

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):
January 20, 2016

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))

Results of Operations and Financial Condition.

On January 20, 2016, United Community Banks, Inc. (the “Registrant”) issued a news release announcing its financial results for the quarter ended December 31, 2015 (the “News Release”). The News Release, including financial schedules, is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. In connection with issuing the News Release, on January 20, 2016 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 Fourth Quarter 2015 Investor Presentation (the “Investor Presentation”), which will be posted to the Registrant’s website at www.ucbi.com. The Investor Presentation 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 operating and core earnings measures because it believes they are useful for evaluating the Registrant’s operations and performance over periods of time, and uses operating and 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 and an impairment charge associated with properties purchased for future branch expansion. 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

**Exhibit
No.**

Description

99.1 News Release, dated January 20, 2016

99.2 Investor Presentation, Fourth Quarter 2015

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: January 20, 2016



For Immediate Release

For more information:

Rex S. Schuette
Chief Financial Officer
(706) 781-2266
Rex_Schuette@ucbi.com

**UNITED COMMUNITY BANKS, INC. REPORTS
NET OPERATING INCOME OF \$23.8 MILLION FOR FOURTH QUARTER 2015,
UP 30 PERCENT FROM A YEAR AGO**

- Operating earnings per diluted share of 33 cents, up 10 percent from a year ago
- Operating return on assets of .99 percent
- Operating return on tangible common equity of 10.9 percent
- Loans up \$162 million from third quarter, or 11 percent annualized, excluding sale of healthcare loans
- Loan growth for year of \$444 million, or 10 percent, excluding mergers and healthcare loan sale
- Core transaction deposits up \$524 million for 2015, or 14 percent, excluding deposits acquired in mergers

BLAIRSVILLE, GA – January 20, 2016 – United Community Banks, Inc. (NASDAQ: UCBI) (“United”) today continued its strong momentum as it moves forward as a regional community bank in the Southeast, reflecting strong loan, core deposit and fee revenue growth, and a lower provision for credit losses. For the fourth quarter of 2015, net operating income of \$23.8 million increased 30 percent from a year ago and operating earnings per diluted share of 33 cents was up 10 percent from a year ago.

Operating earnings and operating earnings per diluted share for the fourth quarter of 2015 exclude the effects of merger-related and other charges for impairment on properties acquired for future expansion. Including those charges, net income was \$18.2 million for the fourth quarter, or 25 cents per diluted share. Also, operating earnings this quarter include three months of earnings from the acquisition of The Palmetto Bank (“Palmetto”), as compared to one month for the third quarter of 2015.

For the full year of 2015, United achieved net income of \$71.6 million, or \$1.09 per diluted share. Excluding merger-related and other charges, net operating income was \$83.2 million, or \$1.27 per diluted share.

At December 31, 2015, preliminary regulatory capital ratios were as follows: Tier 1 Risk-Based of 11.5 percent; Total Risk-Based of 12.5 percent; Common Equity Tier 1 Risk-Based of 11.5 percent; and, Tier 1 Leverage of 8.3 percent.

“United continues to enhance its long term value potential. This past year of 2015 demonstrated the strengths of our footprint and the momentum that characterizes our organization as we enter into 2016,” said Jimmy Tallent, chairman and chief executive officer. “In 2015, we struck the proper balance of investing for our future and delivering strong financial results. The fourth quarter was a continuation of that solid performance.

“Total loan production continued strong in the fourth quarter, though not readily apparent in our year-end loan balances due to the sale of our \$190 million of healthcare loans,” Tallent continued. “Year-to-date loan growth, excluding loans acquired in mergers and our sale of healthcare loans, was \$444 million, or 10 percent, slightly above our 2015 target of mid-to-upper-single-digit loan growth. Our loan growth was funded with solid core transaction deposit growth of \$524 million, or 14 percent, excluding mergers.

“Fourth quarter net loan growth of \$162 million, excluding the healthcare loan sale, was driven by loan production of \$590 million across all of our markets,” added Tallent. “Our community banks originated \$360 million in loan production, while our specialized lending area, which includes asset-based, commercial real estate, middle market, SBA and builder finance lending, produced \$157 million.”

Fourth quarter taxable-equivalent net interest revenue totaled \$74.0 million, up \$8.33 million from the third quarter of 2015 and up \$15.7 million from the fourth quarter of 2014. The increase in net interest revenue reflects strong loan and core deposit growth, net interest revenue from the Palmetto and First National Bank acquisitions, and an increase in net interest margin.

“The taxable-equivalent net interest margin of 3.34 percent is an increase of eight basis points from the third quarter and up three basis points from a year ago,” said Tallent. “The increase from third quarter reflects higher yields on our loan and securities portfolios as well as a two basis point decrease in the average rate on our interest-bearing liabilities.

“This quarter, our loan yield, net interest margin and net interest revenue benefited from the discount accretion from the acquired loan portfolios. The sale of our lower-yielding healthcare loans also contributed to the higher loan yield and net interest margin,” commented Tallent. “Additionally, the securities yield benefited from the mix of floating rate securities, slower prepayments and restructuring of a corporate bond, while interest-bearing liabilities benefited from Palmetto’s highly desirable deposit base that provided a very low cost source of funds.”

The fourth quarter provision for credit losses was \$300 thousand, down \$400 thousand from the third quarter and down \$1.50 million from the fourth quarter of 2014. Fourth quarter net charge-offs were \$1.30 million compared with \$1.42 million in the third quarter and \$2.51 million a year ago. Strong recoveries of previously charged-off loans drove net charge-offs down in the third and fourth quarters of 2015 compared with fourth quarter 2014. Nonperforming assets were .29 percent of total assets at year-end, compared with .29 percent in the third quarter and .26 percent a year ago.

Fourth quarter fee revenue totaled \$21.3 million, up \$2.99 million from the third quarter and \$6.46 million from the fourth quarter of 2014. The increase from the third quarter was primarily due to the full quarter impact of the Palmetto acquisition. Total service charges and fees were \$11.5 million, up \$2.17 million from the third quarter and up \$3.05 million from a year ago. Mortgage fees of \$3.29 million were down \$550 thousand from the third quarter and up \$1.18 million from a year ago. The decrease from the third quarter reflects seasonality and lower refinancing activity. Closed mortgage loans totaled \$138 million in the fourth quarter of 2015, compared with \$141 million in the third quarter and \$77.4 million in the fourth quarter of 2014. During the fourth quarter, sales of \$25.1 million in SBA loans resulted in net gains of \$2.00 million. This compares with \$17.8 million in loans sold and net gains of \$1.65 million in the third quarter of 2015, and \$15.8 million in loans sold and net gains of \$926 thousand in the fourth quarter of 2014.

“We are committed to growing our revenue stream by focusing on fee-generating products and services,” stated Tallent. “The growing SBA lending business and commitment to expanding our mortgage origination business are key parts of this strategy.”

Operating expenses, excluding merger-related and other charges of \$9.08 million, were \$56.4 million in the fourth quarter. This compares with \$48.5 million in the third quarter of 2015 and \$41.9 million in the fourth quarter of 2014. The increase from the third quarter reflects approximately \$5.6 million of operating expenses related to the full-quarter impact of the Palmetto acquisition. Palmetto’s operating expenses are expected to decline following systems conversions late in the first quarter in 2016, as anticipated cost savings are realized.

“The increase in operating expenses from third quarter also reflects higher professional fees and consulting services for several, mostly one-time, regulatory-related compliance projects throughout the company,” stated Tallent. “With the heightened sensitivity to compliance, we made a decision to accelerate these projects into the current year.”

Fourth quarter salaries and employee benefits expense totaled \$32.9 million, up \$3.60 million from the third quarter and \$6.35 million from a year ago. The linked-quarter increase was primarily due to the full-quarter impact of Palmetto’s costs, our new Charleston loan production office, and higher incentive costs associated with the growth in earnings and lending businesses. The increase from a year ago reflects the impact of mergers, investment in new lenders and support staff for the specialized lending area, as well as higher commissions and incentives associated with the overall improvement in earnings and growth in the SBA and mortgage lending businesses, commercial loans and core deposits.

Occupancy expense of \$4.67 million and communications and equipment expense of \$4.74 million for the fourth quarter were up \$653 thousand and \$772 thousand, respectively, with the full-quarter of Palmetto's expenses accounting for most of the increase in both expense categories.

Other operating expenses for the fourth quarter totaled \$7.01 million, up \$1.46 million from the third quarter and up \$3.08 million from the fourth quarter of 2014. The linked-quarter increase is mostly due to the inclusion of Palmetto's operating expenses for the full-quarter versus one month in the third quarter. The increase from last year is due to the acquisitions and higher transaction processing costs for interchange and internet banking services.

"Palmetto merged into United on September 1 and our team of bankers has been working diligently to bring these two great companies together," noted Tallent. "System conversions are targeted for late February 2016 and, upon their completion, Palmetto branches will begin doing business under the United Community Bank brand."

Fourth quarter expenses included an after-tax merger charge of \$1.94 million primarily related to severance and retention bonuses, system conversion costs, and advisory and professional services fees for the Palmetto acquisition. United also incurred an after-tax non-operating impairment charge in the fourth quarter of \$3.65 million to write-down properties acquired in prior years for future branch expansion.

"As part of our growth strategy, we are evaluating all of our delivery channels, including future branch sites," said Tallent. "Some of these properties will be retained for future branch sites, others will be sold. These decisions will be made over the next two years as we continue to execute on our growth strategies. However, because we've held these properties for a long time, we evaluated them for impairment and wrote-down the properties accordingly."

"Our fourth quarter results mark the completion of another strong year," Tallent said. "We will remember 2015 as the year we successfully re-entered the mergers and acquisitions business. I could not be more pleased with the partners we have chosen and our exceptional team of bankers who worked tirelessly to bring it all about. I'm excited about the momentum and foundation we are building at United and the opportunities for growth and success they will bring."

Conference Call

United will hold a conference call today, Wednesday, January 20, 2016, 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 19833202. 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.

About United Community Banks, Inc.

United Community Banks, Inc. (UCBI) is a bank holding company based in Blairsville, Georgia, with \$9.6 billion in assets. The company’s banking subsidiary, United Community Bank, is one of the Southeast’s largest full-service banks, operating 134 offices in Georgia, North Carolina, South Carolina and Tennessee. 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 including 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 again in 2016 was ranked among the top 100 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.

