



April 27, 2016

## **United Community Banks, Inc. Reports Net Operating Income of \$23.9 Million for First Quarter 2016, up 36 Percent From a Year Ago**

- | Operating earnings per diluted share of 33 cents, up 14 percent from first quarter of 2015
- | Operating return on assets of 1.00 percent - compared to .94 percent a year ago
- | Operating return on tangible common equity of 10.91 percent - up from 9.46 percent a year ago
- | Loans up \$111 million from the fourth quarter of 2015, or 7 percent annualized
- | Core transaction deposits up \$113 million from the fourth quarter of 2015, or 9 percent annualized

BLAIRSVILLE, Ga., April 27, 2016 (GLOBE NEWSWIRE) -- United Community Banks, Inc. (NASDAQ:UCBI) ("United") today reported first quarter results reflecting strong credit quality, capital management, profitability and growth. Net operating income was \$23.9 million, or 33 cents per diluted share, compared with \$17.7 million, or 29 cents per diluted share, in the first quarter of 2015.

Net operating income and net operating income per diluted share exclude merger-related and other charges. Including those charges, first quarter 2016 net income was \$22.3 million, or 31 cents per diluted share, compared with \$17.7 million, or 29 cents per diluted share in the first quarter of 2015.

At March 31, 2016, preliminary regulatory capital ratios were as follows: Tier 1 Risk-Based of 11.3 percent; Total Risk-Based of 12.3 percent; Common Equity Tier 1 Risk-Based of 11.3 percent; and, Tier 1 Leverage of 8.4 percent.

"Our first quarter results continue to demonstrate the growing potential of United and our focus on increasing returns to our shareholders. Our performance reflects our emphasis on maintaining a high-quality balance sheet, increasing profitability and generating growth," said Jimmy Tallent, chairman and chief executive officer. "It underscores our ability to prudently grow our loan portfolio and high-quality, low-cost core deposits, maintain top-quartile credit quality, and expand fee revenue while maintaining operating expense discipline, and making strategic investments in technology, geographic market positioning, products and enhanced expertise.

"First quarter loan production was a solid \$562 million," Tallent added. "Loan growth was \$111 million, or 7 percent annualized, in line with our 2016 target of a mid-to-upper-single-digit increase. Our community banks originated \$347 million in loan production, while our specialized lending area, which includes asset-based, commercial real estate, middle market, SBA and builder finance lending, produced \$145 million. Helping fund these loans was quarter-to-quarter core transaction deposit growth of \$113 million, or 9 percent annualized. Core deposits comprise 90 percent of total deposits, one of the best ratios in the country."

First quarter taxable-equivalent net interest revenue totaled \$75.2 million, up \$1.2 million from the fourth quarter of 2015 and up \$17.6 million from the first quarter of 2015. This increase reflects strong loan and core deposit growth, and an increase in the net interest margin. The increase from the first quarter of 2015 also reflects net interest revenue from the Palmetto and First National Bank acquisitions.

The taxable-equivalent net interest margin of 3.41 percent reflected a seven basis point increase from the fourth quarter of 2015, and a 10 basis point increase from a year ago. The increase from the fourth quarter reflects higher yields on the loan and investment securities portfolios, offset slightly by a one basis point increase in the rate paid on interest-bearing liabilities. Yields on floating rate loans and investment securities benefited from the full quarterly impact of the Federal Reserve Bank's December 2015 rate hike.

The first quarter provision for credit losses was negative \$200,000 compared with positive provisions of \$300,000 during the fourth quarter of 2015 and \$1.8 million during the first quarter of 2015. In addition to continued strong credit quality and a low overall level of net charge-offs, the first quarter negative provision reflects an overall improvement in a number of our largest troubled debt restructurings and the related release of reserves assigned specifically to them.

"Our credit quality indicators are very favorable, and our outlook is for this to continue, which will result in driving down our allowance for loan losses requirement," stated Tallent. "While we strive to maintain a conservative allowance for loan losses, our recent loss history and improving credit measures continue to require us to decrease our allowance each quarter."

First quarter net charge-offs totaled \$2.1 million compared with \$1.3 million during the fourth quarter of 2015, and \$2.6 million during the first quarter of 2015. Strong recoveries of previously charged-off loans drove net charge-offs down in the third and fourth quarters of 2015 from the first and second quarters of 2015. Nonperforming assets were 0.28 percent of total assets at March 31, 2016, compared with 0.29 percent at December 31, 2015 and 0.26 percent a year ago.

First quarter fee revenue totaled \$18.6 million, a decrease of \$2.7 million from the fourth quarter of 2015. The decrease was mostly seasonal and primarily the result of a \$1.4 million decline in service charges and fees, a \$758,000 decline in gains from sales of SBA loans, and a \$541,000 decline in other fee revenue. First quarter fee revenue increased \$2.9 million from the first quarter of 2015, primarily due to acquisitions.

During the first quarter of 2016, sales of \$13.0 million in SBA loans resulted in net gains of \$1.2 million. This compares with sales of \$25.1 million and net gains of \$2.0 million during the fourth quarter of 2015, and sales of \$13.0 million and net gains of \$1.1 million during the first quarter of 2015.

Operating expenses, excluding merger-related and other charges, were \$55.2 million in the first quarter of 2016. This compares to \$56.4 million in the fourth quarter of 2015 and \$43.1 million in the first quarter of 2015.

