,339</b>	<b>10,109</b>	<b>.39</b>	<b>5,132,927</b>	<b>13,159</b>	<b>.52</b>
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,702,140			1,439,447		
Other liabilities	92,138			120,943		
Total liabilities	7,039,617			6,693,317		
Shareholders' equity	778,456			707,920		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,818,073</b>			<b>\$ 7,401,237</b>		
<b>Net interest revenue</b>		<b>\$ 118,934</b>			<b>\$ 109,119</b>	
Net interest-rate spread			<b>3.19%</b>			<b>3.08%</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 \$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.