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

(in thousands, except per share data; taxable equivalent)	2015				2014	Fourth Quarter	For the Twelve Months Ended		YTD
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2015-2014	December 31,		2015-2014
						Change	2015	2014	Change
INCOME SUMMARY									
Interest revenue	\$ 79,646	\$ 71,120	\$ 66,134	\$ 62,909	\$ 64,353		\$ 279,809	\$ 249,969	
Interest expense	5,598	5,402	4,817	5,292	6,021		21,109	25,551	
Net interest revenue	74,048	65,718	61,317	57,617	58,332	27%	258,700	224,418	15%
Provision for credit losses	300	700	900	1,800	1,800		3,700	8,500	
Fee revenue	21,284	18,297	17,266	15,682	14,823	44	72,529	55,554	31
Total revenue	95,032	83,315	77,683	71,499	71,355	33	327,529	271,472	21
Expenses - operating ⁽¹⁾	56,410	48,525	45,247	43,061	41,919	35	193,243	162,865	19
Income before income tax expense - operating ⁽¹⁾	38,622	34,790	32,436	28,438	29,436	31	134,286	108,607	24
Income tax expense - operating ⁽¹⁾	14,822	13,064	12,447	10,768	11,189	32	51,101	40,987	25
Net income - operating ⁽¹⁾	23,800	21,726	19,989	17,670	18,247	30	83,185	67,620	23
Preferred dividends and discount accretion	25	25	17	-	-		67	439	
Net income available to common shareholders - operating ⁽¹⁾	23,775	21,701	19,972	17,670	18,247	30	83,118	67,181	24
Merger-related and other charges, net of income tax benefit	5,592	3,839	2,176	-	-		11,607	-	
Net income available to common shareholders - GAAP	\$ 18,183	\$ 17,862	\$ 17,796	\$ 17,670	\$ 18,247	-	\$ 71,511	\$ 67,181	6
PERFORMANCE MEASURES									
Per common share:									
Diluted income - operating ⁽¹⁾	\$.33	\$.33	\$.32	\$.29	\$.30	10	\$ 1.27	\$ 1.11	14
Diluted income - GAAP	.25	.27	.28	.29	.30	(17)	1.09	1.11	(2)
Cash dividends declared	.06	.06	.05	.05	.05		.22	.11	
Book value	14.02	13.95	12.95	12.58	12.20	15	14.02	12.20	15
Tangible book value ⁽³⁾	12.06	12.08	12.66	12.53	12.15	(1)	12.06	12.15	(1)
Key performance ratios:									
Return on tangible common equity - operating ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	10.87%	10.29%	10.20%	9.46%	9.74%		10.24%	9.32%	
Return on common equity - operating ⁽¹⁾⁽²⁾⁽⁴⁾	9.18	9.54	9.90	9.34	9.60		9.48	9.17	
Return on common equity - GAAP ⁽²⁾⁽⁴⁾	7.02	7.85	8.83	9.34	9.60		8.15	9.17	
Return on assets - operating ⁽¹⁾⁽⁴⁾	.99	1.00	1.00	.94	.96		.98	.91	
Return on assets - GAAP ⁽⁴⁾	.76	.82	.89	.94	.96		.85	.91	
Dividend payout ratio - operating ⁽¹⁾	18.18	18.18	15.63	17.24	16.67		17.32	9.91	
Dividend payout ratio - GAAP	24.00	22.22	17.86	17.24	16.67		20.18	9.91	
Net interest margin ⁽⁴⁾	3.34	3.26	3.30	3.31	3.31		3.30	3.26	
Efficiency ratio - operating ⁽¹⁾	59.41	57.81	57.59	59.15	57.47		58.51	58.26	
Efficiency ratio - GAAP	68.97	64.65	61.63	59.15	57.47		63.96	58.26	
Average equity to average assets	10.68	10.39	10.05	9.86	9.76		10.27	9.69	
Average tangible equity to average assets ⁽³⁾	9.40	9.88	9.91	9.82	9.72		9.74	9.67	
Average tangible common equity to average assets ⁽³⁾	9.29	9.77	9.83	9.82	9.72		9.66	9.60	
Tangible common equity to risk-weighted assets ⁽³⁾⁽⁵⁾⁽⁶⁾	12.82	13.08	13.24	13.53	13.82		12.82	13.82	
ASSET QUALITY									
Nonperforming loans	\$ 22,653	\$ 20,064	\$ 18,805	\$ 19,015	\$ 17,881	27	\$ 22,653	\$ 17,881	27
Foreclosed properties	4,883	7,669	2,356	1,158	1,726	183	4,883	1,726	183
Total nonperforming assets (NPAs)	27,536	27,733	21,161	20,173	19,607	40	27,536	19,607	40
Allowance for loan losses	68,448	69,062	70,129	70,007	71,619	(4)	68,448	71,619	(4)
Net charge-offs	1,302	1,417	978	2,562	2,509	(48)	6,259	13,878	(55)
Allowance for loan losses to loans	1.14%	1.15%	1.36%	1.46%	1.53%		1.14%	1.53%	
Allowance for loan losses to loans, excl. acquired loans	1.35	1.37	1.42	1.46	1.53		1.35	1.53	
Net charge-offs to average loans ⁽⁴⁾	.09	.10	.08	.22	.22		.12	.31	
NPAs to loans and foreclosed properties	.46	.46	.41	.42	.42		.46	.42	
NPAs to total assets	.29	.29	.26	.26	.26		.29	.26	
AVERAGE BALANCES (\$ in millions)									
Loans	\$ 5,975	\$ 5,457	\$ 5,017	\$ 4,725	\$ 4,621	29	\$ 5,298	\$ 4,450	19
Investment securities	2,607	2,396	2,261	2,203	2,222	17	2,368	2,274	4
Earning assets	8,792	8,009	7,444	7,070	7,013	25	7,834	6,880	14
Total assets	9,558	8,634	8,017	7,617	7,565	26	8,462	7,436	14
Deposits	8,028	7,135	6,669	6,369	6,383	26	7,055	6,228	13
Shareholders' equity	1,021	897	806	751	738	38	869	720	21
Common shares - basic (thousands)	72,135	66,294	62,549	60,905	60,830	19	65,488	60,588	8
Common shares - diluted (thousands)	72,140	66,300	62,553	60,909	60,833	19	65,492	60,590	8
AT PERIOD END (\$ in millions)									
Loans	\$ 5,995	\$ 6,024	\$ 5,174	\$ 4,788	\$ 4,672	28	\$ 5,995	\$ 4,672	28
Investment securities	2,656	2,457	2,322	2,201	2,198	21	2,656	2,198	21
Total assets	9,626	9,414	8,246	7,664	7,567	27	9,626	7,567	27
Deposits	7,881	7,905	6,808	6,438	6,327	25	7,881	6,327	25
Shareholders' equity	1,018	1,013	827	764	740	38	1,018	740	38
Common shares outstanding (thousands)	71,484	71,472	62,700	60,309	60,259	19	71,484	60,259	19

⁽¹⁾ Excludes merger-related charges and impairment losses on surplus bank property. ⁽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⁾ December 31, September 30, June 30 and March 31, 2015 calculated under Basel III rules, which became effective January 1, 2015. ⁽⁶⁾ Fourth quarter 2015 ratio is preliminary.

UNITED COMMUNITY BANKS, INC.
Selected Financial Information
For the Years Ended December 31,
(in thousands, except per share data;
taxable equivalent)

	2015	2014	2013	2012	2011
INCOME SUMMARY					
Net interest revenue	\$ 258,700	\$ 224,418	\$ 219,641	\$ 229,758	\$ 238,670
Provision for credit losses	3,700	8,500	65,500	62,500	251,000
Fee revenue	72,529	55,554	56,598	56,112	44,907
Total revenue	327,529	271,472	210,739	223,370	32,577
Expenses - operating ⁽¹⁾	193,243	162,865	174,304	186,774	261,599
Income (loss) before income tax expense (benefit) - operating ⁽¹⁾	134,286	108,607	36,435	36,596	(229,022)
Income tax expense (benefit) - operating ⁽¹⁾	51,101	40,987	(236,705)	2,740	(2,276)
Net income (loss) - operating ⁽¹⁾	83,185	67,620	273,140	33,856	(226,746)
Preferred dividends and discount accretion	67	439	12,078	12,148	11,838
Net income (loss) available to common shareholders - operating ⁽¹⁾	83,118	67,181	261,062	21,708	(238,584)
Merger-related and other charges, net of income tax benefit	(11,607)	-	-	-	-
Net income (loss) available to common shareholders - GAAP	\$ 71,511	\$ 67,181	\$ 261,062	\$ 21,708	\$ (238,584)

PERFORMANCE MEASURES

Per common share:

Diluted income (loss) - operating ⁽¹⁾	\$ 1.27	\$ 1.11	\$ 4.44	\$.38	\$ (5.97)
Diluted income (loss) - GAAP	1.09	1.11	4.44	.38	(5.97)
Cash dividends declared	.22	.11	-	-	-
Book value	14.02	12.20	11.30	6.67	6.62
Tangible book value ⁽³⁾	12.06	12.15	11.26	6.57	6.47

Key performance ratios:

Return on tangible common equity - operating ⁽¹⁾⁽²⁾⁽³⁾	10.24%	9.32%	47.35%	6.27%	(96.20)%
Return on common equity - operating ⁽¹⁾⁽²⁾	9.48	9.17	46.72	5.43	(93.57)
Return on common equity - GAAP ⁽²⁾	8.15	9.17	46.72	5.43	(93.57)
Return on assets - operating ⁽¹⁾	.98	.91	3.86	.49	(3.15)
Return on assets - GAAP	.85	.91	3.86	.49	(3.15)
Dividend payout ratio - operating ⁽¹⁾	17.32	9.91	-	-	-
Dividend payout ratio - GAAP	20.18	9.91	-	-	-
Net interest margin	3.30	3.26	3.30	3.51	3.52
Efficiency ratio - operating ⁽¹⁾	58.51	58.26	63.14	65.43	92.27
Efficiency ratio - GAAP	63.96	58.26	63.14	65.43	92.27
Average equity to average assets	10.27	9.69	10.35	8.47	7.75
Average tangible equity to average assets ⁽³⁾	9.74	9.67	10.31	8.38	7.62
Average tangible common equity to average assets ⁽³⁾	9.66	9.60	7.55	5.54	3.74
Tangible common equity to risk-weighted assets ⁽³⁾⁽⁴⁾⁽⁵⁾	12.82	13.82	13.17	8.26	8.25

ASSET QUALITY

Non-performing loans	\$ 22,653	\$ 17,881	\$ 26,819	\$ 109,894	\$ 127,479
Foreclosed properties	4,883	1,726	4,221	18,264	32,859
Total non-performing assets (NPAs)	27,536	19,607	31,040	128,158	160,338
Allowance for loan losses	68,448	71,619	76,762	107,137	114,468
Net charge-offs	6,259	13,879	93,710	69,831	311,227
Allowance for loan losses to loans	1.14%	1.53%	1.77%	2.57%	2.79%
Allowance for loan losses to loans, excluding acquired loans	1.35	1.53	1.77	2.57	2.79
Net charge-offs to average loans	.12	.31	2.22	1.69	7.33
NPAs to loans and foreclosed properties	.46	.42	.72	3.06	3.87
NPAs to total assets	.29	.26	.42	1.88	2.30

AVERAGE BALANCES (\$ in millions)

Loans	\$ 5,298	\$ 4,450	\$ 4,254	\$ 4,166	\$ 4,307
Investment securities	2,368	2,274	2,190	2,089	1,999
Earning assets	7,834	6,880	6,649	6,547	6,785
Total assets	8,462	7,436	7,074	6,865	7,189
Deposits	7,055	6,228	6,027	5,885	6,275
Shareholders' equity	869	720	732	582	557
Common shares - Basic (thousands)	65,488	60,588	58,787	57,857	39,943
Common shares - Diluted (thousands)	65,492	60,590	58,845	57,857	39,943

AT YEAR END (\$ in millions)

Loans	\$ 5,995	\$ 4,672	\$ 4,329	\$ 4,175	\$ 4,110
Investment securities	2,656	2,198	2,312	2,079	2,120
Total assets	9,626	7,567	7,425	6,802	6,983
Deposits	7,881	6,327	6,202	5,952	6,098
Shareholders' equity	1,018	740	796	581	575
Common shares outstanding (thousands)	71,484	60,259	59,432	57,741	57,561

⁽¹⁾ Excludes merger-related charges and impairment losses on surplus bank property. ⁽²⁾ Net income (loss) 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⁾ December 31, 2015 calculated under Basel III rules, which became effective January 1, 2015. ⁽⁵⁾ 2015 ratio is preliminary.