"The linked quarter decrease in operating expenses is primarily related to Palmetto cost savings, and is only part of the story," commented Tallent. "What also is important to our future growth are the substantial investments we made during the quarter in talented revenue producers. To leverage the United brand and gain share in high-growth areas, during the first quarter we added eight new mortgage lenders in our metro markets. In our specialized lending areas, primarily in our SBA lending business we added 11 revenue producers. We also added three lenders in our loan production office in Charleston, South Carolina, and opened a new loan production office in Macon, Georgia.

"Consistent with this strategy, on April 4, 2016, we entered into a merger agreement with Tidelands Bancshares, Inc., the holding company for Tidelands Bank which is based in Mt. Pleasant, South Carolina," Tallent said. "Tidelands Bank will merge into United Community Bank and operate under the United brand on the South Carolina coast, including Charleston, Hilton Head and Myrtle Beach.

"Following the opening of a loan production office in Charleston in the fourth quarter of 2015, this strategic purchase completes a two-step plan to launch and accelerate growth in attractive coastal South Carolina markets," said Tallent. "The Tidelands agreement is expected to close in the third quarter and will be immediately accretive to operating earnings. I am excited to have Thomas Lyles and his team join the United family.

"In the first quarter we maintained strong momentum and, with our talented bankers at work, we expect to do so again in the second quarter and throughout the remainder of 2016," Tallent said. "Our talented bankers are executing our plans as we maintain a high-quality balance sheet, increase profitability and generate growth."

#### Conference Call

United will hold a conference call today, Wednesday, April 27, 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 79143447. The conference call also will be webcast and available for replay for 30 days by selecting "Events & Presentations" within the Investor Relations section of United's website at [www.ucbi.com](http://www.ucbi.com).

#### About United Community Banks, Inc.

United Community Banks, Inc. (NASDAQ:UCBI) is a registered bank holding company based in Blairsville, Georgia, with \$9.8 billion in assets. The company's banking subsidiary, United Community Bank, is one of the Southeast region's largest full-service banks, operating 135 offices in Georgia, North Carolina, South Carolina and Tennessee. The bank specializes in providing personalized community banking services to individuals, small businesses and corporations. Services include a full range of consumer and commercial banking products, including mortgage, advisory, and treasury management. United Community Banks is consistently recognized for its outstanding customer service by respected national research firms. 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](http://www.ucbi.com).

#### Safe Harbor

This News Release contains forward-looking statements, as defined by federal securities laws, including statements about United's financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of future financial performance. Such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United's filings with the Securities and Exchange Commission including its 2015 Annual Report on Form 10-K under the sections entitled "Forward-Looking Statements" and "Risk Factors." Forward-looking statements

speaking only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

**UNITED COMMUNITY BANKS, INC.**

**Financial Highlights**

**Selected Financial Information**

<i>(in thousands, except per share data; fully taxable equivalent)</i>	2016		2015			First Quarter 2016-2015 Change
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	
<b>INCOME SUMMARY</b>						
Interest revenue (FTE)	\$ 80,991	\$ 79,646	\$ 71,120	\$ 66,134	\$ 62,909	
Interest expense	5,769	5,598	5,402	4,817	5,292	
Net interest revenue (FTE)	75,222	74,048	65,718	61,317	57,617	31 %
Provision for credit losses	(200)	300	700	900	1,800	
Fee revenue	18,606	21,284	18,297	17,266	15,682	19
<b>Total revenue (FTE)</b>	<b>94,028</b>	<b>95,032</b>	<b>83,315</b>	<b>77,683</b>	<b>71,499</b>	<b>32</b>
Expenses - operating <sup>(1)</sup>	55,232	56,410	48,525	45,247	43,061	28
Income before income tax expense - (FTE) operating <sup>(1)</sup>	38,796	38,622	34,790	32,436	28,438	36
Income tax expense - (FTE) operating <sup>(1)</sup>	14,852	14,822	13,064	12,447	10,768	38
<b>Net income - operating <sup>(1)</sup></b>	<b>23,944</b>	<b>23,800</b>	<b>21,726</b>	<b>19,989</b>	<b>17,670</b>	<b>36</b>
Preferred dividends and discount accretion	21	25	25	17	-	
<b>Net income available to common shareholders - operating <sup>(1)</sup></b>	<b>23,923</b>	<b>23,775</b>	<b>21,701</b>	<b>19,972</b>	<b>17,670</b>	<b>35</b>
Merger-related and other charges, net of income tax benefit	1,649	5,592	3,839	2,176	-	
<b>Net income available to common shareholders - GAAP</b>	<b>\$ 22,274</b>	<b>\$ 18,183</b>	<b>\$ 17,862</b>	<b>\$ 17,796</b>	<b>\$ 17,670</b>	<b>26</b>

**PERFORMANCE MEASURES**

Per common share:

Diluted income - operating <sup>(1)</sup>	\$ .33	\$ .33	\$ .33	\$ .32	\$ .29	14
Diluted income - GAAP	.31	.25	.27	.28	.29	7
Cash dividends declared	.07	.06	.06	.05	.05	
Book value	14.35	14.02	13.95	12.95	12.58	14
Tangible book value <sup>(3)</sup>	12.40	12.06	12.08	12.66	12.53	(1)

Key performance ratios:

Return on tangible common equity - operating <sup>(1)(2)(3)(4)</sup>	10.91 %	10.87 %	10.29 %	10.20 %	9.46 %	
Return on common equity - operating <sup>(1)(2)(4)</sup>	9.20	9.18	9.54	9.90	9.34	
Return on common equity - GAAP <sup>(2)(4)</sup>	8.57	7.02	7.85	8.83	9.34	
Return on assets - operating <sup>(1)(4)</sup>	1.00	.99	1.00	1.00	.94	
Return on assets - GAAP <sup>(4)</sup>	.93	.76	.82	.89	.94	
Dividend payout ratio - operating <sup>(1)</sup>	21.21	18.18	18.18	15.63	17.24	
Dividend payout ratio - GAAP	22.58	24.00	22.22	17.86	17.24	
Net interest margin (FTE) <sup>(4)</sup>	3.41	3.34	3.26	3.30	3.31	
Efficiency ratio - operating <sup>(1)</sup>	59.10	59.41	57.81	57.59	59.15	
Efficiency ratio - GAAP	61.94	68.97	64.65	61.63	59.15	
Average equity to average assets	10.72	10.68	10.39	10.05	9.86	
Average tangible equity to average assets <sup>(3)</sup>	9.41	9.40	9.88	9.91	9.82	
Average tangible common equity to average assets <sup>(3)</sup>	9.32	9.29	9.77	9.83	9.82	
Tangible common equity to risk-weighted						

assets <sup>(3)(5)(6)</sup>	12.77	12.82	13.08	13.24	13.53	
<b>ASSET QUALITY</b>						
Nonperforming loans	\$ 22,419	\$ 22,653	\$ 20,064	\$ 18,805	\$ 19,015	18
Foreclosed properties	5,163	4,883	7,669	2,356	1,158	346
Total nonperforming assets (NPAs)	27,582	27,536	27,733	21,161	20,173	37
Allowance for loan losses	66,310	68,448	69,062	70,129	70,007	(5)
Net charge-offs	2,138	1,302	1,417	978	2,562	(17)
Allowance for loan losses to loans	1.09 %	1.14 %	1.15 %	1.36 %	1.46 %	
Net charge-offs to average loans <sup>(4)</sup>	.14	.09	.10	.08	.22	
NPAs to loans and foreclosed properties	.45	.46	.46	.41	.42	
NPAs to total assets	.28	.29	.29	.26	.26	

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

Loans	\$ 6,004	\$ 5,975	\$ 5,457	\$ 5,017	\$ 4,725	27
Investment securities	2,718	2,607	2,396	2,261	2,203	23
Earning assets	8,876	8,792	8,009	7,444	7,070	26
Total assets	9,634	9,558	8,634	8,017	7,617	26
Deposits	7,947	8,028	7,135	6,669	6,369	25
Shareholders' equity	1,033	1,021	897	806	751	38
Common shares - basic (thousands)	72,162	72,135	66,294	62,549	60,905	18
Common shares - diluted (thousands)	72,166	72,140	66,300	62,553	60,909	18

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

Loans	\$ 6,106	\$ 5,995	\$ 6,024	\$ 5,174	\$ 4,788	28
Investment securities	2,757	2,656	2,457	2,322	2,201	25
Total assets	9,781	9,616	9,404	8,237	7,655	28
Deposits	7,960	7,873	7,897	6,800	6,430	24
Shareholders' equity	1,034	1,018	1,013	827	764	35
Common shares outstanding (thousands)	71,544	71,484	71,472	62,700	60,309	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) All periods are calculated under Basel III rules, which became effective January 1, 2015. (6) First quarter 2016 ratio is preliminary.

**UNITED COMMUNITY BANKS, INC.**

**Non-GAAP Performance Measures Reconciliation**

**Selected Financial Information**

<i>(in thousands, except per share data; fully taxable equivalent)</i>	2016		2015		
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<b>Interest revenue reconciliation</b>					
Interest revenue - taxable equivalent	\$80,991	\$79,646	\$71,120	\$66,134	\$62,909
Taxable equivalent adjustment	(270)	(284)	(292)	(326)	(375)
Interest revenue (GAAP)	<u>\$80,721</u>	<u>\$79,362</u>	<u>\$70,828</u>	<u>\$65,808</u>	<u>\$62,534</u>
<b>Net interest revenue reconciliation</b>					
Net interest revenue - taxable equivalent	\$75,222	\$74,048	\$65,718	\$61,317	\$57,617
Taxable equivalent adjustment	(270)	(284)	(292)	(326)	(375)
Net interest revenue (GAAP)	<u>\$74,952</u>	<u>\$73,764</u>	<u>\$65,426</u>	<u>\$60,991</u>	<u>\$57,242</u>
<b>Total revenue reconciliation</b>					
Total operating revenue	\$94,028	\$95,032	\$83,315	\$77,683	\$71,499

