



October 24, 2017

United Community Banks, Inc. Announces Third Quarter Earnings

***Diluted earnings per share up six percent, to 38 cents, from third quarter 2016
Excluding merger-related and other non-operating charges,
diluted operating EPS up five percent, to 41 cents***

- | Net interest revenue of \$89.8 million, up \$10.8 million or 14 percent from year ago
- | Net interest margin of 3.54 percent, up seven basis points from second quarter and up 20 basis points from year ago
- | Return on assets of 1.01 percent, or 1.09 percent excluding merger-related and other charges
- | Efficiency ratio of 59.3 percent, or 56.2 percent excluding merger-related and other charges
- | Completed the acquisition of Horry County State Bank during the quarter

BLAIRSVILLE, Ga., Oct. 24, 2017 (GLOBE NEWSWIRE) -- United Community Banks, Inc. (NASDAQ:UCBI) ("United") today announced strong third quarter results with meaningful margin expansion, disciplined expense management and sound credit quality. Net income was \$27.9 million, or 38 cents per diluted share, compared with \$25.9 million, or 36 cents per diluted share, for the third quarter of 2016.

On an operating basis, net income rose to \$30.2 million for the third quarter of 2017 compared with \$27.8 million for the third quarter of 2016. Third quarter 2017 operating net income excludes merger-related and other non-operating charges totaling \$2.27 million, net of the associated income tax benefit. Third quarter 2016 operating net income excludes \$1.96 million in merger-related charges, net of the associated income tax benefit. On a per diluted share basis, operating net income was 41 cents for the third quarter of 2017 compared with 39 cents for the third quarter of 2016.

At September 30, 2017, preliminary regulatory capital ratios were as follows. Tier 1 Risk-Based of 12.3 percent; Total Risk-Based of 13.0 percent; Common Equity Tier 1 Risk-Based of 12.2 percent, and Tier 1 Leverage of 9.3 percent.

"Our third quarter results demonstrate United bankers' ability to overcome challenges and produce solid financial results," said Jimmy Tallent, chairman and chief executive officer. "In the third quarter, we became subject to the Durbin amendment of the Dodd Frank Wall Street Reform and Consumer Protection Act which places a cap on the amount banks can charge merchants for debit card interchange fees. We also became subject to the large bank deposit insurance assessment model. The combined effect of these two items reduced our pre-tax earnings by approximately \$3.4 million, or three cents per share, in the third quarter. We had been actively preparing for this for two years and our bankers were able to completely offset the impact through a higher net interest margin and disciplined expense controls.

"Despite these challenges and excluding merger-related and other non-operating charges, our third quarter operating efficiency ratio held steady at 56.2 percent, our best in more than a decade," Tallent stated. "Including merger and other non-operating charges, the efficiency ratio was 59.3 percent. Clearly our bankers delivered solid financial performance by every measure."

Tallent continued, "We also completed the acquisition of Horry County State Bank on July 31st, significantly enhancing our presence in the Myrtle Beach area along the South Carolina coast. The acquisition of Horry County State Bank, which is part of our larger, ongoing expansion strategy in the high-growth South Carolina coast will accelerate our growth in this attractive market. We are all set for systems conversions in mid-November at which time we expect to achieve all of our cost savings.

"We are scheduled to complete our acquisition of Four Oaks Bank & Trust Company on November 1st which will extend our footprint farther east in North Carolina to the fast-growing Raleigh MSA. All regulatory and shareholder approvals for the transaction have been received. We have long sought to enter this market and are delighted to find an exceptional partner in Four Oaks. I could not be more pleased with these two partnerships and look forward to them becoming part of United.

"Third quarter loan production was \$617 million with \$434 million originating from our community banks and \$183 million from our Commercial Banking Solutions group," Tallent added. "Linked-quarter loans were up \$162 million, mostly reflecting the \$216 million in net loans received through our acquisition of Horry County State Bank. Our indirect auto loan portfolio was down \$48.7 million from second quarter reflecting our decision to suspend indirect auto loan purchases. Excluding the reduction in indirect auto loans and the loans acquired through the Horry acquisition, loan growth was essentially flat from

second quarter."

Third quarter net interest revenue totaled \$89.8 million, up \$10.8 million from the third quarter of 2016 and up \$4.6 million from the second quarter. The increases from both periods reflect business growth and net interest margin expansions of 20 basis points from a year ago and seven basis points from the second quarter, mostly driven by rising short-term interest rates as well as the acquisition of Horry County State Bank which was completed on July 31, 2017. Horry County State Bank results are included in United's financial results from the acquisition date.

The third quarter provision for credit losses was \$1 million, up from \$800,000 for the second quarter. This compares with a provision recovery of \$300,000 in the third quarter of 2016. Third quarter net charge-offs totaled \$1.6 million, equal to the second quarter of 2017 but up slightly from \$1.4 million in the third quarter of 2016. Contributing to the low level of net charge-offs were continued strong recoveries of previously charged-off loans. Nonperforming assets were .23 percent of total assets at September 30, 2017, compared with .30 percent at September 30, 2016 and .24 percent at June 30, 2017.

"We continue to experience strong, steady credit quality and a low level of net charge-offs which is reflected in our low provision for loan losses," Tallent commented. "Our credit quality indicators show no indication of credit deterioration and our outlook is for that to continue. We also expect our provision levels to gradually increase during the year due to loan growth, while our allowance and the related ratio to total loans will decline slightly."