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

(in thousands, except per share data; taxable equivalent)	2015				2014	For the Twelve Months Ended				
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	December 31,				
						2015	2014	2013	2012	2011
Interest revenue reconciliation										
Interest revenue - taxable equivalent	\$ 79,646	\$ 71,120	\$ 66,134	\$ 62,909	\$ 64,353	\$ 279,809	\$ 249,969	\$ 247,323	\$ 267,667	\$ 304,308
Taxable equivalent adjustment	(284)	(292)	(326)	(375)	(398)	(1,277)	(1,537)	(1,483)	(1,690)	(1,707)
Interest revenue (GAAP)	<u>\$ 79,362</u>	<u>\$ 70,828</u>	<u>\$ 65,808</u>	<u>\$ 62,534</u>	<u>\$ 63,955</u>	<u>\$ 278,532</u>	<u>\$ 248,432</u>	<u>\$ 245,840</u>	<u>\$ 265,977</u>	<u>\$ 302,601</u>
Net interest revenue reconciliation										
Net interest revenue - taxable equivalent	\$ 74,048	\$ 65,718	\$ 61,317	\$ 57,617	\$ 58,332	\$ 258,700	\$ 224,418	\$ 219,641	\$ 229,758	\$ 238,670
Taxable equivalent adjustment	(284)	(292)	(326)	(375)	(398)	(1,277)	(1,537)	(1,483)	(1,690)	(1,707)
Net interest revenue (GAAP)	<u>\$ 73,764</u>	<u>\$ 65,426</u>	<u>\$ 60,991</u>	<u>\$ 57,242</u>	<u>\$ 57,934</u>	<u>\$ 257,423</u>	<u>\$ 222,881</u>	<u>\$ 218,158</u>	<u>\$ 228,068</u>	<u>\$ 236,963</u>
Total revenue reconciliation										
Total operating revenue	\$ 95,032	\$ 83,315	\$ 77,683	\$ 71,499	\$ 71,355	\$ 327,529	\$ 271,472	\$ 210,739	\$ 223,370	\$ 32,577
Taxable equivalent adjustment	(284)	(292)	(326)	(375)	(398)	(1,277)	(1,537)	(1,483)	(1,690)	(1,707)
Total revenue (GAAP)	<u>\$ 94,748</u>	<u>\$ 83,023</u>	<u>\$ 77,357</u>	<u>\$ 71,124</u>	<u>\$ 70,957</u>	<u>\$ 326,252</u>	<u>\$ 269,935</u>	<u>\$ 209,256</u>	<u>\$ 221,680</u>	<u>\$ 30,870</u>
Expense reconciliation										
Expenses - operating	\$ 56,410	\$ 48,525	\$ 45,247	\$ 43,061	\$ 41,919	\$ 193,243	\$ 162,865	\$ 174,304	\$ 186,774	\$ 261,599
Merger-related and other charges	9,078	5,744	3,173	-	-	17,995	-	-	-	-
Expenses (GAAP)	<u>\$ 65,488</u>	<u>\$ 54,269</u>	<u>\$ 48,420</u>	<u>\$ 43,061</u>	<u>\$ 41,919</u>	<u>\$ 211,238</u>	<u>\$ 162,865</u>	<u>\$ 174,304</u>	<u>\$ 186,774</u>	<u>\$ 261,599</u>
Income before taxes reconciliation										
Income before taxes - operating	\$ 38,622	\$ 34,790	\$ 32,436	\$ 28,438	\$ 29,436	\$ 134,286	\$ 108,607	\$ 36,435	\$ 36,596	\$ (229,022)
Taxable equivalent adjustment	(284)	(292)	(326)	(375)	(398)	(1,277)	(1,537)	(1,483)	(1,690)	(1,707)
Merger-related and other charges	(9,078)	(5,744)	(3,173)	-	-	(17,995)	-	-	-	-
Income before taxes (GAAP)	<u>\$ 29,260</u>	<u>\$ 28,754</u>	<u>\$ 28,937</u>	<u>\$ 28,063</u>	<u>\$ 29,038</u>	<u>\$ 115,014</u>	<u>\$ 107,070</u>	<u>\$ 34,952</u>	<u>\$ 34,906</u>	<u>\$ (230,729)</u>
Income tax expense reconciliation										
Income tax expense - operating	\$ 14,822	\$ 13,064	\$ 12,447	\$ 10,768	\$ 11,189	\$ 51,101	\$ 40,987	\$ (236,705)	\$ 2,740	\$ (2,276)
Taxable equivalent adjustment	(284)	(292)	(326)	(375)	(398)	(1,277)	(1,537)	(1,483)	(1,690)	(1,707)
Merger-related and other charges, tax benefit	(3,486)	(1,905)	(997)	-	-	(6,388)	-	-	-	-
Income tax expense (GAAP)	<u>\$ 11,052</u>	<u>\$ 10,867</u>	<u>\$ 11,124</u>	<u>\$ 10,393</u>	<u>\$ 10,791</u>	<u>\$ 43,436</u>	<u>\$ 39,450</u>	<u>\$ (238,188)</u>	<u>\$ 1,050</u>	<u>\$ (3,983)</u>
Net income reconciliation										
Net income - operating	\$ 23,800	\$ 21,726	\$ 19,989	\$ 17,670	\$ 18,247	\$ 83,185	\$ 67,620	\$ 273,140	\$ 33,856	\$ (226,746)
Merger-related and other charges, net of income tax benefit	(5,592)	(3,839)	(2,176)	-	-	(11,607)	-	-	-	-
Net income (GAAP)	<u>\$ 18,208</u>	<u>\$ 17,887</u>	<u>\$ 17,813</u>	<u>\$ 17,670</u>	<u>\$ 18,247</u>	<u>\$ 71,578</u>	<u>\$ 67,620</u>	<u>\$ 273,140</u>	<u>\$ 33,856</u>	<u>\$ (226,746)</u>
Net income available to common shareholders reconciliation										
Net income available to common shareholders - operating	\$ 23,775	\$ 21,701	\$ 19,972	\$ 17,670	\$ 18,247	\$ 83,118	\$ 67,181	\$ 261,062	\$ 21,708	\$ (238,584)
Merger-related and other charges, net of income tax benefit	(5,592)	(3,839)	(2,176)	-	-	(11,607)	-	-	-	-
Net income available to common shareholders (GAAP)	<u>\$ 18,183</u>	<u>\$ 17,862</u>	<u>\$ 17,796</u>	<u>\$ 17,670</u>	<u>\$ 18,247</u>	<u>\$ 71,511</u>	<u>\$ 67,181</u>	<u>\$ 261,062</u>	<u>\$ 21,708</u>	<u>\$ (238,584)</u>
Diluted income per common share reconciliation										
Diluted income per common share - operating	\$.33	\$.33	\$.32	\$.29	\$.30	\$ 1.27	\$ 1.11	\$ 4.44	\$.38	\$ (5.97)
Merger-related and other charges	(.08)	(.06)	(.04)	-	-	(.18)	-	-	-	-
Diluted income per common share (GAAP)	<u>\$.25</u>	<u>\$.27</u>	<u>\$.28</u>	<u>\$.29</u>	<u>\$.30</u>	<u>\$ 1.09</u>	<u>\$ 1.11</u>	<u>\$ 4.44</u>	<u>\$.38</u>	<u>\$ (5.97)</u>
Book value per common share reconciliation										
Tangible book value per common share	\$ 12.06	\$ 12.08	\$ 12.66	\$ 12.53	\$ 12.15	\$ 12.06	\$ 12.15	\$ 11.26	\$ 6.57	\$ 6.47
Effect of goodwill and other intangibles	1.96	1.87	.29	.05	.05	1.96	.05	.04	.10	.15
Book value per common share (GAAP)	<u>\$ 14.02</u>	<u>\$ 13.95</u>	<u>\$ 12.95</u>	<u>\$ 12.58</u>	<u>\$ 12.20</u>	<u>\$ 14.02</u>	<u>\$ 12.20</u>	<u>\$ 11.30</u>	<u>\$ 6.67</u>	<u>\$ 6.62</u>
Return on tangible common equity reconciliation										
Return on tangible common equity - operating	10.87%	10.29%	10.20%	9.46%	9.74%	10.24%	9.32%	47.35%	6.27%	(96.20)%
Effect of goodwill and other intangibles	(1.69)	(.75)	(.30)	(.12)	(.14)	(.76)	(.15)	(.63)	(.84)	2.63
Return on common equity - operating	9.18	9.54	9.90	9.34	9.60	9.48	9.17	46.72	5.43	(93.57)
Merger-related and other charges	(2.16)	(1.69)	(1.07)	-	-	(1.33)	-	-	-	-
Return on common equity (GAAP)	<u>7.02%</u>	<u>7.85%</u>	<u>8.83%</u>	<u>9.34%</u>	<u>9.60%</u>	<u>8.15%</u>	<u>9.17%</u>	<u>46.72%</u>	<u>5.43%</u>	<u>(93.57)%</u>
Return on assets reconciliation										
Return on assets - operating	.99%	1.00%	1.00%	.94%	.96%	.98%	.91%	3.86%	.49%	(3.15)%
Merger-related and other charges	(.23)	(.18)	(.11)	-	-	(.13)	-	-	-	-
Return on assets (GAAP)	<u>.76%</u>	<u>.82%</u>	<u>.89%</u>	<u>.94%</u>	<u>.96%</u>	<u>.85%</u>	<u>.91%</u>	<u>3.86%</u>	<u>.49%</u>	<u>(3.15)%</u>
Allowance for loan losses to loans reconciliation										
Allowance for loan losses to loans, excl. acquired loans	1.35%	1.37%	1.42%	1.46%	1.53%	1.35%	1.53%	1.77%	2.57%	2.79%
Effect of removing acquired loans from ratio	(.21)	(.22)	(.06)	-	-	(.21)	-	-	-	-
Allowance for loan losses to loans (GAAP)	<u>1.14%</u>	<u>1.15%</u>	<u>1.36%</u>	<u>1.46%</u>	<u>1.53%</u>	<u>1.14%</u>	<u>1.53%</u>	<u>1.77%</u>	<u>2.57%</u>	<u>2.79%</u>
Dividend payout ratio reconciliation										
Dividend payout ratio - operating	18.18%	18.18%	15.63%	17.24%	16.67%	17.32%	9.91%	-%	-%	-%
Merger-related and other charges	5.82	4.04	2.23	-	-	2.86	-	-	-	-
Dividend payout ratio (GAAP)	<u>24.00%</u>	<u>22.22%</u>	<u>17.86%</u>	<u>17.24%</u>	<u>16.67%</u>	<u>20.18%</u>	<u>9.91%</u>	<u>-%</u>	<u>-%</u>	<u>-%</u>
Efficiency ratio reconciliation										
Efficiency ratio - operating	59.41%	57.81%	57.59%	59.15%	57.47%	58.51%	58.26%	63.14%	65.43%	92.27%
Merger-related and other charges	9.56	6.84	4.04	-	-	5.45	-	-	-	-
Efficiency ratio (GAAP)	<u>68.97%</u>	<u>64.65%</u>	<u>61.63%</u>	<u>59.15%</u>	<u>57.47%</u>	<u>63.96%</u>	<u>58.26%</u>	<u>63.14%</u>	<u>65.43%</u>	<u>92.27%</u>
Average equity to assets reconciliation										
Tangible common equity to assets	9.29%	9.77%	9.83%	9.82%	9.72%	9.66%	9.60%	7.55%	5.54%	3.74%
Effect of preferred equity	.11	.11	.08	-	-	.08	.07	2.76	2.84	3.88
Tangible equity to assets	9.40	9.88	9.91	9.82	9.72	9.74	9.67	10.31	8.38	7.62
Effect of goodwill and other intangibles	1.28	.51	.14	.04	.04	.53	.02	.04	.09	.13
Equity to assets (GAAP)	<u>10.68%</u>	<u>10.39%</u>	<u>10.05%</u>	<u>9.86%</u>	<u>9.76%</u>	<u>10.27%</u>	<u>9.69%</u>	<u>10.35%</u>	<u>8.47%</u>	<u>7.75%</u>
Tangible common equity to risk-weighted										

assets reconciliation (1)

Tangible common equity to risk-weighted assets	12.82%	13.08%	13.24%	13.53%	13.82%	12.82%	13.82%	13.18%	8.26%	8.25%
Effect of other comprehensive income	.38	.23	.28	.19	.35	.38	.35	.39	.51	(.03)
Effect of deferred tax limitation	(2.05)	(2.24)	(2.49)	(2.86)	(3.11)	(2.05)	(3.11)	(4.26)	-	-
Effect of trust preferred	.08	.08	.63	.67	1.00	.08	1.00	1.04	1.15	1.18
Effect of preferred equity	.15	.15	.17	-	-	.15	-	2.39	4.24	4.29
Basel III intangibles transition adjustment	.10	.13	.06	.04	-	.10	-	-	-	-
Basel III disallowed investments	(.03)	(.03)	(.03)	(.04)	-	(.03)	-	-	-	-
Tier I capital ratio (Regulatory)	<u>11.45%</u>	<u>11.40%</u>	<u>11.86%</u>	<u>11.53%</u>	<u>12.06%</u>	<u>11.45%</u>	<u>12.06%</u>	<u>12.74%</u>	<u>14.16%</u>	<u>13.69%</u>

(1) December 31, September 30, June 30 and March 31, 2015 calculated under Basel III rules, which became effective January 1, 2015. Fourth quarter 2015 ratios are preliminary.

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
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter		
LOANS BY CATEGORY							
Owner occupied commercial RE	\$ 1,494	\$ 1,479	\$ 1,266	\$ 1,167	\$ 1,163	\$ 15	\$ 331
Income producing commercial RE	824	818	689	636	599	6	225
Commercial & industrial	785	890	793	716	710	(105)	75
Commercial construction	342	319	238	230	196	23	146
Total commercial	3,445	3,506	2,986	2,749	2,668	(61)	777
Residential mortgage	1,029	1,062	935	864	866	(33)	163
Home equity lines of credit	598	585	491	465	466	13	132
Residential construction	352	334	299	291	299	18	53
Consumer installment	571	537	463	419	373	34	198
Total loans	<u>\$ 5,995</u>	<u>\$ 6,024</u>	<u>\$ 5,174</u>	<u>\$ 4,788</u>	<u>\$ 4,672</u>	(29)	1,323
LOANS BY MARKET							
North Georgia	\$ 1,125	\$ 1,130	\$ 1,155	\$ 1,150	\$ 1,163	(5)	(38)
Atlanta MSA	1,259	1,266	1,275	1,254	1,243	(7)	16
North Carolina	549	546	533	539	553	3	(4)
Coastal Georgia	537	506	499	476	456	31	81
Gainesville MSA	254	252	257	255	257	2	(3)
East Tennessee	504	511	525	281	280	(7)	224
South Carolina	819	783	35	30	30	36	789
Specialized Lending	492	609	538	487	421	(117)	71
Indirect auto	456	421	357	316	269	35	187
Total loans	<u>\$ 5,995</u>	<u>\$ 6,024</u>	<u>\$ 5,174</u>	<u>\$ 4,788</u>	<u>\$ 4,672</u>	(29)	1,323

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Loan Portfolio Composition at Year-End

<i>(in millions)</i>	2015	2014	2013	2012	2011
LOANS BY CATEGORY					
Owner occupied commercial RE	\$ 1,494	\$ 1,163	\$ 1,134	\$ 1,131	\$ 1,112
Income producing commercial RE	824	599	623	682	710
Commercial & industrial	785	710	472	458	428
Commercial construction	342	196	149	155	164
Total commercial	3,445	2,668	2,378	2,426	2,414
Residential mortgage	1,029	866	875	829	835
Home equity lines of credit	598	466	441	385	300
Residential construction	352	299	328	382	448
Consumer installment	571	373	307	153	113
Total loans	\$ 5,995	\$ 4,672	\$ 4,329	\$ 4,175	\$ 4,110
LOANS BY MARKET					
North Georgia	\$ 1,125	\$ 1,163	\$ 1,240	\$ 1,364	\$ 1,426
Atlanta MSA	1,259	1,243	1,235	1,204	1,144
North Carolina	549	553	572	579	597
Coastal Georgia	537	456	423	400	346
Gainesville MSA	254	257	255	261	265
East Tennessee	504	280	280	283	256
South Carolina	819	30	4	-	-
Specialized Lending	492	421	124	46	76
Indirect auto	456	269	196	38	-
Total loans	\$ 5,995	\$ 4,672	\$ 4,329	\$ 4,175	\$ 4,110