Taxable equivalent adjustment	(270)	(284)	(292)	(326)	(375)
Total revenue (GAAP)	<u>\$93,758</u>	<u>\$94,748</u>	<u>\$83,023</u>	<u>\$77,357</u>	<u>\$71,124</u>
<b>Expense reconciliation</b>					
Expenses - operating	\$55,232	\$56,410	\$48,525	\$45,247	\$43,061
Merger-related and other charges	2,653	9,078	5,744	3,173	-
Expenses (GAAP)	<u>\$57,885</u>	<u>\$65,488</u>	<u>\$54,269</u>	<u>\$48,420</u>	<u>\$43,061</u>
<b>Income before taxes reconciliation</b>					
Income before taxes - operating	\$38,796	\$38,622	\$34,790	\$32,436	\$28,438
Taxable equivalent adjustment	(270)	(284)	(292)	(326)	(375)
Merger-related and other charges	(2,653)	(9,078)	(5,744)	(3,173)	-
Income before taxes (GAAP)	<u>\$35,873</u>	<u>\$29,260</u>	<u>\$28,754</u>	<u>\$28,937</u>	<u>\$28,063</u>
<b>Income tax expense reconciliation</b>					
Income tax expense - operating	\$14,852	\$14,822	\$13,064	\$12,447	\$10,768
Taxable equivalent adjustment	(270)	(284)	(292)	(326)	(375)
Merger-related and other charges, tax benefit	(1,004)	(3,486)	(1,905)	(997)	-
Income tax expense (GAAP)	<u>\$13,578</u>	<u>\$11,052</u>	<u>\$10,867</u>	<u>\$11,124</u>	<u>\$10,393</u>
<b>Net income reconciliation</b>					
Net income - operating	\$23,944	\$23,800	\$21,726	\$19,989	\$17,670
Merger-related and other charges, net of income tax benefit	(1,649)	(5,592)	(3,839)	(2,176)	-
Net income (GAAP)	<u>\$22,295</u>	<u>\$18,208</u>	<u>\$17,887</u>	<u>\$17,813</u>	<u>\$17,670</u>
<b>Net income available to common shareholders reconciliation</b>					
Net income available to common shareholders - operating	\$23,923	\$23,775	\$21,701	\$19,972	\$17,670
Merger-related and other charges, net of income tax benefit	(1,649)	(5,592)	(3,839)	(2,176)	-
Net income available to common shareholders (GAAP)	<u>\$22,274</u>	<u>\$18,183</u>	<u>\$17,862</u>	<u>\$17,796</u>	<u>\$17,670</u>
<b>Diluted income per common share reconciliation</b>					
Diluted income per common share - operating	\$ .33	\$ .33	\$ .33	\$ .32	\$ .29
Merger-related and other charges	(.02)	(.08)	(.06)	(.04)	-
Diluted income per common share (GAAP)	<u>\$ .31</u>	<u>\$ .25</u>	<u>\$ .27</u>	<u>\$ .28</u>	<u>\$ .29</u>
<b>Book value per common share reconciliation</b>					
Tangible book value per common share	\$ 12.40	\$ 12.06	\$ 12.08	\$ 12.66	\$ 12.53
Effect of goodwill and other intangibles	1.95	1.96	1.87	.29	.05
Book value per common share (GAAP)	<u>\$ 14.35</u>	<u>\$ 14.02</u>	<u>\$ 13.95</u>	<u>\$ 12.95</u>	<u>\$ 12.58</u>
<b>Return on tangible common equity reconciliation</b>					
Return on tangible common equity - operating	10.91 %	10.87 %	10.29 %	10.20 %	9.46 %
Effect of goodwill and other intangibles	(1.71)	(1.69)	(.75)	(.30)	(.12)
Return on common equity - operating	9.20	9.18	9.54	9.90	9.34
Merger-related and other charges	(.63)	(2.16)	(1.69)	(1.07)	-
Return on common equity (GAAP)	<u>8.57 %</u>	<u>7.02 %</u>	<u>7.85 %</u>	<u>8.83 %</u>	<u>9.34 %</u>
<b>Return on assets reconciliation</b>					
Return on assets - operating	1.00 %	.99 %	1.00 %	1.00 %	.94 %
Merger-related and other charges	(.07)	(.23)	(.18)	(.11)	-
Return on assets (GAAP)	<u>.93 %</u>	<u>.76 %</u>	<u>.82 %</u>	<u>.89 %</u>	<u>.94 %</u>
<b>Dividend payout ratio reconciliation</b>					
Dividend payout ratio - operating	21.21 %	18.18 %	18.18 %	15.63 %	17.24 %
Merger-related and other charges	1.37	5.82	4.04	2.23	-
Dividend payout ratio (GAAP)	<u>22.58 %</u>	<u>24.00 %</u>	<u>22.22 %</u>	<u>17.86 %</u>	<u>17.24 %</u>
<b>Efficiency ratio reconciliation</b>					

Efficiency ratio - operating	59.10 %	59.41 %	57.81 %	57.59 %	59.15 %
Merger-related and other charges	2.84	9.56	6.84	4.04	-
Efficiency ratio (GAAP)	<u>61.94 %</u>	<u>68.97 %</u>	<u>64.65 %</u>	<u>61.63 %</u>	<u>59.15 %</u>

#### Average equity to assets reconciliation

Tangible common equity to assets	9.32 %	9.29 %	9.77 %	9.83 %	9.82 %
Effect of preferred equity	.09	.11	.11	.08	-
Tangible equity to assets	9.41	9.40	9.88	9.91	9.82
Effect of goodwill and other intangibles	1.31	1.28	.51	.14	.04
Equity to assets (GAAP)	<u>10.72 %</u>	<u>10.68 %</u>	<u>10.39 %</u>	<u>10.05 %</u>	<u>9.86 %</u>