Third quarter fee revenue totaled \$20.6 million, down \$5.79 million from a year ago and down \$3.11 million from the second quarter. The decrease from both prior periods was mostly due to lower debit card interchange fees as a result of the Durbin amendment becoming effective for United on July 1st. The Durbin amendment, which places a cap on the amount of interchange banks can charge merchants for use of their debit cards, reduced United's debit card interchange fees by approximately \$2.7 million in the third quarter. Also contributing to the decrease from both prior periods were lower mortgage fees and lower customer derivative fees reflecting a less favorable interest rate environment.

Operating expenses were \$65.7 million for the third quarter, compared with \$64.0 million for the third quarter of 2016 and \$63.2 million for the second quarter. Included in the third quarter's operating expenses are \$2.3 million in merger-related expenses and \$1.1 million in surplus property impairment charges, totaling \$3.4 million. We also had merger-related charges of \$3.15 million in the third quarter of 2016, and merger-related and executive retirement charges totaling \$1.83 million in the second quarter of 2017. Excluding these charges, third quarter operating expenses were \$62.3 million compared with \$61.4 million for the second quarter and \$60.9 million a year ago. The \$855,000 increase from the second quarter was mostly due to higher deposit insurance costs as a result of being assessed under the large bank deposit insurance assessment model effective July 1, and the operating expenses of Horry County State Bank acquired on July 31. These increases were partially offset by lower communications and equipment and advertising and public relations expense.

Tallent concluded, "Our bankers always meet every challenge with diligence and perseverance. That was certainly demonstrated with our third quarter financial results. Their passion and commitment drive our performance and ensure our success. Every day I become more encouraged about the opportunities that lie ahead knowing that our exceptional team of bankers will find success in everything they do. With Horry County State Bank and Four Oaks Bank & Trust Company, we have found two outstanding strategic partners in key growth markets that share our passion for banking and our commitment to customer service. I am excited about the opportunities that these acquisitions create to recruit other talented bankers from within these markets into the United family."

Conference Call

United will hold a conference call today, Wednesday, October 25, 2017, at 11 a.m. ET to discuss the contents of this earnings release and to share business highlights for the quarter. To access the call, dial (877) 380-5665 and use the conference number 90798221. 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. (NASDAQ:UCBI) is a bank holding company based in Blairsville, Georgia with \$11.1 billion in assets. The company's banking subsidiary, United Community Bank, is one of the southeast region's largest full-service banks, operating 142 offices in Georgia, North Carolina, South Carolina and Tennessee. The bank specializes in personalized community banking services for individuals, small businesses and corporations. Services include a full range of consumer and commercial banking products including mortgage, advisory, and treasury management. Respected national research firms consistently recognize United Community Bank for outstanding customer service. For the last four years, J.D. Power has ranked United Community Bank first in customer satisfaction in the Southeast. In 2017, for the fourth consecutive year, *Forbes* magazine included United on its list of the 100 Best Banks in America. Additional information about the company and the bank's full range of products and services can be found at www.ucbi.com.

Non-GAAP Financial Measures

This News Release, including the accompanying financial statement tables, contains financial information determined by

methods other than in accordance with generally accepted accounting principles, or GAAP. This financial information includes certain operating performance measures, which exclude merger-related and other charges that are not considered part of recurring operations, such as "operating net income," "operating net income per diluted share," "operating net income available to common shareholders," "operating diluted income per common share," "tangible book value per common share," "operating return on common equity," "operating return on tangible common equity," "operating return on assets," "operating dividend payout ratio," "operating efficiency ratio," "average tangible equity to average assets," "average tangible common equity to average assets" and "tangible common equity to risk-weighted assets." These non-GAAP measures are included because United believes they may provide useful supplemental information for evaluating United's underlying performance trends. These measures should be viewed in addition to, and not as an alternative to or substitute for, measures determined in accordance with GAAP, and are not necessarily comparable to non-GAAP measures that may be presented by other companies. To the extent applicable, reconciliations of these non-GAAP measures to the most directly comparable measures as reported in accordance with GAAP are included with the accompanying financial statement tables.

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 our 2016 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.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

<i>(in thousands, except per share data)</i>	2017			2016		Third Quarter 2017-2016
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Change
INCOME SUMMARY						
Interest revenue	\$ 98,839	\$ 93,166	\$ 90,958	\$ 87,778	\$ 85,439	
Interest expense	9,064	8,018	7,404	6,853	6,450	
Net interest revenue	89,775	85,148	83,554	80,925	78,989	14 %
Provision for credit losses	1,000	800	800	-	(300)	
Fee revenue	20,573	23,685	22,074	25,233	26,361	(22)
Total revenue	109,348	108,033	104,828	106,158	105,650	4
Expenses	65,674	63,229	62,826	61,321	64,023	3
Income before income tax expense	43,674	44,804	42,002	44,837	41,627	5
Income tax expense	15,728	16,537	18,478	17,616	15,753	-
Net income	27,946	28,267	23,524	27,221	25,874	8
Merger-related and other charges	3,420	1,830	2,054	1,141	3,152	
Income tax benefit of merger-related and other charges	(1,147)	(675)	(758)	(432)	(1,193)	
Impairment of deferred tax asset on canceled non-qualified stock options	-	-	-	976	-	
Release of disproportionate tax effects lodged in OCI	-	-	3,400	-	-	
Net income - operating ⁽¹⁾	\$ 30,219	\$ 29,422	\$ 28,220	\$ 28,906	\$ 27,833	9
PERFORMANCE MEASURES						
Per common share:						
Diluted net income - GAAP	\$.38	\$.39	\$.33	\$.38	\$.36	6
Diluted net income - operating ⁽¹⁾	.41	.41	.39	.40	.39	5