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality

(in thousands)	Fourth Quarter 2015			Third Quarter 2015			Second Quarter 2015		
	Nonperforming Loans	Foreclosed Properties	Total NPAs	Nonperforming Loans	Foreclosed Properties	Total NPAs	Nonperforming Loans	Foreclosed Properties	Total NPAs
NONPERFORMING ASSETS BY CATEGORY									
Owner occupied CRE	\$ 7,036	\$ 2,652	\$ 9,688	\$ 5,918	\$ 882	\$ 6,800	\$ 4,878	\$ 360	\$ 5,238
Income producing CRE	2,595	-	2,595	1,238	4,084	5,322	883	-	883
Commercial & industrial	892	-	892	1,068	-	1,068	1,389	-	1,389
Commercial construction	328	437	765	256	657	913	59	382	441
Total commercial	10,851	3,089	13,940	8,480	5,623	14,103	7,209	742	7,951
Residential mortgage	8,555	1,242	9,797	8,847	1,454	10,301	8,599	1,373	9,972
Home equity lines of credit	851	80	931	890	87	977	940	54	994
Residential construction	1,398	472	1,870	929	505	1,434	1,358	187	1,545
Consumer installment	998	-	998	918	-	918	699	-	699
Total NPAs	\$ 22,653	\$ 4,883	\$ 27,536	\$ 20,064	\$ 7,669	\$ 27,733	\$ 18,805	\$ 2,356	\$ 21,161
Balance as a % of Unpaid Principal	71.4%	34.2%	59.8%	70.3%	45.8%	61.2%	64.9%	46.6%	62.2%

NONPERFORMING ASSETS BY MARKET									
North Georgia	\$ 5,167	\$ 1,612	\$ 6,779	\$ 6,403	\$ 1,263	\$ 7,666	\$ 6,157	\$ 657	\$ 6,814
Atlanta MSA	3,023	625	3,648	1,750	1,122	2,872	2,361	135	2,496
North Carolina	5,289	183	5,472	4,564	9	4,573	4,746	690	5,436
Coastal Georgia	2,079	-	2,079	338	66	404	659	-	659
Gainesville MSA	307	-	307	325	3	328	864	22	886
East Tennessee	3,448	157	3,605	2,886	231	3,117	1,885	852	2,737
South Carolina	323	2,306	2,629	267	4,975	5,242	-	-	-
Specialized Lending	2,231	-	2,231	2,809	-	2,809	1,565	-	1,565
Indirect auto	786	-	786	722	-	722	568	-	568
Total NPAs	\$ 22,653	\$ 4,883	\$ 27,536	\$ 20,064	\$ 7,669	\$ 27,733	\$ 18,805	\$ 2,356	\$ 21,161

NONPERFORMING ASSETS ACTIVITY									
Beginning Balance	\$ 20,064	\$ 7,669	\$ 27,733	\$ 18,805	\$ 2,356	\$ 21,161	\$ 19,015	\$ 1,158	\$ 20,173
Acquisitions	-	(1,585)	(1,585)	-	4,848	4,848	-	962	962
Loans placed on non-accrual	10,768	-	10,768	8,923	-	8,923	6,552	-	6,552
Payments received	(4,893)	-	(4,893)	(4,233)	-	(4,233)	(3,839)	-	(3,839)
Loan charge-offs	(1,813)	-	(1,813)	(1,531)	-	(1,531)	(1,854)	-	(1,854)
Foreclosures	(1,473)	1,497	24	(1,900)	1,900	-	(1,069)	1,069	-
Capitalized costs	-	-	-	-	256	256	-	-	-
Property sales	-	(2,968)	(2,968)	-	(1,916)	(1,916)	-	(895)	(895)
Write downs	-	11	11	-	(79)	(79)	-	(9)	(9)
Net gains (losses) on sales	-	259	259	-	304	304	-	71	71
Ending Balance	\$ 22,653	\$ 4,883	\$ 27,536	\$ 20,064	\$ 7,669	\$ 27,733	\$ 18,805	\$ 2,356	\$ 21,161

(in thousands)	Fourth Quarter 2015		Third Quarter 2015		Second Quarter 2015	
	Net Charge-Offs	Net Charge-Offs to Average Loans (1)	Net Charge-Offs	Net Charge-Offs to Average Loans (1)	Net Charge-Offs	Net Charge-Offs to Average Loans (1)
NET CHARGE-OFFS BY CATEGORY						
Owner occupied CRE	\$ 861	.23%	\$ 236	.07%	\$ 285	.09%
Income producing CRE	(35)	(.02)	(106)	(.06)	(276)	(.17)
Commercial & industrial	(719)	(.34)	190	.09	(627)	(.33)
Commercial construction	253	.31	59	.09	96	.16
Total commercial	360	.04	379	.05	(522)	(.07)
Residential mortgage	(120)	(.05)	433	.18	787	.35
Home equity lines of credit	194	.13	293	.22	322	.27
Residential construction	415	.48	(124)	(.16)	107	.14
Consumer installment	453	.33	436	.35	284	.26
Total	\$ 1,302	.09	\$ 1,417	.10	\$ 978	.08
NET CHARGE-OFFS BY MARKET						
North Georgia	\$ 1,011	.36%	\$ 1,352	.47%	\$ 911	.32%
Atlanta MSA	496	.16	74	.02	138	.04
North Carolina	426	.31	183	.13	176	.13
Coastal Georgia	47	.04	19	.02	(40)	(.03)
Gainesville MSA	(340)	(.54)	(236)	(.36)	(233)	(.36)
East Tennessee	(326)	(.26)	153	.12	127	.11
South Carolina	(474)	(.24)	(247)	(.34)	-	-
Specialized Lending	253	.18	(42)	(.03)	(224)	(.17)
Indirect auto	209	.19	161	.17	123	.14
Total	\$ 1,302	.09	\$ 1,417	.10	\$ 978	.08

(1) Annualized.

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
<i>(in thousands, except per share data)</i>				
Interest revenue:				
Loans, including fees	\$ 63,442	\$ 50,677	\$ 223,256	\$ 196,279
Investment securities, including tax exempt of \$189, \$180, \$705 and \$738	14,952	12,375	51,848	48,493
Deposits in banks and short-term investments	968	903	3,428	3,660
Total interest revenue	<u>79,362</u>	<u>63,955</u>	<u>278,532</u>	<u>248,432</u>
Interest expense:				
Deposits:				
NOW	426	435	1,505	1,651
Money market	1,006	868	3,466	3,060
Savings	27	20	98	81
Time	922	1,623	3,756	7,133
Total deposit interest expense	<u>2,381</u>	<u>2,946</u>	<u>8,825</u>	<u>11,925</u>
Short-term borrowings	85	96	364	2,160
Federal Home Loan Bank advances	436	339	1,743	912
Long-term debt	2,696	2,640	10,177	10,554
Total interest expense	<u>5,598</u>	<u>6,021</u>	<u>21,109</u>	<u>25,551</u>
Net interest revenue	<u>73,764</u>	<u>57,934</u>	<u>257,423</u>	<u>222,881</u>
Provision for credit losses	300	1,800	3,700	8,500
Net interest revenue after provision for credit losses	<u>73,464</u>	<u>56,134</u>	<u>253,723</u>	<u>214,381</u>
Fee revenue:				
Service charges and fees	11,500	8,446	36,825	33,073
Mortgage loan and other related fees	3,290	2,111	13,592	7,520
Brokerage fees	1,058	1,176	5,041	4,807
Gains from sales of government guaranteed loans	1,995	926	6,276	2,615
Securities gains, net	378	208	2,255	4,871
Loss from prepayment of debt	-	-	(1,294)	(4,446)
Other	3,063	1,956	9,834	7,114
Total fee revenue	<u>21,284</u>	<u>14,823</u>	<u>72,529</u>	<u>55,554</u>
Total revenue	<u>94,748</u>	<u>70,957</u>	<u>326,252</u>	<u>269,935</u>
Operating expenses:				
Salaries and employee benefits	32,939	26,592	116,688	100,941
Communications and equipment	4,735	3,153	15,273	12,523
Occupancy	4,666	3,448	15,372	13,513
Advertising and public relations	978	802	3,667	3,461
Postage, printing and supplies	1,293	1,086	4,273	3,542
Professional fees	3,331	2,034	10,175	7,907
FDIC assessments and other regulatory charges	1,463	883	5,106	4,792
Merger-related and other charges	9,078	-	17,995	-
Other	7,005	3,921	22,689	16,186
Total operating expenses	<u>65,488</u>	<u>41,919</u>	<u>211,238</u>	<u>162,865</u>
Net income before income taxes	<u>29,260</u>	<u>29,038</u>	<u>115,014</u>	<u>107,070</u>
Income tax expense	<u>11,052</u>	<u>10,791</u>	<u>43,436</u>	<u>39,450</u>
Net income	<u>18,208</u>	<u>18,247</u>	<u>71,578</u>	<u>67,620</u>
Preferred stock dividends and discount accretion	25	-	67	439
Net income available to common shareholders	<u>\$ 18,183</u>	<u>\$ 18,247</u>	<u>\$ 71,511</u>	<u>\$ 67,181</u>
Earnings per common share:				
Basic	\$.25	\$.30	\$ 1.09	\$ 1.11
Diluted	.25	.30	1.09	1.11
Weighted average common shares outstanding:				
Basic	72,135	60,830	65,488	60,588
Diluted	72,140	60,833	65,492	60,590

UNITED COMMUNITY BANKS, INC.
Consolidated Balance Sheet (Unaudited)

(in thousands, except share and per share data)

	December 31, 2015	December 31, 2014
ASSETS		
Cash and due from banks	\$ 86,912	\$ 77,180
Interest-bearing deposits in banks	153,451	89,074
Short-term investments	-	26,401
Cash and cash equivalents	240,363	192,655
Securities available for sale	2,291,511	1,782,734
Securities held to maturity (fair value \$371,658 and \$425,233)	364,696	415,267
Mortgage loans held for sale	24,231	13,737
Loans, net of unearned income	5,995,441	4,672,119
Less allowance for loan losses	(68,448)	(71,619)
Loans, net	5,926,993	4,600,500
Premises and equipment, net	178,165	159,390
Bank owned life insurance	105,493	81,294
Accrued interest receivable	25,786	20,103
Net deferred tax asset	197,613	215,503
Derivative financial instruments	20,082	20,599
Goodwill and other intangible assets	147,420	3,641
Other assets	103,755	61,563
Total assets	\$ 9,626,108	\$ 7,566,986
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Demand	\$ 2,204,755	\$ 1,574,317
NOW	1,975,884	1,504,887
Money market	1,599,637	1,273,283
Savings	471,129	292,308
Time:		
Less than \$100,000	830,301	748,478
Greater than \$100,000	452,502	508,228
Brokered	346,881	425,011
Total deposits	7,881,089	6,326,512
Short-term borrowings	16,640	6,000
Federal Home Loan Bank advances	430,125	270,125
Long-term debt	165,620	129,865
Derivative financial instruments	28,825	31,997
Unsettled securities purchases	2	5,425
Accrued expenses and other liabilities	85,522	57,485
Total liabilities	8,607,823	6,827,409
Shareholders' equity:		
Preferred stock, \$1 par value; 10,000,000 shares authorized; Series H; \$1,000 stated value; 9,992 and 0 shares issued and outstanding	9,992	-
Common stock, \$1 par value; 100,000,000 shares authorized; 66,198,477 and 50,178,605 shares issued and outstanding	66,198	50,178
Common stock, non-voting, \$1 par value; 26,000,000 shares authorized; 5,285,516 and 10,080,787 shares issued and outstanding	5,286	10,081
Common stock issuable; 458,953 and 357,983 shares	6,779	5,168
Capital surplus	1,286,361	1,080,508
Accumulated deficit	(330,879)	(387,568)
Accumulated other comprehensive loss	(25,452)	(18,790)
Total shareholders' equity	1,018,285	739,577
Total liabilities and shareholders' equity	\$ 9,626,108	\$ 7,566,986

UNITED COMMUNITY BANKS, INC.
Average Consolidated Balance Sheets and Net Interest Analysis
For the Three Months Ended December 31,

	2015			2014		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<i>(dollars in thousands, taxable equivalent)</i>						
Assets:						
Interest-earning assets:						
Loans, net of unearned income ⁽¹⁾⁽²⁾	\$ 5,975,491	\$ 63,509	4.22%	\$ 4,620,517	\$ 50,883	4.37%
Taxable securities ⁽³⁾	2,575,846	14,763	2.29	2,202,986	12,195	2.21
Tax-exempt securities ⁽¹⁾⁽³⁾	30,748	309	4.02	18,579	295	6.35
Federal funds sold and other interest-earning assets	210,341	1,065	2.03	170,703	980	2.30
Total interest-earning assets	8,792,426	79,646	3.60	7,012,785	64,353	3.65
Non-interest-earning assets:						
Allowance for loan losses	(69,743)			(72,534)		
Cash and due from banks	88,057			73,973		
Premises and equipment	192,040			160,049		
Other assets ⁽³⁾	554,974			391,097		
Total assets	\$ 9,557,754			\$ 7,565,370		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,865,305	426	.09	\$ 1,481,414	435	.12
Money market	1,897,364	1,006	.21	1,433,680	868	.24
Savings	465,993	27	.02	291,163	20	.03
Time less than \$100,000	848,469	617	.29	761,850	814	.42
Time greater than \$100,000	469,301	390	.33	520,937	763	.58
Brokered time deposits	258,698	(85)	(.13)	273,706	46	.07
Total interest-bearing deposits	5,805,130	2,381	.16	4,762,750	2,946	.25
Federal funds purchased and other borrowings	40,148	85	.84	24,750	96	1.54
Federal Home Loan Bank advances	191,484	436	.90	193,549	339	.69
Long-term debt	165,620	2,696	6.46	129,865	2,640	8.07
Total borrowed funds	397,252	3,217	3.21	348,164	3,075	3.50
Total interest-bearing liabilities	6,202,382	5,598	.36	5,110,914	6,021	.47
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	2,223,011			1,620,635		
Other liabilities	111,757			95,679		
Total liabilities	8,537,150			6,827,228		
Shareholders' equity	1,020,604			738,142		
Total liabilities and shareholders' equity	\$ 9,557,754			\$ 7,565,370		
Net interest revenue		\$ 74,048			\$ 58,332	
Net interest-rate spread			3.24%			3.18%
Net interest margin ⁽⁴⁾			3.34%			3.31%

⁽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 \$7.45 million in 2015 and pretax unrealized gains of \$8.59 million in 2014 are included in other assets for purposes of this presentation.