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

Tangible common equity to risk-weighted assets	12.77 %	12.82 %	13.08 %	13.24 %	13.53 %
Effect of other comprehensive income	.25	.38	.23	.28	.19
Effect of deferred tax limitation	(1.85)	(2.05)	(2.24)	(2.49)	(2.86)
Effect of trust preferred	.08	.08	.08	.63	.67
Effect of preferred equity	-	.15	.15	.17	-
Basel III intangibles transition adjustment	.07	.10	.13	.06	.04
Basel III disallowed investments	-	(.03)	(.03)	(.03)	(.04)
Tier I capital ratio (Regulatory)	<u>11.32 %</u>	<u>11.45 %</u>	<u>11.40 %</u>	<u>11.86 %</u>	<u>11.53 %</u>

(1) First quarter 2016 ratios are preliminary.

## UNITED COMMUNITY BANKS, INC.

### Financial Highlights

#### Loan Portfolio Composition at Period-End

	2016		2015		
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<i>(in millions)</i>					
<b>LOANS BY CATEGORY</b>					
Owner occupied commercial RE	\$ 1,434	\$ 1,494	\$ 1,479	\$ 1,266	\$ 1,167
Income producing commercial RE	880	824	818	689	636
Commercial & industrial	855	785	890	793	716
Commercial construction	354	342	319	238	230
Total commercial	3,523	3,445	3,506	2,986	2,749
Residential mortgage	1,032	1,029	1,062	935	864
Home equity lines of credit	604	598	585	491	465
Residential construction	348	352	334	299	291
Consumer installment	599	571	537	463	419
<b>Total loans</b>	<u>\$ 6,106</u>	<u>\$ 5,995</u>	<u>\$ 6,024</u>	<u>\$ 5,174</u>	<u>\$ 4,788</u>
<b>LOANS BY MARKET</b>					
North Georgia	\$ 1,097	\$ 1,125	\$ 1,130	\$ 1,155	\$ 1,150
Atlanta MSA	1,257	1,259	1,266	1,275	1,254
North Carolina	543	549	546	533	539
Coastal Georgia	543	537	506	499	476
Gainesville MSA	248	254	252	257	255
East Tennessee	495	504	511	525	281
South Carolina	821	819	783	35	30
Specialized Lending	628	492	609	538	487
Indirect auto	474	456	421	357	316
<b>Total loans</b>	<u>\$ 6,106</u>	<u>\$ 5,995</u>	<u>\$ 6,024</u>	<u>\$ 5,174</u>	<u>\$ 4,788</u>

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End

<i>(in millions)</i>	2016	2015		Linked Quarter Change	Year over Year Change
	First Quarter	Fourth Quarter	First Quarter		
<b>LOANS BY CATEGORY</b>					
Owner occupied commercial RE	\$ 1,434	\$ 1,494	\$ 1,167	\$ (60)	\$ 267
Income producing commercial RE	880	824	636	56	244
Commercial & industrial	855	785	716	70	139
Commercial construction	354	342	230	12	124
Total commercial	3,523	3,445	2,749	78	774
Residential mortgage	1,032	1,029	864	3	168
Home equity lines of credit	604	598	465	6	139
Residential construction	348	352	291	(4)	57
Consumer installment	599	571	419	28	180
<b>Total loans</b>	<b>\$ 6,106</b>	<b>\$ 5,995</b>	<b>\$ 4,788</b>	111	1,318

**LOANS BY MARKET**

North Georgia	\$ 1,097	\$ 1,125	\$ 1,150	(28)	(53)
Atlanta MSA	1,257	1,259	1,254	(2)	3
North Carolina	543	549	539	(6)	4
Coastal Georgia	543	537	476	6	67
Gainesville MSA	248	254	255	(6)	(7)
East Tennessee	495	504	281	(9)	214
South Carolina	821	819	30	2	791
Specialized Lending	628	492	487	136	141
Indirect auto	474	456	316	18	158
<b>Total loans</b>	<b>\$ 6,106</b>	<b>\$ 5,995</b>	<b>\$ 4,788</b>	111	1,318

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality

<i>(in thousands)</i>	First Quarter 2016		
	Nonperforming Loans	Foreclosed Properties	Total NPAs
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 6,775	\$ 2,864	\$ 9,639
Income producing CRE	2,959	-	2,959
Commercial & industrial	978	-	978
Commercial construction	266	152	418
Total commercial	10,978	3,016	13,994
Residential mortgage	8,037	1,587	9,624
Home equity lines of credit	1,198	125	1,323
Residential construction	1,122	435	1,557
Consumer installment	1,084	-	1,084
<b>Total NPAs</b>	<b>\$22,419</b>	<b>\$ 5,163</b>	<b>\$27,582</b>
<b>Balance as a % of     Unpaid Principal</b>	69.3%	38.2%	60.1%

**NONPERFORMING ASSETS BY MARKET**

North Georgia	\$ 5,353	\$ 1,233	\$ 6,586
Atlanta MSA	2,796	902	3,698
North Carolina	4,860	559	5,419
Coastal Georgia	1,696	121	1,817
Gainesville MSA	250	-	250
East Tennessee	3,470	351	3,821
South Carolina	935	1,997	2,932
Specialized Lending	2,186	-	2,186
Indirect auto	873	-	873
<b>Total NPAs</b>	<b>\$22,419</b>	<b>\$ 5,163</b>	<b>\$27,582</b>