Cash dividends declared	.10	.09	.09	.08	.08	
Book value	16.50	15.83	15.40	15.06	15.12	9
Tangible book value ⁽³⁾	14.11	13.74	13.30	12.95	13.00	9

Key performance ratios:

Return on common equity - GAAP (2)(4)	9.22 %	9.98 %	8.54 %	9.89 %	9.61 %	
Return on common equity - operating ⁽¹⁾⁽²⁾⁽⁴⁾	9.97	10.39	10.25	10.51	10.34	
Return on tangible common equity - operating ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	11.93	12.19	12.10	12.47	12.45	
Return on assets - GAAP ⁽⁴⁾	1.01	1.06	.89	1.03	1.00	
Return on assets - operating ⁽¹⁾ (4)	1.09	1.10	1.07	1.10	1.08	
Dividend payout ratio - GAAP	26.32	23.08	27.27	21.05	22.22	
Dividend payout ratio - operating (1)	24.39	21.95	23.08	20.00	20.51	
Net interest margin (fully taxable equivalent) ⁽⁴⁾	3.54	3.47	3.45	3.34	3.34	
Efficiency ratio - GAAP	59.27	57.89	59.29	57.65	60.78	
Efficiency ratio - operating ⁽¹⁾	56.18	56.21	57.35	56.58	57.79	
Average equity to average assets	10.86	10.49	10.24	10.35	10.38	
Average tangible equity to average assets ⁽³⁾	9.45	9.23	8.96	9.04	8.98	
Average tangible common equity to average assets ⁽³⁾	9.45	9.23	8.96	9.04	8.98	
Tangible common equity to risk- weighted assets ⁽³⁾⁽⁵⁾	12.81	12.44	12.07	11.84	12.22	

ASSET QUALITY

Nonperforming loans	\$ 22,921	\$ 23,095	\$ 19,812	\$ 21,539	\$ 21,572	6
Foreclosed properties	2,736	2,739	5,060	7,949	9,187	(70)
Total nonperforming assets (NPAs)	25,657	25,834	24,872	29,488	30,759	(17)
Allowance for loan losses	58,605	59,500	60,543	61,422	62,961	(7)
Net charge-offs	1,635	1,623	1,679	1,539	1,359	20
Allowance for loan losses to loans	.81 %	.85 %	.87 %	.89 %	.94 %	
Net charge-offs to average loans (4)	.09	.09	.10	.09	.08	
NPAs to loans and foreclosed properties	.36	.37	.36	.43	.46	
NPAs to total assets	.23	.24	.23	.28	.30	

AVERAGE BALANCES (\$ in millions)

Loans	\$ 7,149	\$ 6,980	\$ 6,904	\$ 6,814	\$ 6,675	7
Investment securities	2,800	2,775	2,822	2,690	2,610	7
Earning assets	10,133	9,899	9,872	9,665	9,443	7
Total assets	10,980	10,704	10,677	10,484	10,281	7
Deposits	8,913	8,659	8,592	8,552	8,307	7
Shareholders' equity	1,193	1,123	1,093	1,085	1,067	12
Common shares - basic (thousands)	73,151	71,810	71,700	71,641	71,556	2
Common shares - diluted (thousands)	73,162	71,820	71,708	71,648	71,561	2

AT PERIOD END (\$ in millions)

Loans	\$ 7,203	\$ 7,041	\$ 6,965	\$ 6,921	\$ 6,725	7
Investment securities	2,847	2,787	2,767	2,762	2,560	11
Total assets	11,129	10,837	10,732	10,709	10,298	8
Deposits	9,127	8,736	8,752	8,638	8,442	8

Shareholders' equity	1,221	1,133	1,102	1,076	1,079	13
Common shares outstanding (thousands)	73,403	70,981	70,973	70,899	70,861	4

(1) Excludes merger-related and other charges which includes amortization of certain executive change of control benefits, a first quarter 2017 release of disproportionate tax effects lodged in OCI and a fourth quarter 2016 deferred tax asset impairment charge related to cancelled non-qualified stock options. (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) Third quarter 2017 ratio is preliminary.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Selected Financial Information

<i>(in thousands, except per share data)</i>	For the Nine Months Ended September 30,		YTD 2017-2016 Change
	2017	2016	
INCOME SUMMARY			
Interest revenue	\$ 282,963	\$ 247,242	
Interest expense	24,486	18,383	
Net interest revenue	258,477	228,859	13 %
Provision for credit losses	2,600	(800)	
Fee revenue	66,332	68,464	(3)
Total revenue	322,209	298,123	8
Expenses	191,729	179,968	7
Income before income tax expense	130,480	118,155	10
Income tax expense	50,743	44,720	13
Net income	79,737	73,435	9
Merger-related and other charges	7,304	6,981	
Income tax benefit of merger-related and other charges	(2,580)	(2,642)	
Impairment of deferred tax asset on canceled non-qualified stock options	-	-	
Release of disproportionate tax effects lodged in OCI	3,400	-	
Net income - operating ⁽¹⁾	\$ 87,861	\$ 77,774	13
PERFORMANCE MEASURES			
Per common share:			
Diluted net income - GAAP	\$ 1.10	\$ 1.02	8
Diluted net income - operating ⁽¹⁾	1.21	1.08	12
Cash dividends declared	.28	.22	
Book value	16.50	15.12	9
Tangible book value ⁽³⁾	14.11	13.00	9
Key performance ratios:			
Return on common equity - GAAP ⁽²⁾⁽⁴⁾	9.26 %	9.25 %	
Return on common equity - operating ⁽¹⁾⁽²⁾⁽⁴⁾	10.20	9.79	
Return on tangible common equity - operating ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	12.07	11.64	
Return on assets - GAAP ⁽⁴⁾	.99	.99	
Return on assets - operating ⁽¹⁾⁽⁴⁾	1.09	1.05	
Dividend payout ratio - GAAP	25.45	21.57	
Dividend payout ratio - operating ⁽¹⁾	23.14	20.37	
Net interest margin (fully taxable equivalent) ⁽⁴⁾	3.49	3.36	
Efficiency ratio - GAAP	58.81	60.56	
Efficiency ratio - operating ⁽¹⁾	56.57	58.21	