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

UNITED COMMUNITY BANKS, INC.
Average Consolidated Balance Sheets and Net Interest Analysis
For the Twelve Months Ended December 31,

	2015			2014		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<i>(dollars in thousands, taxable equivalent)</i>						
Assets:						
Interest-earning assets:						
Loans, net of unearned income ⁽¹⁾⁽²⁾	\$ 5,297,687	\$ 223,713	4.22%	\$ 4,450,268	\$ 197,039	4.43%
Taxable securities ⁽³⁾	2,342,533	51,143	2.18	2,255,084	47,755	2.12
Tax-exempt securities ⁽¹⁾⁽³⁾	25,439	1,154	4.54	19,279	1,209	6.27
Federal funds sold and other interest-earning assets	168,494	3,799	2.25	155,803	3,966	2.55
Total interest-earning assets	7,834,153	279,809	3.57	6,880,434	249,969	3.63
Non-interest-earning assets:						
Allowance for loan losses	(71,001)			(75,237)		
Cash and due from banks	81,244			67,818		
Premises and equipment	174,835			161,391		
Other assets ⁽³⁾	442,878			401,240		
Total assets	\$ 8,462,109			\$ 7,435,646		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,563,911	1,505	.10	\$ 1,396,373	1,651	.12
Money market	1,678,765	3,466	.21	1,389,837	3,060	.22
Savings	372,414	98	.03	277,351	81	.03
Time less than \$100,000	788,737	2,840	.36	811,846	3,636	.45
Time greater than \$100,000	480,623	1,983	.41	551,027	3,373	.61
Brokered time deposits	269,162	(1,067)	(.40)	293,657	124	.04
Total interest-bearing deposits	5,153,612	8,825	.17	4,720,091	11,925	.25
Federal funds purchased and other borrowings	49,301	364	.74	74,541	2,160	2.90
Federal Home Loan Bank advances	250,404	1,743	.70	175,481	912	.52
Long-term debt	139,979	10,177	7.27	129,865	10,554	8.13
Total borrowed funds	439,684	12,284	2.79	379,887	13,626	3.59
Total interest-bearing liabilities	5,593,296	21,109	.38	5,099,978	25,551	.50
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,901,521			1,507,944		
Other liabilities	97,890			107,523		
Total liabilities	7,592,707			6,715,445		
Shareholders' equity	869,402			720,201		
Total liabilities and shareholders' equity	\$ 8,462,109			\$ 7,435,646		
Net interest revenue		\$ 258,700			\$ 224,418	
Net interest-rate spread			3.19%			3.13%
Net interest margin ⁽⁴⁾			3.30%			3.26%

⁽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 \$11.4 million in 2015 and pretax unrealized gains of \$3.36 million in 2014 are included in other assets for purposes of this presentation.

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

UNITED COMMUNITY BANKS, INC.
FOURTH QUARTER
2015
INVESTOR
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 this presentation.

Fourth Quarter 2015 Highlights

		4Q15	3Q15	4Q14
Net Income (\$ in millions)	Operating ⁽¹⁾	\$ 23.8	\$ 21.7	\$ 18.2
	GAAP	18.2	17.9	18.2
EPS	Operating ⁽¹⁾	.33	.33	.30
	GAAP	.25	.27	.30
ROA	Operating ⁽¹⁾	.99%	1.00%	.96%
	GAAP	.76	.82	.96
ROTCE	Operating ⁽¹⁾	10.87	10.29	9.74
ROCE	GAAP	7.02	7.85	9.60

Improving Quarterly Results

Net Interest Revenue

- ▶ **\$74.0 Million – Loan Growth and Margin Yields Positive Net Interest Revenue Results**
 - Increased \$8.3 million (Palmetto - \$7.0 million) from 3Q15 and \$15.7 million from 4Q14
 - Average loans totaled \$6.0 billion in 4Q15 up \$518 million (9.5%) from 3Q15 and \$1.6 billion (29.3%) from 4Q14
 - Margin increased to 3.34% vs. 3.26% in 3Q15 and 3.31% in 4Q14
 - Loan yield of 4.22%, up 6 bps from 3Q15; taxable securities yield of 2.29%, up 16 bps from 3Q15
 - Lower funding costs – down 2 bps from 3Q15 and down 11 bps from 4Q14

Core Fee Revenue

- ▶ **\$20.8 Million – Growing Fee Revenue**
 - Increased \$2.3 million (Palmetto - \$2.1 million) from 3Q15 and \$6.2 million from 4Q14
 - Interchange fees of \$5.4 million vs. \$4.4 million in 3Q15 and \$4.0 million in 4Q2014
 - Gain on sales of SBA loans of \$2.0 million vs. \$1.6 million in 3Q15 and \$926 thousand in 4Q14
 - Mortgage revenue of \$3.3 million vs. \$3.8 million in 3Q15 and \$2.1 million in 4Q14

⁽¹⁾ Excludes the effect of merger-related and other non-operating charges of \$9.1 million in 4Q15 and \$5.7 million in 3Q15

Fourth Quarter 2015 Highlights

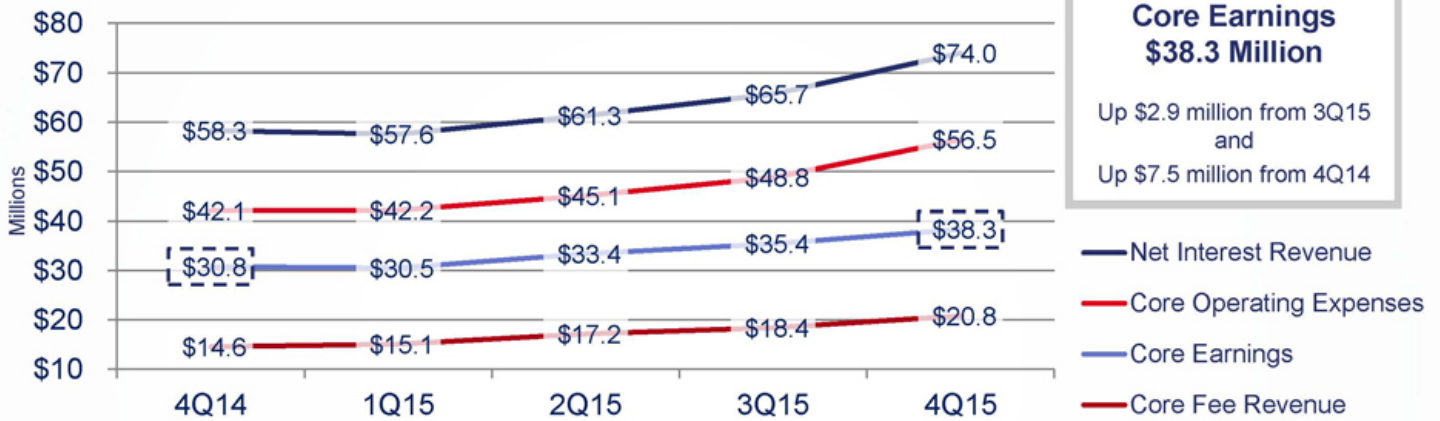
Improving Quarterly Results

Loan Growth	<ul style="list-style-type: none"> ▶ Growth in Many Sectors of the Portfolio <ul style="list-style-type: none"> • Loan growth, excluding healthcare sale and acquisitions, of \$162 million, or 11% annualized, from 3Q15 and \$444 million year-to-date, or 10% • Strong loan production of \$590 million vs. \$452 million in 3Q15 and \$401 million in 4Q14
Core Transaction Deposits	<ul style="list-style-type: none"> ▶ \$5.3 Billion – Growing Lower Cost Core Transaction Deposits (Excludes Time Deposits) <ul style="list-style-type: none"> • Increased \$524 million (14%) from 4Q14 (excluding acquisitions) • Represents 70% of total customer deposits
Credit Quality	<ul style="list-style-type: none"> ▶ Outstanding Credit Performance <ul style="list-style-type: none"> • Provision \$300 thousand – decreased \$400 thousand from 3Q15 and \$1.5 million from 4Q14 • Net charge-offs to loans of 9bps (or .09%) - decreased 1bp from 3Q15 and 13bp from 4Q14 • NPAs were .29% of total assets vs. .29% in 3Q15 and .26% in 4Q14 • Allowance 1.14% (1.35% excluding mergers) of total loans vs. 1.15% (1.37% excluding mergers) at 3Q15 and 1.53% at 4Q14
Capital Ratios	<ul style="list-style-type: none"> ▶ Solid and Well-Capitalized ⁽¹⁾ <ul style="list-style-type: none"> • Quarterly dividend of 6 cents per share • Tier I Common to Risk Weighted Assets of 11.5% and Tier I Leverage of 8.3% • Tier I Risk Based Capital of 11.5% and Total Risk Based Capital of 12.5%
Acquisitions	<ul style="list-style-type: none"> ▶ Executing on Acquisitions and Integration in 2015 <ul style="list-style-type: none"> • Closed merger with Palmetto Bancshares, Inc. (The Palmetto Bank: “Palmetto”) on Sept. 1 <ul style="list-style-type: none"> ○ Systems conversion for Palmetto scheduled for February 20, 2016 • Closed merger with MoneyTree Corporation (First National Bank: “FNB”) on May 1 <ul style="list-style-type: none"> ○ Completed systems conversion for FNB in July

⁽¹⁾ 4Q15 capital ratios are preliminary estimates

Trends

Core Earnings, Fee Revenue, and Operating Expenses



**Core Earnings
\$38.3 Million**

Up \$2.9 million from 3Q15
and
Up \$7.5 million from 4Q14

- Net Interest Revenue
- Core Operating Expenses
- Core Earnings
- Core Fee Revenue

Core Earnings (pre-tax, pre-credit)

\$ in thousands

	4Q15	Variance - Incr/(Decr)	
		3Q15	4Q14
Net Interest Revenue	\$ 74,048	\$ 8,330	\$ 15,716
Core Fee Revenue	20,756	2,308	6,203
Gross Revenue	94,804	10,638	21,919
Core Operating Expenses	56,477	7,713	14,396
Core Earnings	38,327	2,925	7,523
Non-Core Fee Revenue ⁽¹⁾	528	679	258
Non-Core Operating Expenses ⁽¹⁾	(9,011)	(3,506)	(9,173)
Provision for credit losses	(300)	400	1,500
Income taxes	(11,336)	(177)	(147)
Reported - GAAP	\$ 18,208	\$ 321	\$ (39)
Net Interest Margin	3.34 %	.08 %	.03 %

Core Fee Revenue

\$ in thousands

	4Q15	Variance - Incr/(Decr)	
		3Q15	4Q14
Overdraft Fees	\$ 3,872	\$ 568	\$ 936
Interchange Fees	5,445	1,081	1,468
Other Service Charges	2,183	516	650
Total Service Charges and Fees	11,500	2,165	3,054
Mortgage Loan & Related Fees	3,290	(550)	1,179
Brokerage Fees	1,058	(142)	(118)
Gains from SBA Loan Sales	1,995	349	1,069
Other	2,913	486	1,019
Core Fee Revenue	20,756	2,308	6,203
Non-Core Fee Revenue ⁽¹⁾	528	679	258
Reported - GAAP	\$ 21,284	\$ 2,987	\$ 6,461