#### NONPERFORMING ASSETS ACTIVITY

<b>Beginning Balance</b>	\$22,653	\$ 4,883	\$27,536
Acquisitions	-	-	-
Loans placed on non-accrual	4,771	-	4,771
Payments received	(1,812)	-	(1,812)
Loan charge-offs	(1,679)	-	(1,679)
Foreclosures	(1,514)	1,590	76
Capitalized costs	-	-	-
Property sales	-	(1,524)	(1,524)
Write downs	-	(7)	(7)
Net gains (losses) on sales	-	221	221
<b>Ending Balance</b>	<b>\$22,419</b>	<b>\$ 5,163</b>	<b>\$27,582</b>

#### UNITED COMMUNITY BANKS, INC.

##### Financial Highlights

##### Credit Quality

#### Fourth Quarter 2015

<i>(in thousands)</i>	Nonperforming Loans	Foreclosed Properties	Total NPAs
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 7,036	\$ 2,652	\$ 9,688
Income producing CRE	2,595	-	2,595
Commercial & industrial	892	-	892
Commercial construction	328	437	765
Total commercial	10,851	3,089	13,940
Residential mortgage	8,555	1,242	9,797
Home equity lines of credit	851	80	931
Residential construction	1,398	472	1,870
Consumer installment	998	-	998
<b>Total NPAs</b>	<b>\$22,653</b>	<b>\$ 4,883</b>	<b>\$27,536</b>
<b>Balance as a % of Unpaid Principal</b>	<b>71.4%</b>	<b>34.2%</b>	<b>59.8%</b>

#### NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 5,167	\$ 1,612	\$ 6,779
Atlanta MSA	3,023	625	3,648
North Carolina	5,289	183	5,472
Coastal Georgia	2,079	-	2,079
Gainesville MSA	307	-	307
East Tennessee	3,448	157	3,605
South Carolina	323	2,306	2,629
Specialized Lending	2,231	-	2,231
Indirect auto	786	-	786



<b>Total NPAs</b>	<u>\$22,653</u>	<u>\$ 4,883</u>	<u>\$27,536</u>
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#### NONPERFORMING ASSETS ACTIVITY

<b>Beginning Balance</b>	\$20,064	\$ 7,669	\$27,733
Acquisitions	-	(1,585)	(1,585)
Loans placed on non-accrual	10,768	-	10,768
Payments received	(4,893)	-	(4,893)
Loan charge-offs	(1,813)	-	(1,813)
Foreclosures	(1,473)	1,497	24
Capitalized costs	-	-	-
Property sales	-	(2,968)	(2,968)
Write downs	-	11	11
Net gains (losses) on sales	-	259	259
<b>Ending Balance</b>	<u>\$22,653</u>	<u>\$ 4,883</u>	<u>\$27,536</u>

#### UNITED COMMUNITY BANKS, INC.

##### Financial Highlights

##### Credit Quality

#### Third Quarter 2015

<i>(in thousands)</i>	<b>Nonperforming Loans</b>	<b>Foreclosed Properties</b>	<b>Total NPAs</b>
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 5,918	\$ 882	\$ 6,800
Income producing CRE	1,238	4,084	5,322
Commercial & industrial	1,068	-	1,068
Commercial construction	256	657	913
Total commercial	8,480	5,623	14,103
Residential mortgage	8,847	1,454	10,301
Home equity lines of credit	890	87	977
Residential construction	929	505	1,434
Consumer installment	918	-	918
<b>Total NPAs</b>	<u>\$20,064</u>	<u>\$ 7,669</u>	<u>\$27,733</u>
<b>Balance as a % of Unpaid Principal</b>	70.3%	45.8%	61.2%

#### NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 6,403	\$ 1,263	\$ 7,666
Atlanta MSA	1,750	1,122	2,872
North Carolina	4,564	9	4,573
Coastal Georgia	338	66	404
Gainesville MSA	325	3	328
East Tennessee	2,886	231	3,117
South Carolina	267	4,975	5,242
Specialized Lending	2,809	-	2,809
Indirect auto	722	-	722
<b>Total NPAs</b>	<u>\$20,064</u>	<u>\$ 7,669</u>	<u>\$27,733</u>

#### NONPERFORMING ASSETS ACTIVITY

<b>Beginning Balance</b>	\$18,805	\$ 2,356	\$21,161
Acquisitions	-	4,848	4,848
Loans placed on non-accrual	8,923	-	8,923
Payments received	(4,233)	-	(4,233)
Loan charge-offs	(1,531)	-	(1,531)

Foreclosures	(1,900)	1,900	-
Capitalized costs	-	256	256
Property sales	-	(1,916)	(1,916)
Write downs	-	(79)	(79)
Net gains (losses) on sales	-	304	304
<b>Ending Balance</b>	<b>\$20,064</b>	<b>\$ 7,669</b>	<b>\$27,733</b>