Average equity to average assets	10.54	10.60
Average tangible equity to average assets ⁽³⁾	9.21	9.27
Average tangible common equity to average assets ⁽³⁾	9.21	9.24
Tangible common equity to risk-weighted assets ⁽³⁾⁽⁵⁾	12.81	12.22

ASSET QUALITY

Nonperforming loans	\$ 22,921	\$ 21,572	6
Foreclosed properties	2,736	9,187	(70)
Total nonperforming assets (NPAs)	25,657	30,759	(17)
Allowance for loan losses	58,605	62,961	(7)
Net charge-offs	4,937	5,227	(6)
Allowance for loan losses to loans	.81 %	.94 %	
Net charge-offs to average loans ⁽⁴⁾	.09	.11	
NPAs to loans and foreclosed properties	.36	.46	
NPAs to total assets	.23	.30	

AVERAGE BALANCES (\$ in millions)

Loans	\$ 7,012	\$ 6,278	12
Investment securities	2,799	2,692	4
Earning assets	9,969	9,120	9
Total assets	10,788	9,909	9
Deposits	8,723	8,051	8
Shareholders' equity	1,137	1,051	8
Common shares - basic (thousands)	72,060	71,992	-
Common shares - diluted (thousands)	72,071	71,996	-

AT PERIOD END (\$ in millions)

Loans	\$ 7,203	\$ 6,725	7
Investment securities	2,847	2,560	11
Total assets	11,129	10,298	8
Deposits	9,127	8,442	8
Shareholders' equity	1,221	1,079	13
Common shares outstanding (thousands)	73,403	70,861	4

⁽¹⁾ Excludes merger-related and other charges which includes amortization of certain executive change of control benefits, a first quarter 2017 release of disproportionate tax effects lodged in OCI and a fourth quarter 2016 deferred tax asset impairment charge related to cancelled non-qualified stock options. ⁽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⁾ Third quarter 2017 ratio is preliminary.

UNITED COMMUNITY BANKS, INC.

Non-GAAP Performance Measures Reconciliation

Selected Financial Information

	2017			2016	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
<i>(in thousands, except per share data)</i>					
Expense reconciliation					
Expenses (GAAP)	\$ 65,674	\$ 63,229	\$ 62,826	\$ 61,321	\$ 64,023
Merger-related and other charges	(3,420)	(1,830)	(2,054)	(1,141)	(3,152)
Expenses - operating	<u>\$ 62,254</u>	<u>\$ 61,399</u>	<u>\$ 60,772</u>	<u>\$ 60,180</u>	<u>\$ 60,871</u>
Net income reconciliation					
Net income (GAAP)	\$ 27,946	\$ 28,267	\$ 23,524	\$ 27,221	\$ 25,874

Merger-related and other charges	3,420	1,830	2,054	1,141	3,152
Income tax benefit of merger-related and other charges	(1,147)	(675)	(758)	(432)	(1,193)
Impairment of deferred tax asset on canceled non-qualified stock options	-	-	-	976	-
Release of disproportionate tax effects lodged in OCI	-	-	3,400	-	-
Net income - operating	<u>\$ 30,219</u>	<u>\$ 29,422</u>	<u>\$ 28,220</u>	<u>\$ 28,906</u>	<u>\$ 27,833</u>

Diluted income per common share reconciliation

Diluted income per common share (GAAP)	\$.38	\$.39	\$.33	\$.38	\$.36
Merger-related and other charges	.03	.02	.01	.01	.03
Impairment of deferred tax asset on canceled non-qualified stock options	-	-	-	.01	-
Release of disproportionate tax effects lodged in OCI	-	-	.05	-	-
Diluted income per common share - operating	<u>\$.41</u>	<u>\$.41</u>	<u>\$.39</u>	<u>\$.40</u>	<u>\$.39</u>

Book value per common share reconciliation

Book value per common share (GAAP)	\$ 16.50	\$ 15.83	\$ 15.40	\$ 15.06	\$ 15.12
Effect of goodwill and other intangibles	(2.39)	(2.09)	(2.10)	(2.11)	(2.12)
Tangible book value per common share	<u>\$ 14.11</u>	<u>\$ 13.74</u>	<u>\$ 13.30</u>	<u>\$ 12.95</u>	<u>\$ 13.00</u>

Return on tangible common equity reconciliation

Return on common equity (GAAP)	9.22 %	9.98 %	8.54 %	9.89 %	9.61 %
Merger-related and other charges	.75	.41	.47	.26	.73
Impairment of deferred tax asset on canceled non-qualified stock options	-	-	-	.36	-
Release of disproportionate tax effects lodged in OCI	-	-	1.24	-	-
Return on common equity - operating	<u>9.97</u>	<u>10.39</u>	<u>10.25</u>	<u>10.51</u>	<u>10.34</u>
Effect of goodwill and other intangibles	<u>1.96</u>	<u>1.80</u>	<u>1.85</u>	<u>1.96</u>	<u>2.11</u>
Return on tangible common equity - operating	<u>11.93 %</u>	<u>12.19 %</u>	<u>12.10 %</u>	<u>12.47 %</u>	<u>12.45 %</u>