Core Operating Expenses

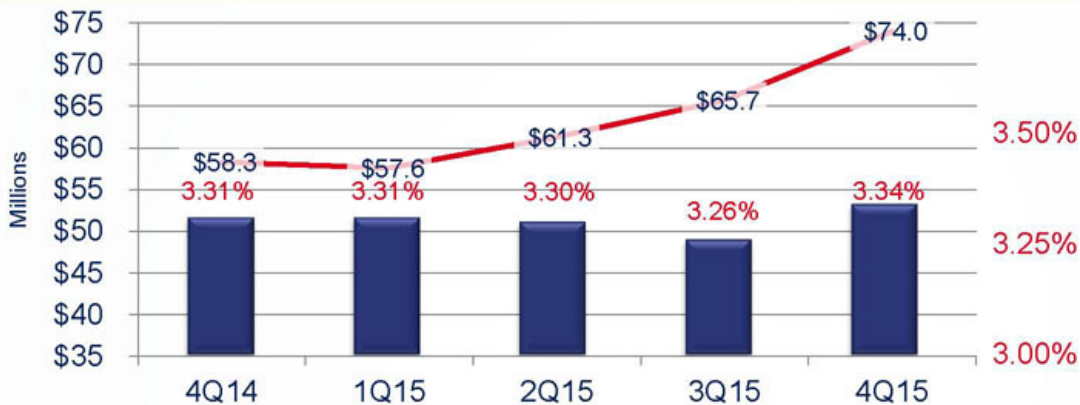
\$ in thousands

	4Q15	Variance - Incr/(Decr)	
		3Q15	4Q14
Salaries & Employee Benefits	\$ 32,603	\$ 3,044	\$ 6,426
Communications & Equipment	4,735	772	1,582
Occupancy	4,666	653	1,218
FDIC Assessment	1,463	327	580
Advertising & Public Relations	978	166	176
Postage, Printing & Supplies	1,293	244	207
Professional Fees	3,331	663	1,297
Other Expense	7,408	1,844	2,910
Core Operating Expenses	56,477	7,713	14,396
Non-Core Operating Expenses ⁽¹⁾	9,011	3,506	9,173
Reported - GAAP	\$ 65,488	\$ 11,219	\$ 23,569

⁽¹⁾ See Non-GAAP Reconciliation Tables slide at the conclusion of this presentation for a reconciliation of core disclosures to GAAP disclosures

Key Drivers of Net Interest Revenue / Margin

Net Interest Revenue & Margin



Impacted By

NET INTEREST REVENUE

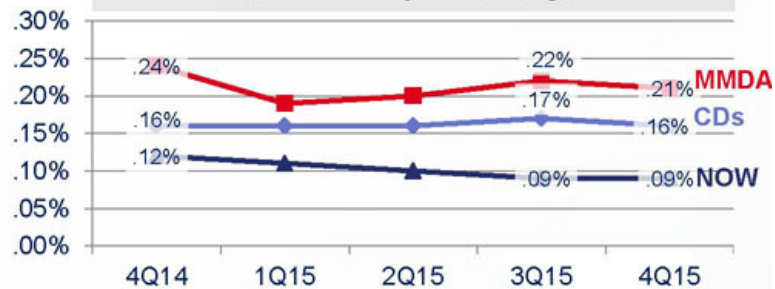
- ▶ Full quarter impact of Palmetto's loans and historically lower cost of deposits
- ▶ Current rising interest rate environment

Net Interest Revenue Key Drivers

Loan / Securities Pricing



Customer Deposit Pricing ⁽¹⁾

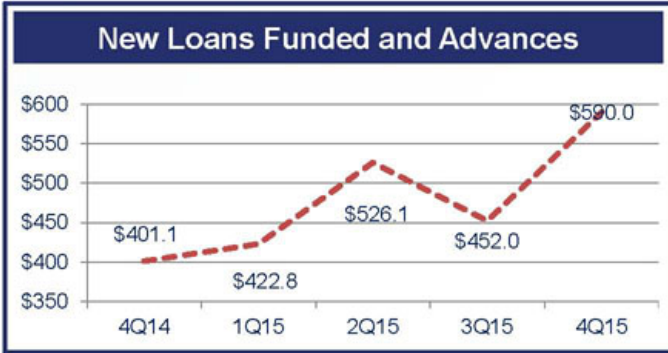


⁽¹⁾ Excludes brokered deposits

Balance Sheet Growth

New Loans Funded and Advances⁽¹⁾

\$ in millions



New Loans Funded and Advances by Category

	4Q15	3Q15	4Q14	Variance-Incr(Decr)	
				3Q15	4Q14
Commercial & Industrial	\$ 160.5	\$ 94.8	\$ 116.0	\$ 65.7	\$ 44.5
Owner Occupied CRE	84.4	51.4	56.0	33.0	28.4
Income Producing CRE	100.1	95.6	45.9	4.5	54.2
Commercial Constr.	16.3	8.3	6.0	8.0	10.3
Total Commercial	361.3	250.1	223.9	111.2	137.4
Residential Mortgage	34.7	41.4	32.7	(6.7)	2.0
Residential HELOC	41.6	44.5	36.9	(2.9)	4.7
Residential Construction	58.3	54.2	40.8	4.1	17.5
Consumer	94.1	61.8	66.8	32.3	27.3
Total	\$ 590.0	\$ 452.0	\$ 401.1	\$ 138.0	\$ 188.9

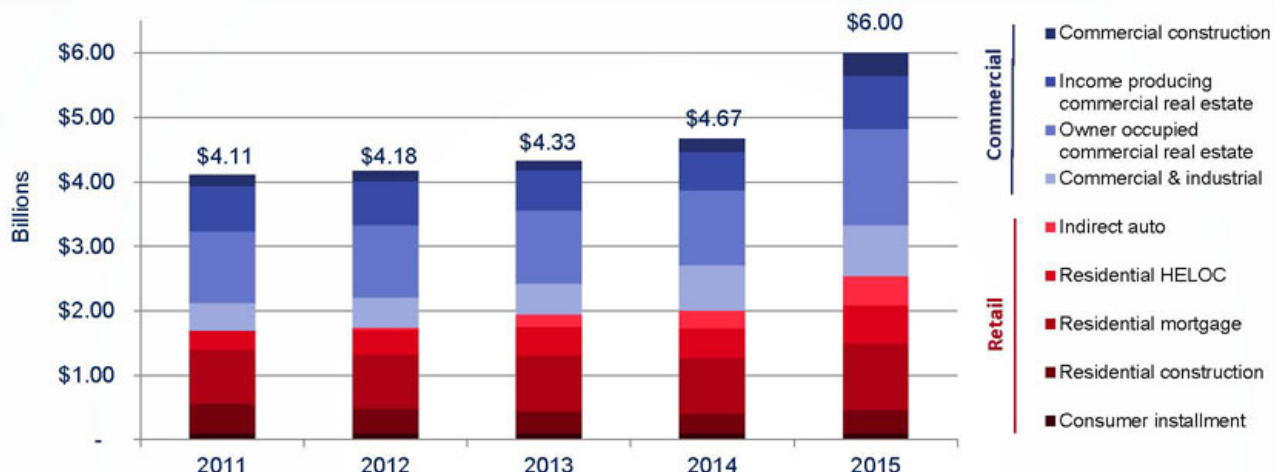
New Loans Funded and Advances by Market

	4Q15	3Q15	4Q14	Variance-Incr(Decr)	
				3Q15	4Q14
Atlanta	\$ 94.7	\$ 86.7	\$ 90.4	\$ 8.0	\$ 4.3
Coastal Georgia	59.2	28.2	34.0	31.0	25.2
N. Georgia	61.0	58.1	54.1	2.9	6.9
North Carolina	27.6	28.2	33.1	(.6)	(5.5)
Tennessee	27.3	27.5	23.1	(.2)	4.2
Gainesville	21.5	11.7	14.3	9.8	7.2
South Carolina	68.3	16.1	7.5	52.2	60.8
Total Community Banks	359.6	256.5	256.5	103.1	103.1
Asset-based Lending	18.4	17.1	1.4	1.3	17.0
Commercial RE	47.5	57.5	17.0	(10.0)	30.5
Healthcare	-	19.8	53.7	(19.8)	(53.7)
Middle Market	48.2	7.5	11.0	40.7	37.2
SBA	24.1	26.5	9.1	(2.4)	15.0
Builder Finance	19.2	21.4	-	(2.2)	19.2
Total Specialized Lending	157.4	149.8	92.2	7.6	65.2
Indirect Auto	73.0	45.7	52.4	27.3	20.6
Total	\$ 590.0	\$ 452.0	\$ 401.1	\$ 138.0	\$ 188.9

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

Balance Sheet Growth

Loan Mix



Loans by Category in millions					
	2011	2012	2013	2014	2015
Commercial C & I	\$ 428	\$ 458	\$ 472	\$ 710	\$ 785
Owner-Occupied CRE	1,112	1,131	1,134	1,163	1,494
Income-Producing CRE	710	682	623	599	824
Commercial Constr.	164	155	149	196	342
Total Commercial	2,414	2,426	2,378	2,668	3,445
Residential Mortgage	835	829	875	866	1,029
Residential HELOC	300	385	441	466	598
Residential Construction	448	382	328	299	352
Consumer	113	115	111	104	115
Indirect Auto	-	38	196	269	456
Total Loans	\$ 4,110	\$ 4,175	\$ 4,329	\$ 4,672	\$ 5,995

Loans by Region in millions					
	2011	2012	2013	2014	2015
North Georgia	\$ 1,426	\$ 1,364	\$ 1,240	\$ 1,163	\$ 1,125
Atlanta MSA	1,144	1,204	1,235	1,243	1,259
North Carolina	597	579	572	553	549
Coastal Georgia	346	400	423	456	537
Gainesville MSA	265	261	255	257	254
East Tennessee	256	283	280	280	504 (1)
South Carolina	-	-	4	30	819 (2)
Total Community Banks	4,034	4,091	4,009	3,982	5,047
Specialized Lending	76	46	124	421	492
Indirect Auto	-	38	196	269	456 (3)
Total Loans	\$ 4,110	\$ 4,175	\$ 4,329	\$ 4,672	\$ 5,995

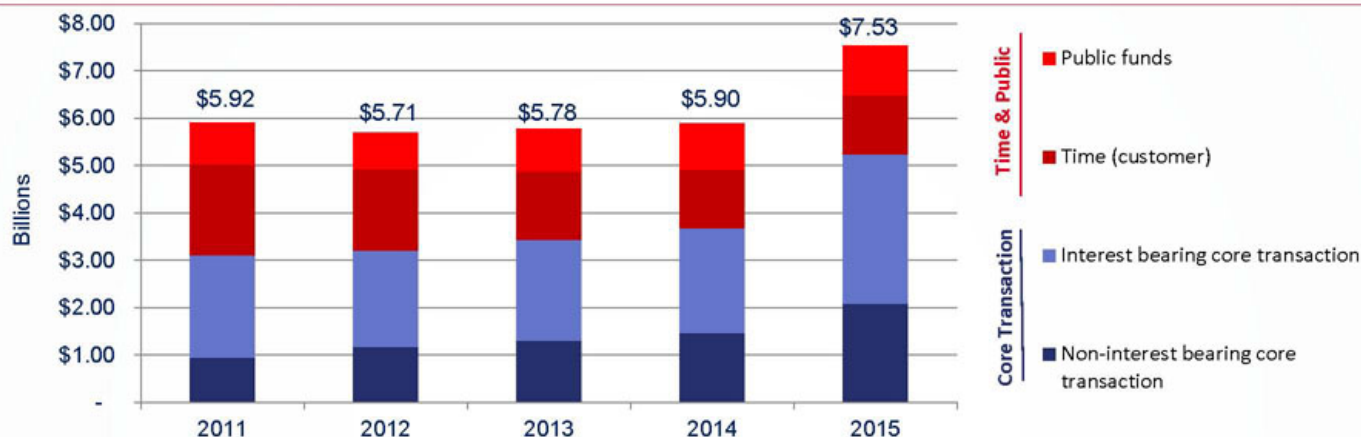
(1) Includes \$244 million from the acquisition of FNB on May 1, 2015

(2) Includes \$733 million from the acquisition of Palmetto on September 1, 2015

(3) Includes \$62.6 million from the acquisition of Palmetto on September 1, 2015

Balance Sheet Growth

Customer Deposit Mix



	2011	2012	2013	2014	2015
Non-Interest Bearing Core					
Demand Deposit	\$ 955	\$ 1,188	\$ 1,311	\$ 1,471	\$ 2,089
Interest Bearing Core					
NOW	719	654	659	668	1,109
MMDA	1,030	1,145	1,218	1,259	1,584
Savings	198	226	250	292	469
Total Interest Bearing Core	1,947	2,025	2,127	2,219	3,162
Total Core Deposits	2,902	3,213	3,438	3,690	5,251
Time (Customer)					
Less than \$100,000	1,121	1,050	888	744	823
Greater than \$100,000	1,012	674	557	479	428
Total Time	2,133	1,724	1,445	1,223	1,251
Public Funds					
Brokered	884	770	894	989	1,032
Non-brokered	179	245	412	425	347
Total Deposits	\$ 6,098	\$ 5,952	\$ 6,189	\$ 6,327	\$ 7,881