**UNITED COMMUNITY BANKS, INC.**

**Financial Highlights**

**Credit Quality**

<i>(in thousands)</i>	First Quarter 2016		Fourth Quarter 2015		Third Quarter 2015	
	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(1)</sup>	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(1)</sup>	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(1)</sup>
<b>NET CHARGE-OFFS BY CATEGORY</b>						
Owner occupied CRE	\$ 304	.08 %	\$ 861	.23 %	\$ 236	.07 %
Income producing CRE	211	.10	(35)	(.02)	(106)	(.06)
Commercial & industrial	283	.14	(719)	(.34)	190	.09
Commercial construction	286	.33	253	.31	59	.09
Total commercial	1,084	.13	360	.04	379	.05
Residential mortgage	50	.02	(120)	(.05)	433	.18
Home equity lines of credit	632	.43	194	.13	293	.22
Residential construction	(103)	(.12)	415	.48	(124)	(.16)
Consumer installment	475	.33	453	.33	436	.35
<b>Total</b>	<b>\$2,138</b>	<b>.14</b>	<b>\$1,302</b>	<b>.09</b>	<b>\$1,417</b>	<b>.10</b>

**NET CHARGE-OFFS BY MARKET**

North Georgia	\$ 913	.33 %	\$1,011	.36 %	\$1,352	.47 %
Atlanta MSA	(25)	(.01)	496	.16	74	.02
North Carolina	382	.28	426	.31	183	.13
Coastal Georgia	196	.15	47	.04	19	.02
Gainesville MSA	98	.16	(340)	(.54)	(236)	(.36)
East Tennessee	378	.31	(326)	(.26)	153	.12
South Carolina	(16)	(.01)	(474)	(.24)	(247)	(.34)
Specialized Lending	4	-	253	.18	(42)	(.03)
Indirect auto	208	.19	209	.19	161	.17
<b>Total</b>	<b>\$2,138</b>	<b>.14</b>	<b>\$1,302</b>	<b>.09</b>	<b>\$1,417</b>	<b>.10</b>

(1) Annualized.

**UNITED COMMUNITY BANKS, INC.**

**Consolidated Statement of Income (Unaudited)**

<i>(in thousands, except per share data)</i>	Three Months Ended	
	March 31,	
	2016	2015
<b>Interest revenue:</b>		
Loans, including fees	\$ 63,976	\$ 49,664
Investment securities, including tax exempt of \$166 and \$158	15,788	12,058
Deposits in banks and short-term investments	957	812

Total interest revenue	80,721	62,534
<b>Interest expense:</b>		
Deposits:		
NOW	485	394
Money market	1,108	673
Savings	29	20
Time	642	1,109
Total deposit interest expense	2,264	2,196
Short-term borrowings	87	98
Federal Home Loan Bank advances	733	392
Long-term debt	2,685	2,606
Total interest expense	5,769	5,292
Net interest revenue	74,952	57,242
Provision for credit losses	(200)	1,800
Net interest revenue after provision for credit losses	75,152	55,442
<b>Fee revenue:</b>		
Service charges and fees	10,126	7,615
Mortgage loan and other related fees	3,289	2,755
Brokerage fees	1,053	1,551
Gains from sales of government guaranteed loans	1,237	1,141
Securities gains, net	379	1,539
Loss from prepayment of debt	-	(1,038)
Other	2,522	2,119
Total fee revenue	18,606	15,682
<b>Total revenue</b>	<b>93,758</b>	<b>71,124</b>
<b>Operating expenses:</b>		
Salaries and employee benefits	33,062	26,446
Communications and equipment	4,290	3,271
Occupancy	4,723	3,278
Advertising and public relations	864	750
Postage, printing and supplies	1,280	938
Professional fees	2,700	1,919
FDIC assessments and other regulatory charges	1,524	1,209
Amortization of intangibles	1,010	242
Merger-related and other charges	2,653	-
Other	5,779	5,008
Total operating expenses	57,885	43,061
Net income before income taxes	35,873	28,063
Income tax expense	13,578	10,393
<b>Net income</b>	<b>22,295</b>	<b>17,670</b>
Preferred stock dividends and discount accretion	21	-
<b>Net income available to common shareholders</b>	<b>\$ 22,274</b>	<b>\$ 17,670</b>
Earnings per common share:		
Basic	\$ .31	\$ .29
	.31	.29
Weighted average common shares outstanding:		
Basic	72,162	60,905
Diluted	72,166	60,909

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

March 31, December 31, March 31,

(in thousands, except share and per share data)