Return on assets reconciliation

Return on assets (GAAP)	1.01 %	1.06 %	.89 %	1.03 %	1.00 %
Merger-related and other charges	.08	.04	.05	.03	.08
Impairment of deferred tax asset on canceled non-qualified stock options	-	-	-	.04	-
Release of disproportionate tax effects lodged in OCI	-	-	.13	-	-
Return on assets - operating	<u>1.09 %</u>	<u>1.10 %</u>	<u>1.07 %</u>	<u>1.10 %</u>	<u>1.08 %</u>

Dividend payout ratio reconciliation

Dividend payout ratio (GAAP)	26.32 %	23.08 %	27.27 %	21.05 %	22.22 %
Merger-related and other charges	(1.93)	(1.13)	(.98)	(.54)	(1.71)
Impairment of deferred tax asset on canceled non-qualified stock options	-	-	-	(.51)	-
Release of disproportionate tax effects lodged in OCI	-	-	(3.21)	-	-
Dividend payout ratio - operating	<u>24.39 %</u>	<u>21.95 %</u>	<u>23.08 %</u>	<u>20.00 %</u>	<u>20.51 %</u>

Efficiency ratio reconciliation

Efficiency ratio (GAAP)	59.27 %	57.89 %	59.29 %	57.65 %	60.78 %
Merger-related and other charges	(3.09)	(1.68)	(1.94)	(1.07)	(2.99)
Efficiency ratio - operating	<u>56.18 %</u>	<u>56.21 %</u>	<u>57.35 %</u>	<u>56.58 %</u>	<u>57.79 %</u>

Average equity to assets reconciliation

Equity to assets (GAAP)	10.86 %	10.49 %	10.24 %	10.35 %	10.38 %
Effect of goodwill and other intangibles	(1.41)	(1.26)	(1.28)	(1.31)	(1.40)
Tangible equity to assets	<u>9.45</u>	<u>9.23</u>	<u>8.96</u>	<u>9.04</u>	<u>8.98</u>
Effect of preferred equity	-	-	-	-	-
Tangible common equity to assets	<u>9.45 %</u>	<u>9.23 %</u>	<u>8.96 %</u>	<u>9.04 %</u>	<u>8.98 %</u>

Tangible common equity to risk-weighted assets reconciliation ⁽¹⁾

Tier 1 capital ratio (Regulatory)	12.27 %	11.91 %	11.46 %	11.23 %	11.04 %
Effect of other comprehensive income	(.13)	(.15)	(.24)	(.34)	-
Effect of deferred tax limitation	.94	.95	1.13	1.26	1.50
Effect of trust preferred	(.24)	(.25)	(.25)	(.25)	(.26)
Basel III intangibles transition adjustment	<u>(.03)</u>	<u>(.02)</u>	<u>(.03)</u>	<u>(.06)</u>	<u>(.06)</u>

Tangible common equity to risk-weighted assets 12.81 % 12.44 % 12.07 % 11.84 % 12.22 %

(1) Third quarter 2017 ratios are preliminary.

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

<i>(in thousands, except per share data)</i>	For the Nine Months Ended June 30,	
	2017	2016
Expense reconciliation		
Expenses (GAAP)	\$ 191,729	\$ 179,968
Merger-related and other charges	(7,304)	(6,981)
Expenses - operating	<u>\$ 184,425</u>	<u>\$ 172,987</u>
Net income reconciliation		
Net income (GAAP)	\$ 79,737	\$ 73,435
Merger-related and other charges	7,304	6,981
Income tax benefit of merger-related and other charges	(2,580)	(2,642)
Impairment of deferred tax asset on canceled non-qualified stock options	-	-
Release of disproportionate tax effects lodged in OCI	3,400	-
Net income - operating	<u>\$ 87,861</u>	<u>\$ 77,774</u>
Diluted income per common share reconciliation		
Diluted income per common share (GAAP)	\$ 1.10	\$ 1.02
Merger-related and other charges	.06	-
Impairment of deferred tax asset on canceled non-qualified stock options	-	-
Release of disproportionate tax effects lodged in OCI	.05	-
Diluted income per common share - operating	<u>\$ 1.21</u>	<u>\$ 1.02</u>
Book value per common share reconciliation		
Book value per common share (GAAP)	\$ 16.50	\$ 15.12
Effect of goodwill and other intangibles	(2.39)	(2.12)
Tangible book value per common share	<u>\$ 14.11</u>	<u>\$ 13.00</u>
Return on tangible common equity reconciliation		
Return on common equity (GAAP)	9.26 %	9.25 %
Merger-related and other charges	.55	.54
Impairment of deferred tax asset on canceled non-qualified stock options	-	-
Release of disproportionate tax effects lodged in OCI	.39	-
Return on common equity - operating	<u>10.20</u>	<u>9.79</u>
Effect of goodwill and other intangibles	1.87	1.85
Return on tangible common equity - operating	<u>12.07 %</u>	<u>11.64 %</u>
Return on assets reconciliation		
Return on assets (GAAP)	.99 %	.99 %
Merger-related and other charges	.06	.06
Impairment of deferred tax asset on canceled non-qualified stock options	-	-
Release of disproportionate tax effects lodged in OCI	.04	-
Return on assets - operating	<u>1.09 %</u>	<u>1.05 %</u>
Dividend payout ratio reconciliation		
Dividend payout ratio (GAAP)	25.45 %	21.57 %

