



August 18, 2015

United Community Banks, Inc. Announces Shareholder Merger Election Results

BLAIRSVILLE, Ga., Aug. 18, 2015 (GLOBE NEWSWIRE) -- United Community Banks, Inc. (NASDAQ:UCBI) ("United") today announced the approval of the merger and the results of the elections made by the shareholders of Palmetto Bancshares, Inc. (NASDAQ:PLMT) ("Palmetto"), as to the form of merger consideration they wish to receive in connection with the merger of Palmetto with and into United.

Under the terms of the merger agreement between United and Palmetto, Palmetto shareholders will have the right to receive \$19.25 in cash or 0.97 shares of United common stock, or any combination thereof, for each of the 12,813,358 shares of Palmetto common stock outstanding. The cash and stock elections are subject to proration to ensure that 30% of the outstanding shares of Palmetto common stock will be exchanged for cash and 70% of the outstanding shares of Palmetto common stock will be exchanged for shares of United common stock in the merger.

Based on currently available information, the merger consideration election results were as follows:

- 12,071,103 outstanding shares of Palmetto's common stock, or 94.21% of such stock, elected to receive stock consideration;
- 309,022 outstanding shares of Palmetto's common stock, or 2.41% of such stock, elected to receive cash consideration; and
- 433,233 outstanding shares of Palmetto's common stock, or 3.38% of such stock, failed to make a valid election.

Based on such results, because the stock option was oversubscribed, the consideration to be received by the holders who elected stock is expected to be prorated pursuant to the terms set forth in the merger agreement. The final allocation of merger consideration will be calculated in accordance with the terms of the merger agreement.

The parties expect to close the transaction on September 1, 2015, subject to customary conditions.

Caution About Forward-Looking Statements

This news release contains forward-looking statements, as defined by federal securities laws. 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 and Palmetto's filings with the Securities and Exchange Commission including each company's respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Forward-looking statements speak only as of the date they are made, and neither United nor Palmetto undertakes any obligation to update or revise forward-looking statements.

Additional Information

United filed a registration statement on Form S-4 with the Securities and Exchange Commission to register the shares of United's common stock that will be issued to Palmetto's shareholders in connection with the transaction. The registration statement was declared effective on July 10, 2015. The registration statement includes a joint proxy statement/prospectus and other relevant materials in connection with the proposed merger transaction involving United and Palmetto. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, JOINT PROXY/PROSPECTUS (AND ANY OTHER DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IN CONNECTION WITH THE TRANSACTION OR INCORPORATED BY REFERENCE INTO THE JOINT PROXY/PROSPECTUS) BECAUSE SUCH DOCUMENTS CONTAIN IMPORTANT INFORMATION REGARDING THE PROPOSED MERGER TRANSACTION. Investors and security holders may obtain free copies of these documents and other documents filed with the Securities and Exchange Commission on its website at <http://www.sec.gov>. Investors and security holders may also obtain free copies of the documents filed with the Securities and Exchange Commission by United on its website at <http://www.ucbi.com> and by Palmetto on its website at <http://www.palmettobank.com>.

About United Community Banks, Inc.

United Community Banks, Inc. 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. The bank specializes in personalized community banking services for individuals, small businesses and corporations. United Community Bank offers 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.

About Palmetto Bancshares, Inc.

Palmetto Bancshares, Inc. (NASDAQ:PLMT) is a 108-year old community bank and is the third largest banking institution headquartered in South Carolina. The Palmetto Bank has assets of \$1.2 billion and serves Upstate South Carolina through 25 branch locations in nine counties along the economically attractive I-85 corridor, as well as 24/7/365 service through online and mobile banking, ATMs and telephone. The bank has a unique understanding of the Upstate market and delivers local decision making with greater responsiveness. Through its Retail, Commercial and Wealth Management lines of business, the bank specializes in providing financial solutions to consumers and small to mid-size businesses with deposit and cash management products, loans (including consumer, mortgage, credit card, automobile, Small Business Administration, commercial, and corporate), lines of credit, trust, brokerage, private banking, financial planning and insurance. The bank provides solutions that improve the client experience by providing clients the ability to bank whenever they want, wherever they want. Additional information may be found at the bank's website at <http://www.palmettobank.com>.

CONTACT: For more information:

Rex S. Schuette

Chief Financial Officer

(706) 781-2266

Rex_Schuette@ucbi.com



Source: United Community Banks, Inc.

News Provided by Acquire Media