	2011	2012	2013	2014	2015
Demand Deposit	\$ 185	\$ 232	\$ 123	\$ 161	\$ 618
NOW	(84)	(65)	4	9	441
MMDA	150	115	73	41	325
Savings	15	29	24	41	177
Growth by Category	\$ 266	\$ 311	\$ 224	\$ 252	\$ 1,561
Atlanta MSA	\$ 102	\$ 160	\$ 75	\$ 84	\$ 223
North Georgia	81	41	62	90	158
North Carolina	27	47	42	35	63
Coastal Georgia	20	38	2	22	24
East Tennessee	21	9	4	8	234
Gainesville MSA	15	16	19	10	34
South Carolina	-	-	20	3	825 ⁽²⁾
Growth by Region	\$ 266	\$ 311	\$ 224	\$ 252	\$ 1,561

⁽¹⁾Includes \$247 million from the acquisition of FNB on May 1, 2015

⁽²⁾Includes \$790 million from the acquisition of Palmetto on September 1, 2015

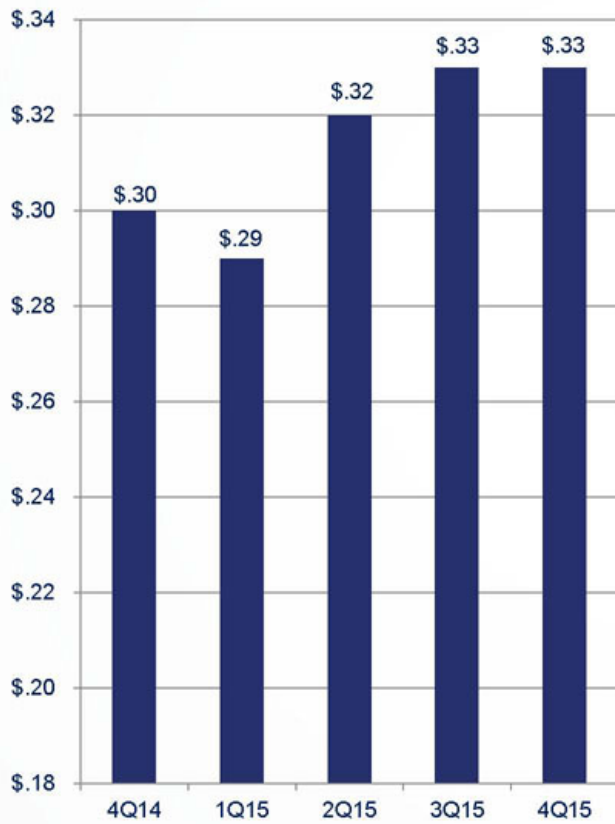
Credit Quality

\$ in millions

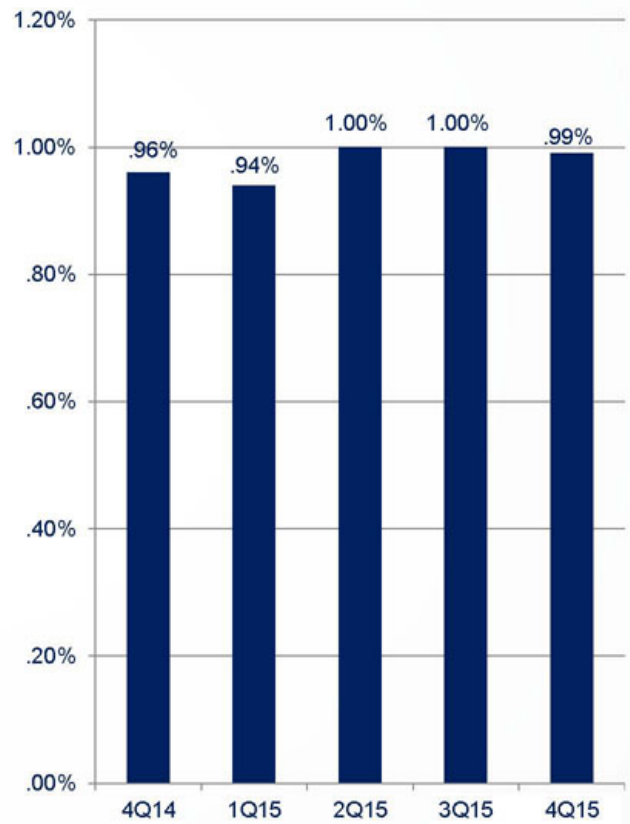
	4Q15	3Q15	2Q15	1Q15	4Q14
Net Charge-offs	\$ 1.3	\$ 1.4	\$ 1.0	\$ 2.6	\$ 2.5
as % of Average Loans	0.09 %	0.10 %	0.08 %	0.22 %	0.22 %
Allowance for Loan Losses	\$ 68.4	\$ 69.1	\$ 70.1	\$ 70.0	\$ 71.6
as % of Total Loans	1.14 %	1.15 %	1.36 %	1.46 %	1.53 %
as % of Total Loans, Excluding Merger	1.35	1.37	1.42	368	401
as % of NFLs	302	344	373		
Past Due Loans (30 - 89 Days)	0.26 %	0.27 %	0.24 %	0.25 %	0.31 %
Non-Performing Loans	\$ 22.6	\$ 20.0	\$ 18.8	\$ 19.0	\$ 17.9
OREO	4.9	7.7	2.4	1.2	1.7
Total NPAs	27.5	27.7	21.2	20.2	19.6
Performing Classified Loans	127.5	136.0	115.7	121.7	128.4
Total Classified Assets	\$ 155.0	\$ 163.7	\$ 136.9	\$ 141.9	\$ 148.0
as % of Tier 1 / Allowance	17 %	18 %	18 %	20 %	20 %
Accruing TDRs (see page 27)	\$ 83.0	\$ 84.6	\$ 86.1	\$ 82.3	\$ 81.3
As % of Original Principal Balance					
Non-Performing Loans	71.4 %	70.3 %	64.9 %	72.0 %	69.9 %
OREO	34.2	45.8	46.6	56.6	54.1
Total NPAs					
as % of Total Assets	0.29	0.29	0.26	0.26	0.26
as % of Loans & OREO	0.46	0.46	0.41	0.42	0.42

Operating Earnings per Share and Operating Return on Assets

Operating Earnings per Share⁽¹⁾



Operating Return on Assets⁽¹⁾



⁽¹⁾ Excludes the effect of merger-related and other non-operating charges

Capital Ratios⁽¹⁾

Holding Company	Well-Cap	4Q15 ⁽²⁾	3Q15	2Q15	1Q15	4Q14
Tier I Risk-Based Capital	8.0%	11.5%	11.4%	11.9%	11.5%	12.1%
Total Risk-Based Capital	10.0	12.5	12.5	13.1	12.8	13.3
Leverage	5.0	8.3	9.1	9.1	8.7	8.7
Tier I Common Risk-Based Capital	6.5	11.5	11.4	11.9	11.5	11.1
Tangible Common Equity to Risk-Weighted Assets		12.8	13.1	13.2	13.5	13.8
Tangible Equity to Assets		9.4	9.9	9.9	9.8	9.7
Bank	Well-Cap	4Q15 ⁽²⁾	3Q15	2Q15	1Q15	4Q14
Tier I Risk-Based Capital	8.0%	13.0%	12.9%	12.0%	11.8%	12.9%
Total Risk-Based Capital	10.0	14.1	14.0	13.2	13.1	14.1
Leverage	5.0	9.5	10.3	9.1	8.9	9.3

⁽¹⁾ Effective January 1, 2015, all regulatory ratios calculated under Basel III rules ⁽²⁾ 4Q15 capital ratios are preliminary estimates

Strategic Principles

Leverage Our Strengths

- ▶ Community bank service with large bank resources
- ▶ Strong local leadership and senior management
- ▶ Combination of growing metro markets legacy markets with high deposit market share
- ▶ Consistent and attractive culture
- ▶ Class leading customer satisfaction

2016

- ▶ Continue to deepen commercial and retail capabilities
 - Diversify portfolio – focus on: C&I; CRE owner occupied; Specialized Lending for corporate, asset-based, SBA and builder finance
 - Invest in people with strong recruiting and training plans
 - 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 through solid loan growth and slight margin expansion, if rates continue to rise
- ▶ Credit quality trends continue and costs increase slightly from current levels
- ▶ Grow fee revenue by investing in mortgage, advisory services, SBA capabilities and product pricing reviews
- ▶ Maintain operating efficiency below 58 percent
- ▶ Seek acquisition opportunities that fit our culture and risk and return targets

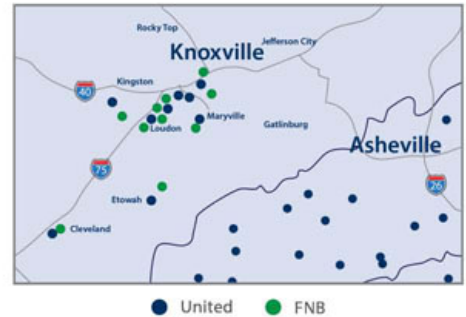
United Acquisition of MoneyTree Corporation / FNB



Date Closed: May 1, 2015
 Conversion Completed: July 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 - 2.36 million shares issued
 20% Cash - \$10.7 million



MoneyTree Corporation (First National Bank)

Founded: 1907
 Headquarters: Lenoir City, TN
 Total Assets: \$425 million
 Deposits: \$354 million
 Consolidated TCE⁽¹⁾: \$39 million
 FY 2014 ROAA: .64%
 NPAs / Assets: .28%

Deal Highlights

- 107 year old community bank
- Doubles UCBI's East Tennessee presence
- Increased presence in key markets of Knoxville, Lenoir City and Cleveland
- Meaningful cost synergies resulting from significant branch overlap – consolidated 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

Data Source: SNL Financial and Company Documents; financial data as of 12/31/14

⁽¹⁾ Including the conversion of the Series C Cumulative Convertible Preferred Stock

United Acquisition of Palmetto Bancshares



Date Closed: September 1, 2015
 Planned Conversion: February 2016

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 - 8.70 million shares issued
 30% Cash - \$74.0 million



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%

Deal Highlights

- Continues Southeastern metro market expansion
- Accelerated Greenville expansion and leverages existing, on-the-ground, senior leadership and in-market resources
- High-quality franchise, founded 109 years ago, with deep community roots
- Shared community banking philosophy driven by client focus, local expertise, and cultural fit
- Strong core deposit base (.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%

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

Non-GAAP Reconciliation Tables

\$ in thousands

	4Q15	3Q15	2Q15	1Q15	4Q14
Net Income					
Operating net income	\$ 23,800	\$ 21,726	\$ 19,989	\$ 17,670	\$ 18,247
Merger-related and other charges	(9,078)	(5,744)	(3,173)	-	-
Tax benefit on merger-related and other charges	3,486	1,905	997	-	-
Net Income (GAAP)	<u>\$ 18,208</u>	<u>\$ 17,887</u>	<u>\$ 17,813</u>	<u>\$ 17,670</u>	<u>\$ 18,247</u>
Earnings per Share					
Operating earnings per share	\$ 0.33	\$ 0.33	\$ 0.32	\$ 0.29	\$ 0.30
Merger-related and other charges	(0.08)	(0.06)	(0.04)	-	-
Earnings per share (GAAP)	<u>\$ 0.25</u>	<u>\$ 0.27</u>	<u>\$ 0.28</u>	<u>\$ 0.29</u>	<u>\$ 0.30</u>
Return on Assets					
Operating return on assets	0.99 %	1.00 %	1.00 %	0.94 %	0.96 %
Merger-related and other charges	(0.23)	(0.18)	(0.11)	-	-
Return on assets (GAAP)	<u>0.76 %</u>	<u>0.82 %</u>	<u>0.89 %</u>	<u>0.94 %</u>	<u>0.96 %</u>
Return on Tangible Common Equity					
Operating return on tangible common equity	10.87 %	10.29 %	10.20 %	9.46 %	9.74 %
Effect of goodwill and intangibles	(1.69)	(0.75)	(0.30)	(0.12)	(0.14)
Return on tangible common equity	9.18	9.54	9.90	9.34	9.60
Effect of merger-related charges	(2.16)	(1.69)	(1.07)	-	-
Return on common equity (GAAP)	<u>7.02 %</u>	<u>7.85 %</u>	<u>8.83 %</u>	<u>9.34 %</u>	<u>9.60 %</u>
Allowance as a % of Loans, Excluding Acquired Loans					
Allowance as a % of loans, excluding acquired loans	1.35 %	1.37 %	1.42 %	1.46 %	1.53 %
Allowance coverage of loans acquired through merger	(0.21)	(0.22)	(0.06)	-	-
Allowance as a % of loans (GAAP)	<u>1.14 %</u>	<u>1.15 %</u>	<u>1.36 %</u>	<u>1.46 %</u>	<u>1.53 %</u>