Merger-related and other charges	(1.31)	(1.20)
Impairment of deferred tax asset on canceled non-qualified stock options	-	-
Release of disproportionate tax effects lodged in OCI	(1.00)	-
Dividend payout ratio - operating	<u>23.14 %</u>	<u>20.37 %</u>

Efficiency ratio reconciliation

Efficiency ratio (GAAP)	58.81 %	60.56 %
Merger-related and other charges	(2.24)	(2.35)
Efficiency ratio - operating	<u>56.57 %</u>	<u>58.21 %</u>

Average equity to assets reconciliation

Equity to assets (GAAP)	10.54 %	10.60 %
Effect of goodwill and other intangibles	(1.33)	(1.33)
Tangible equity to assets	9.21	9.27
Effect of preferred equity	-	(.03)
Tangible common equity to assets	<u>9.21 %</u>	<u>9.24 %</u>

Tangible common equity to risk-weighted assets reconciliation ⁽¹⁾

Tier 1 capital ratio (Regulatory)	12.27 %	11.04 %
Effect of other comprehensive income	(.13)	-
Effect of deferred tax limitation	.94	1.50
Effect of trust preferred	(.24)	(.26)
Basel III intangibles transition adjustment	(.03)	(.06)
Tangible common equity to risk-weighted assets	<u>12.81 %</u>	<u>12.22 %</u>

(1) Third quarter 2017 ratios are preliminary.

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End

<i>(in millions)</i>	2017			2016	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
LOANS BY CATEGORY					
Owner occupied commercial RE	\$ 1,792	\$ 1,723	\$ 1,633	\$ 1,650	\$ 1,587
Income producing commercial RE	1,413	1,342	1,297	1,282	1,277
Commercial & industrial	1,084	1,088	1,080	1,070	994
Commercial construction	583	587	667	634	567
Total commercial	4,872	4,740	4,677	4,636	4,425
Residential mortgage	933	881	860	857	814
Home equity lines of credit	689	665	659	655	693
Residential construction	190	193	197	190	200
Consumer installment	519	562	572	583	593
Total loans	<u>\$ 7,203</u>	<u>\$ 7,041</u>	<u>\$ 6,965</u>	<u>\$ 6,921</u>	<u>\$ 6,725</u>

LOANS BY MARKET

North Georgia	\$ 1,047	\$ 1,065	\$ 1,076	\$ 1,097	\$ 1,110
Atlanta MSA	1,477	1,445	1,408	1,399	1,332
North Carolina	542	541	541	545	548
Coastal Georgia	634	623	591	581	565
Gainesville MSA	242	246	252	248	236
East Tennessee	471	486	483	504	506
South Carolina	1,470	1,260	1,243	1,233	1,199
Commercial Banking Solutions	920	926	911	855	763

Indirect auto	400	449	460	459	466
Total loans	<u>\$ 7,203</u>	<u>\$ 7,041</u>	<u>\$ 6,965</u>	<u>\$ 6,921</u>	<u>\$ 6,725</u>

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Loan Portfolio Composition at Period-End

<i>(in millions)</i>	2017		2016	Linked Quarter Change	Year over Year Change
	Third Quarter	Second Quarter	Third Quarter		
LOANS BY CATEGORY					
Owner occupied commercial RE	\$ 1,792	\$ 1,723	\$ 1,587	\$ 69	\$ 205
Income producing commercial RE	1,413	1,342	1,277	71	136
Commercial & industrial	1,084	1,088	994	(4)	90
Commercial construction	583	587	567	(4)	16
Total commercial	4,872	4,740	4,425	132	447
Residential mortgage	933	881	814	52	119
Home equity lines of credit	689	665	693	24	(4)
Residential construction	190	193	200	(3)	(10)
Consumer installment	519	562	593	(43)	(74)
Total loans	<u>\$ 7,203</u>	<u>\$ 7,041</u>	<u>\$ 6,725</u>	162	478

LOANS BY MARKET

North Georgia	\$ 1,047	\$ 1,065	\$ 1,110	(18)	(63)
Atlanta MSA	1,477	1,445	1,332	32	145
North Carolina	542	541	548	1	(6)
Coastal Georgia	634	623	565	11	69
Gainesville MSA	242	246	236	(4)	6
East Tennessee	471	486	506	(15)	(35)
South Carolina	1,470	1,260	1,199	210	271
Commercial Banking Solutions	920	926	763	(6)	157
Indirect auto	400	449	466	(49)	(66)
Total loans	<u>\$ 7,203</u>	<u>\$ 7,041</u>	<u>\$ 6,725</u>	162	478

UNITED COMMUNITY BANKS, INC.

Financial Highlights

Credit Quality

<i>(in thousands)</i>	Third Quarter 2017		
	Nonperforming Loans	Foreclosed Properties	Total NPAs
NONPERFORMING ASSETS BY CATEGORY			
Owner occupied CRE	\$ 5,027	\$ 764	\$ 5,791
Income producing CRE	2,042	121	2,163
Commercial & industrial	2,378	-	2,378
Commercial construction	1,376	923	2,299
Total commercial	10,823	1,808	12,631
Residential mortgage	8,559	392	8,951
Home equity lines of credit	1,898	195	2,093
Residential construction	178	341	519
Consumer installment	1,463	-	1,463
Total NPAs	<u>\$ 22,921</u>	<u>\$ 2,736</u>	<u>\$ 25,657</u>

NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 6,707	\$ 404	\$ 7,111
Atlanta MSA	1,098	338	1,436
North Carolina	4,376	318	4,694
Coastal Georgia	2,532	-	2,532
Gainesville MSA	763	-	763
East Tennessee	1,734	67	1,801
South Carolina	1,903	1,609	3,512
Commercial Banking Solutions	2,429	-	2,429
Indirect auto	1,379	-	1,379
Total NPAs	\$ 22,921	\$ 2,736	\$ 25,657

NONPERFORMING ASSETS ACTIVITY

Beginning Balance	\$ 23,095	\$ 2,739	\$ 25,834
Acquisitions	20	805	825
Loans placed on non-accrual	7,964	-	7,964
Payments received	(5,192)	-	(5,192)
Loan charge-offs	(2,159)	-	(2,159)
Foreclosures	(807)	683	(124)
Property sales	-	(1,295)	(1,295)
Write downs	-	(236)	(236)
Net gains (losses) on sales	-	40	40
Ending Balance	\$ 22,921	\$ 2,736	\$ 25,657

UNITED COMMUNITY BANKS, INC.**Financial Highlights****Credit Quality****Second Quarter 2017**

<i>(in thousands)</i>	Nonperforming Loans	Foreclosed Properties	Total NPAs
NONPERFORMING ASSETS BY CATEGORY			
Owner occupied CRE	\$ 5,248	\$ 580	\$ 5,828
Income producing CRE	2,587	-	2,587
Commercial & industrial	1,010	-	1,010
Commercial construction	2,530	611	3,141
Total commercial	11,375	1,191	12,566
Residential mortgage	7,886	457	8,343
Home equity lines of credit	2,152	201	2,353
Residential construction	287	890	1,177
Consumer installment	1,395	-	1,395
Total NPAs	\$ 23,095	\$ 2,739	\$ 25,834

NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 5,449	\$ 225	\$ 5,674
Atlanta MSA	906	423	1,329
North Carolina	4,700	472	5,172
Coastal Georgia	2,542	-	2,542
Gainesville MSA	622	-	622
East Tennessee	2,216	103	2,319
South Carolina	3,472	1,516	4,988
Commercial Banking Solutions	1,914	-	1,914
Indirect auto	1,274	-	1,274
Total NPAs	\$ 23,095	\$ 2,739	\$ 25,834

NONPERFORMING ASSETS ACTIVITY

Beginning Balance	\$ 19,812	\$ 5,060	\$ 24,872
Acquisitions	-	-	-
Loans placed on non-accrual	8,110	-	8,110
Payments received	(2,955)	-	(2,955)
Loan charge-offs	(1,564)	-	(1,564)
Foreclosures	(308)	481	173
Property sales	-	(2,704)	(2,704)
Write downs	-	(294)	(294)
Net gains (losses) on sales	-	196	196
Ending Balance	\$ 23,095	\$ 2,739	\$ 25,834

UNITED COMMUNITY BANKS, INC.**Financial Highlights****Credit Quality****First Quarter 2017**

<i>(in thousands)</i>	Nonperforming Loans	Foreclosed Properties	Total NPAs
NONPERFORMING ASSETS BY CATEGORY			
Owner occupied CRE	\$ 6,135	\$ 1,238	\$ 7,373
Income producing CRE	1,540	21	1,561
Commercial & industrial	929	-	929
Commercial construction	1,069	2,825	3,894
Total commercial	9,673	4,084	13,757
Residential mortgage	6,455	660	7,115
Home equity lines of credit	1,848	261	2,109
Residential construction	417	55	472
Consumer installment	1,419	-	1,419
Total NPAs	\$ 19,812	\$ 5,060	\$ 24,872

NONPERFORMING ASSETS BY MARKET

North Georgia	\$ 5,344	\$ 570	\$ 5,914
Atlanta MSA	715	645	1,360
North Carolina	4,897	355	5,252
Coastal Georgia	942	-	942
Gainesville MSA	728	-	728
East Tennessee	2,112	633	2,745
South Carolina	1,725	2,857	4,582
Commercial Banking Solutions	2,032	-	2,032
Indirect auto	1,317	-	1,317
Total NPAs	\$ 19,812	\$ 5,060	\$ 24,872

NONPERFORMING ASSETS ACTIVITY

Beginning Balance	\$ 21,539	\$ 7,949	\$ 29,488
Acquisitions	-	-	-
Loans placed on non-accrual	3,172	-	3,172
Payments received	(3,046)	-	(3,046)
Loan charge-offs	(1,292)	-	(1,292)
Foreclosures	(561)	561	-
Property sales	-	(3,077)	(3,077)
Write downs	-	(480)	(480)
Net gains (losses) on sales	-	107	107
Ending Balance	\$ 19,812	\$ 5,060	\$ 24,872

UNITED COMMUNITY BANKS, INC.
Financial Highlights
Credit Quality

	Third Quarter 2017			Second Quarter 2017			First Quarter 2017		
	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⁾	%
<i>(in thousands)</i>									
NET CHARGE-OFFS BY CATEGORY									
Owner occupied CRE	\$ (44)	(.01)	%	\$ 37	.01	%	\$ (212)	(.05)	%
Income producing CRE	1,159	.33		184	.06		870	.28	
Commercial & industrial	(200)	(.08)		354	.13		(152)	(.06)	
Commercial construction	(114)	(.07)		341	.22		(370)	(.23)	
Total commercial	801	.07		916	.08		136	.01	
Residential mortgage	313	.14		26	.01		530	.25	
Home equity lines of credit	56	.03		253	.15		422	.26	
Residential construction	36	.07		(53)	(.11)		(9)	(.02)	
Consumer installment	429	.31		481	.34		600	.42	
Total	\$ 1,635	.09		\$ 1,623	.09		\$ 1,679	.10	