	2016	2015	2015
<b>ASSETS</b>			
Cash and due from banks	\$ 93,821	\$ 86,912	\$ 77,493
Interest-bearing deposits in banks	88,995	153,451	82,269
Short-term investments	-	-	25,902
Cash and cash equivalents	182,816	240,363	185,664
Securities available for sale	2,405,467	2,291,511	1,801,973
Securities held to maturity (fair value \$363,092, \$371,658 and \$413,550)	351,700	364,696	399,228
Mortgage loans held for sale	26,578	24,231	15,723
Loans, net of unearned income	6,106,189	5,995,441	4,787,689
Less allowance for loan losses	(66,310)	(68,448)	(70,007)
Loans, net	6,039,879	5,926,993	4,717,682
Premises and equipment, net	180,690	178,165	159,036
Bank owned life insurance	105,803	105,493	81,490
Accrued interest receivable	25,893	25,786	20,154
Net deferred tax asset	180,371	197,613	201,898
Derivative financial instruments	23,488	20,082	20,291
Goodwill and other intangible assets	146,409	147,420	3,399
Other assets	112,237	94,075	47,998
<b>Total assets</b>	<b>\$9,781,331</b>	<b>\$ 9,616,428</b>	<b>\$7,654,536</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Liabilities:			
Deposits:			
Demand	\$2,370,842	\$ 2,204,755	\$1,694,755
NOW	1,794,241	1,975,884	1,420,956
Money market	1,630,565	1,599,637	1,306,421
Savings	491,542	471,129	312,013
Time	1,233,647	1,282,803	1,206,278
Brokered	439,486	338,985	489,141
Total deposits	7,960,323	7,873,193	6,429,564
Repurchase agreements	-	16,640	-
Federal Home Loan Bank advances	510,125	430,125	270,125
Long-term debt	163,955	163,836	112,901
Derivative financial instruments	31,374	28,825	29,276
Accrued expenses and other liabilities	81,829	85,524	48,965
<b>Total liabilities</b>	<b>8,747,606</b>	<b>8,598,143</b>	<b>6,890,831</b>
Shareholders' equity:			
Preferred stock, \$1 par value; 10,000,000 shares authorized;			
Series H; \$1,000 stated value; 0, 9,992 and 0 shares issued and outstanding	-	9,992	-
Common stock, \$1 par value; 100,000,000 shares authorized;			
66,258,777, 66,198,477 and 50,228,075 shares issued and outstanding	66,259	66,198	50,228
Common stock, non-voting, \$1 par value; 26,000,000 shares authorized;			
5,285,516, 5,285,516 and 10,080,787 shares issued and outstanding	5,286	5,286	10,081
Common stock issuable; 496,515, 458,953 and 400,369 shares	6,700	6,779	5,895
Capital surplus	1,286,884	1,286,361	1,081,110
Accumulated deficit	(313,646)	(330,879)	(372,933)
Accumulated other comprehensive loss	(17,758)	(25,452)	(10,676)
<b>Total shareholders' equity</b>	<b>1,033,725</b>	<b>1,018,285</b>	<b>763,705</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$9,781,331</b>	<b>\$ 9,616,428</b>	<b>\$7,654,536</b>

**UNITED COMMUNITY BANKS, INC.**

**Average Consolidated Balance Sheets and Net Interest Analysis**

For the Three Months Ended March 31,

2016		2015	
Average	Avg.	Average	Avg.

<i>(dollars in thousands, fully taxable equivalent)</i>	<b>Balance</b>	<b>Interest</b>	<b>Rate</b>	<b>Balance</b>	<b>Interest</b>	<b>Rate</b>
<b>Assets:</b>						
Interest-earning assets:						
Loans, net of unearned income <sup>(1)(2)</sup>	\$ 6,003,568	\$ 64,044	4.29 %	\$ 4,725,304	\$ 49,865	4.28 %
Taxable securities <sup>(3)</sup>	2,688,564	15,622	2.32	2,186,756	11,900	2.18
Tax-exempt securities <sup>(1)(3)</sup>	29,744	272	3.66	16,236	259	6.38
Federal funds sold and other interest-earning assets	153,759	1,053	2.74	141,414	885	2.50
<b>Total interest-earning assets</b>	<b>8,875,635</b>	<b>80,991</b>	<b>3.67</b>	<b>7,069,710</b>	<b>62,909</b>	<b>3.60</b>
Non-interest-earning assets:						
Allowance for loan losses	(68,473)			(72,192)		
Cash and due from banks	85,635			79,025		
Premises and equipment	180,090			159,502		
Other assets <sup>(3)</sup>	561,261			381,300		
<b>Total assets</b>	<b>\$ 9,634,148</b>			<b>\$ 7,617,345</b>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,886,472	485	.10	\$ 1,475,913	394	.11
Money market	1,840,584	1,108	.24	1,466,913	673	.19
Savings	480,238	29	.02	300,344	20	.03
Time	1,259,689	817	.26	1,231,705	1,388	.46
Brokered time deposits	233,213	(175)	(.30)	273,327	(279)	(.41)
Total interest-bearing deposits	5,700,196	2,264	.16	4,748,202	2,196	.19
Federal funds purchased and other borrowings	34,906	87	1.00	36,145	98	1.10
Federal Home Loan Bank advances	346,169	733	.85	239,181	392	.66
Long-term debt	165,419	2,685	6.53	127,740	2,606	8.27
Total borrowed funds	546,494	3,505	2.58	403,066	3,096	3.12
<b>Total interest-bearing liabilities</b>	<b>6,246,690</b>	<b>5,769</b>	<b>.37</b>	<b>5,151,268</b>	<b>5,292</b>	<b>.42</b>
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	2,247,041			1,620,984		
Other liabilities	107,320			94,207		
Total liabilities	8,601,051			6,866,459		
Shareholders' equity	1,033,097			750,886		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 9,634,148</b>			<b>\$ 7,617,345</b>		
<b>Net interest revenue</b>		<b>\$ 75,222</b>			<b>\$ 57,617</b>	
Net interest-rate spread			<b>3.30 %</b>			<b>3.18 %</b>
<b>Net interest margin <sup>(4)</sup></b>			<b>3.41 %</b>			<b>3.31 %</b>

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

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

(3) Securities available for sale are shown at amortized cost. Pretax unrealized gains of \$2.20 million in 2016 and pretax unrealized gains of \$10.8 million in 2015 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.

For more information:

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