Non-GAAP Reconciliation Tables

\$ in thousands

	4Q15	3Q15	2Q15	1Q15	4Q14
Core Fee Revenue					
Core fee revenue	\$ 20,756	\$ 18,448	\$ 17,220	\$ 15,120	\$ 14,553
Securities gains, net	378	325	13	1,539	208
Losses on prepayment of borrowings	-	(256)	-	(1,038)	-
Mark to market on deferred compensation plan assets	150	(220)	33	61	62
Non-core fee revenue	528	(151)	46	562	270
Fee revenue (GAAP)	<u>\$ 21,284</u>	<u>\$ 18,297</u>	<u>\$ 17,266</u>	<u>\$ 15,682</u>	<u>\$ 14,823</u>
Core Operating Expense					
Core operating expense	\$ 56,477	\$ 48,764	\$ 45,135	\$ 42,191	\$ 42,081
Foreclosed property expense	(103)	(22)	60	96	131
Severance	186	3	19	23	353
Reversal of litigation reserve	(300)	-	-	-	(1,200)
Loss share settlements	-	-	-	690	492
Merger-related charges	3,109	5,744	3,173	-	-
Impairment charge on real estate held for future use	5,969	-	-	-	-
Mark to market on deferred compensation plan liability	150	(220)	33	61	62
Non-core operating expenses	9,011	5,505	3,285	870	(162)
Operating expense (GAAP)	<u>\$ 65,488</u>	<u>\$ 54,269</u>	<u>\$ 48,420</u>	<u>\$ 43,061</u>	<u>\$ 41,919</u>

UNITED COMMUNITY BANKS, INC.
FOURTH QUARTER
2015

EXHIBITS
January 20, 2016

Current Footprint



Key Statistics as of 12/31/15

- ▶ Headquartered in Blairsville, Georgia
- ▶ Four state regional community bank: GA, NC, SC and TN
- ▶ 134 Locations
- ▶ Founded in 1950
- ▶ Largest community bank headquartered in Georgia and one of the largest in the Southeast
- ▶ 1,932 employees
- ▶ \$9.6 billion in assets; \$6.0 billion in loans; \$7.9 billion in deposits

Service is Point of Differentiation

- ▶ #1 in customer satisfaction according to Customer Service Profiles, the banking industry's leader in customer research and improvement
- ▶ #1 in Southeast in customer satisfaction by national research company
- ▶ Golden rule of banking – treating people the way we want to be treated
- ▶ One of the Top 100 "Best Banks in America" as ranked by Forbes

"Community Bank Service, Large Bank Resources"

Twenty-Nine "community banks"	Strategic footprint with substantial banking opportunities	Disciplined growth strategy
Local CEOs with deep roots in their communities Resources of a \$9.6 billion bank	Operate in demographically attractive markets	Organic growth supported by de novos and selective acquisitions

Experienced Proven Leadership

- Over 40 years in banking
- Led company from \$42 million in assets in 1989 to \$9.6 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 29 community banks with 127 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,
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

\$ in billions

Excellent Growth Opportunities

	Market Deposits (1)	United Deposits (2)	Banks	Offices (3)	Deposit Share (1)	Rank (1)
North Georgia	\$ 6.6	\$ 2.2	9	22	37 %	1
Atlanta, Georgia	60.8	2.4	10	36	4	6
Gainesville, Georgia	3.0	.3	1	5	12	4
Coastal Georgia	8.0	.3	2	7	3	9
Western North Carolina	11.8	1.0	1	19	8	4
East Tennessee	16.3	.6	2	12	4	5
Upstate South Carolina	21.0	1.1	4	26	5	7
Total Markets	\$ 127.5	\$ 7.9	29	127		

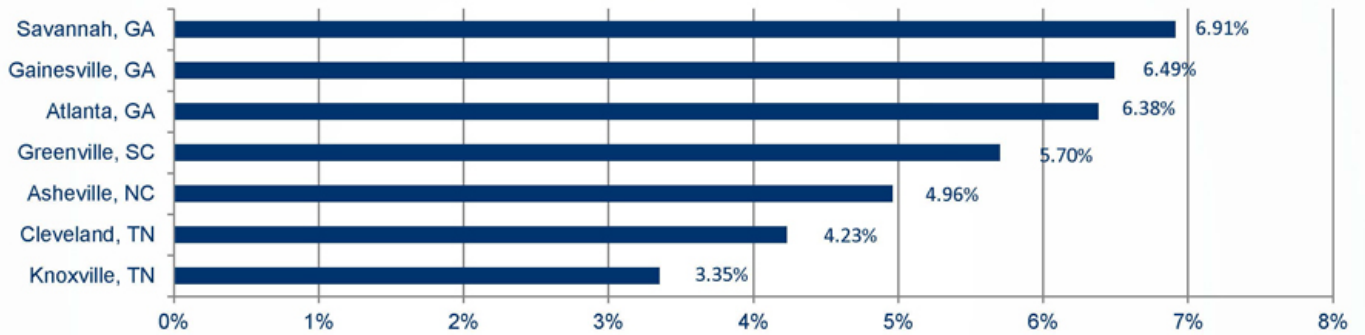
(1) FDIC deposit market share and rank as of June 30, 2015 for markets where United takes deposits. Data Source: FDIC.

(2) Based on current quarter.

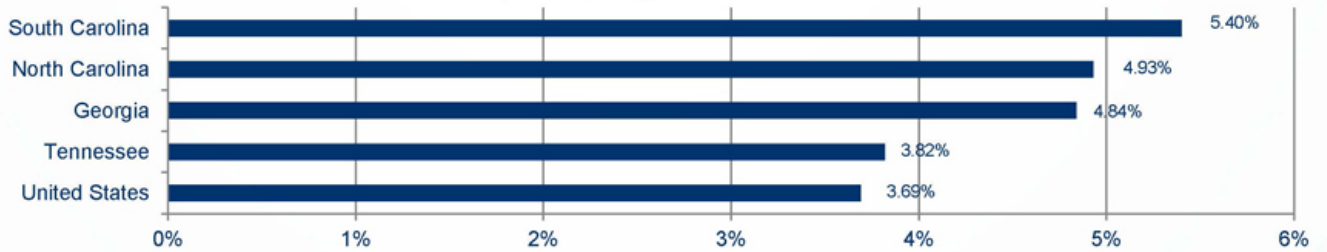
(3) Excludes seven loan production offices

Market Share Demographics

Key MSA Growth Markets
Projected Change 2016 - 2021



State Population Growth
Projected Change 2016 - 2021



Source: SNL Financial

Liquidity


\$ in millions

	Capacity	4Q15	3Q15	4Q14	vs 3Q15	vs 4Q14	
WHOLESALE BORROWINGS							Wholesale Borrowings
Brokered Deposits ⁽¹⁾	\$ 615	\$ 347	\$ 517	\$ 425	\$ (170)	\$ (78)	
FHLB	550	430	200	270	230	160	
Holding Company LOC	40	-	-	-	-	-	
Fed Funds	515	-	5	-	(5)	-	
Other Wholesale	-	17	14	6	3	11	
Total	\$ 1,720	\$ 794	\$ 736	\$ 701	\$ 58	\$ 93	
LONG-TERM DEBT							Holding Company Long-Term Debt / Cash
Senior Debt		\$ 160	\$ 160	\$ 75	\$ -	\$ 85	
Trust Preferred Securities		6	6	55	-	(49)	
Total Long-Term Debt		\$ 166	\$ 166	\$ 130	\$ -	\$ 36	
Cash		\$ 50	\$ 54	\$ 32	\$ (4)	\$ 18	
Loans / Deposits							Loans / Deposits
Loans		\$ 5,995	\$ 6,022	\$ 4,672	\$ (27)	\$ 1,323	
Core (DDA, MMDA, Savings)		\$ 5,251	\$ 5,246	\$ 3,690	\$ 5	\$ 1,561	
Public Funds		1,032	831	989	201	43	
CD's		1,251	1,311	1,223	(60)	28	
Total Deposits (excl Brokered)		\$ 7,534	\$ 7,388	\$ 6,902	\$ 146	\$ 1,632	
Loan to Deposit Ratio		80%	82%	79%			
Investment Securities							Investment Securities
Available for Sale -Fixed		\$ 1,648	\$ 1,435	\$ 1,114	\$ 213	\$ 534	
-Floating		643	665	669	(22)	(26)	
Held to Maturity -Fixed		361	354	410	7	(49)	
-Floating		4	4	5	-	(1)	
Total Investment Securities		\$ 2,656	\$ 2,458	\$ 2,198	\$ 198	\$ 458	
Floating as % of Total Securities		24%	27%	31%			

⁽¹⁾ Estimated brokered deposit total capacity at 10% of assets

Lending & Credit Environment

\$ in millions



Regional Credit Review – Standard Underwriting

•Legal Lending Limit	\$	242	
•House Lending Limit		28	• Centralized underwriting and approval process
•Project Lending Limit		17	• Segregated work-out teams
•Top 25 Relationships		395	• Highly skilled ORE disposition group
			• Seasoned regional credit professionals

Proactively Addressing Credit Environment



Performing Classified Loans

\$ in millions



By Category

	4Q14	1Q15	2Q15	3Q15	4Q15
Commercial & Industrial	\$ 8	\$ 7	\$ 6	\$ 6	\$ 6
Owner-Occupied CRE	46	44	40	42	40
Total Commercial & Industrial	54	51	46	48	46
Income-Producing CRE	20	20	19	30	30
Commercial Construction	4	3	3	3	1
Total Commercial	78	74	68	81	77
Residential Mortgage	32	30	30	36	31
Residential HELOC	5	6	6	7	7
Residential Construction	11	10	10	10	11
Consumer / Installment	2	2	2	2	2
Total Performing Classified	<u>\$ 128</u>	<u>\$ 122</u>	<u>\$ 116</u>	<u>\$ 136</u>	<u>\$ 128</u>
Classified to Tier 1 + ALL	20 %	20 %	18 %	18 %	17 %

TDRs

\$ in millions

LOAN TYPE	Accruing			Non-Accruing			Total TDRs		
	4Q15 ⁽¹⁾	3Q15	4Q14	4Q15	3Q15	4Q14	4Q15	3Q15	4Q14
Commercial & Industrial	\$ 2.8	\$ 3.5	\$ 25.3	\$ 0.1	\$ -	\$ 1.0	\$ 2.9	\$ 3.5	\$ 26.3
Owner-Occupied CRE	30.8	31.6	17.4	1.3	1.2	0.5	32.1	32.8	17.9
Income-Producing CRE	15.4	14.1	2.7	.2	.3	.1	15.6	14.4	2.8
Commercial Construction	10.5	11.2	11.3	.1	.1	-	10.6	11.3	11.3
Total Commercial	59.5	60.4	56.7	1.7	1.6	1.6	61.2	62.0	58.3
Residential Mortgage	17.2	17.3	16.0	1.6	2.1	1.8	18.8	19.4	17.8
Residential HELOC	.2	.5	.5	-	-	-	0.2	0.5	0.5
Residential Construction	5.2	5.7	7.9	.1	.3	.4	5.3	6.0	8.3
Consumer / Installment	.9	.7	.2	.2	.1	-	1.1	0.8	0.2
Total TDRs	\$ 83.0	\$ 84.6	\$ 81.3	\$ 3.6	\$ 4.1	\$ 3.8	\$ 86.6	\$ 88.7	\$ 85.1

Accruing TDRs



▶ Accruing TDR past due 30 – 89 days = .51%

▶ 60% of accruing TDRs are pass credits

⁽¹⁾ 66% of accruing TDR loans have an interest rate of 4% or greater

Lending & Credit Environment

Commercial Construction Mix

in millions

	Outstanding		% of	
	\$		Category	%
Multi-Residential	84		24.6	%
Land Develop - Vacant (Improved)	56		16.4	
Retail Building	49		14.3	
Commercial Land Development	32		9.3	
Raw Land - Vacant (Unimproved)	31		9.1	
Other Properties	30		8.8	
Hotels / Motels	26		7.6	
Warehouse	15		4.4	
Restaurants / Franchise	10		2.9	
Office Buildings	8		2.3	
Assisted Living/Nursing Home/Rehab	1		0.3	
Total Commercial Construction	\$ 342		100.0	%

Average Loan Size (in thousands)



•Commercial Construction	\$577
•Commercial RE:	
•Composite CRE	461
•Owner-Occupied	410
•Income-Producing	594

Commercial RE Characteristics



- 64% owner occupied
- Small business, doctors, dentists, attorneys, CPAs
- \$17 million project limit

Commercial Real Estate Mix

in millions

	Outstanding			% of
	Owner-Occupied	Income-Producing	Total	
Office Buildings	\$ 375	\$ 208	\$ 583	25.2 %
Retail Building	121	226	347	15.0
Other Properties	199	38	237	10.2
Warehouse	150	74	224	9.7
Churches	176	-	176	7.6
Convenience Stores	90	47	137	5.9
Hotels / Motels	-	86	86	3.7
Manufacturing Facility	66	17	83	3.6
Restaurants / Franchise Fast Food	53	26	79	3.4
Multi-Residential	-	67	67	2.9
Assisted Living / Nursing Home	62	5	67	2.9
Farmland	62	-	62	2.7
Golf Course / Country Club	40	-	40	1.7
Leasehold Property	16	8	24	1.0
Carwash	22	-	22	0.9
Automotive Service	13	7	20	0.9
Automotive Dealership	16	3	19	0.8
Daycare Facility	10	6	16	0.7
Funeral Home	15	-	15	0.6
Mobile Home Parks	-	6	6	0.3
Marina	5	-	5	0.2
Movie Theaters / Bowling / Rec	3	-	3	0.1
Total Commercial Real Estate	\$ 1,494	\$ 824	\$ 2,318	100.0 %