NET CHARGE-OFFS BY MARKET

North Georgia	\$ 516	.19	%	\$ 681	.26	%	\$ 15	.01	%
Atlanta MSA	150	.04		(10)	-		(46)	(.01)	
North Carolina	221	.16		131	.10		601	.45	
Coastal Georgia	(39)	(.02)		120	.08		(223)	(.15)	
Gainesville MSA	(50)	(.08)		(54)	(.09)		358	.58	
East Tennessee	55	.05		27	.02		55	.05	
South Carolina	528	.15		526	.17		425	.14	
Commercial Banking Solutions	(7)	-		(17)	(.01)		195	.09	
Indirect auto	261	.24		219	.19		299	.27	
Total	\$ 1,635	.09		\$ 1,623	.09		\$ 1,679	.10	

⁽¹⁾ Annualized.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
<i>(in thousands, except per share data)</i>				
Interest revenue:				
Loans, including fees	\$ 80,264	\$ 69,440	\$ 227,816	\$ 196,888
Investment securities, including tax exempt of \$671, \$134, \$1,307, and \$449	17,875	15,418	53,365	48,039
Deposits in banks and short-term investments	700	581	1,782	2,315
Total interest revenue	98,839	85,439	282,963	247,242
Interest expense:				
Deposits:				
NOW	700	452	1,932	1,381
Money market	1,953	1,347	4,938	3,661
Savings	34	43	89	102

Time	1,870	667	4,257	2,052
Total deposit interest expense	4,557	2,509	11,216	7,196
Short-term borrowings	36	98	177	278
Federal Home Loan Bank advances	1,709	1,015	4,603	2,731
Long-term debt	2,762	2,828	8,490	8,178
Total interest expense	9,064	6,450	24,486	18,383
Net interest revenue	89,775	78,989	258,477	228,859
(Release of) provision for credit losses	1,000	(300)	2,600	(800)
Net interest revenue after provision for credit losses	88,775	79,289	255,877	229,659

Fee revenue:

Service charges and fees	8,220	10,819	29,525	31,460
Mortgage loan and other related fees	4,200	6,039	13,435	13,776
Brokerage fees	1,009	1,199	3,565	3,369
Gains from sales of SBA/USDA loans	2,806	2,479	7,391	6,517
Securities gains, net	188	261	190	922
Other	4,150	5,564	12,226	12,420
Total fee revenue	20,573	26,361	66,332	68,464
Total revenue	109,348	105,650	322,209	298,123

Operating expenses:

Salaries and employee benefits	38,027	36,478	112,056	103,112
Communications and equipment	4,547	4,919	14,443	13,602
Occupancy	4,945	5,132	14,802	14,393
Advertising and public relations	1,026	1,088	3,347	3,275
Postage, printing and supplies	1,411	1,451	4,127	4,029
Professional fees	2,976	3,160	8,391	9,049
FDIC assessments and other regulatory charges	2,127	1,412	4,758	4,453
Amortization of intangibles	1,212	1,119	3,085	3,116
Merger-related and other charges	3,176	3,152	7,060	6,981
Other	6,227	6,112	19,660	17,958
Total operating expenses	65,674	64,023	191,729	179,968
Net income before income taxes	43,674	41,627	130,480	118,155
Income tax expense	15,728	15,753	50,743	44,720
Net income	\$ 27,946	\$ 25,874	\$ 79,737	\$ 73,435

Net income available to common shareholders

\$ 27,719	\$ 25,874	\$ 79,078	\$ 73,414
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Earnings per common share:

Basic	\$.38	\$.36	\$ 1.10	\$ 1.02
Diluted	.38	.36	1.10	1.02

Weighted average common shares outstanding:

Basic	73,151	71,556	72,060	71,992
Diluted	73,162	71,561	72,071	71,996

UNITED COMMUNITY BANKS, INC.

Consolidated Balance Sheet (Unaudited)

<i>(in thousands, except share and per share data)</i>	September 30, 2017	December 31, 2016
ASSETS		
Cash and due from banks	\$ 98,396	\$ 99,489
Interest-bearing deposits in banks	148,449	117,859
Cash and cash equivalents	246,845	217,348
Securities available for sale	2,540,470	2,432,438
Securities held to maturity (fair value \$310,446 and \$333,170)	306,741	329,843

Mortgage loans held for sale (includes \$30,093 and \$27,891 at fair value)	30,292	29,878
Loans, net of unearned income	7,202,937	6,920,636
Less allowance for loan losses	(58,605)	(61,422)
Loans, net	7,144,332	6,859,214
Premises and equipment, net	193,915	189,938
Bank owned life insurance	167,680	143,543
Accrued interest receivable	29,573	28,018
Net deferred tax asset	128,731	154,336
Derivative financial instruments	20,972	23,688
Goodwill and other intangible assets	182,716	156,222
Other assets	136,760	144,189
Total assets	\$ 11,129,027	\$ 10,708,655

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Demand	\$ 2,918,428	\$ 2,637,004
NOW	1,938,352	1,989,763
Money market	1,934,169	1,846,440
Savings	605,230	549,713
Time	1,363,949	1,287,142
Brokered	367,256	327,496
Total deposits	9,127,384	8,637,558
Short-term borrowings	16,005	5,000
Federal Home Loan Bank advances	494,484	709,209
Long-term debt	135,707	175,078
Derivative financial instruments	22,926	27,648
Accrued expenses and other liabilities	111,881	78,427
Total liabilities	9,908,387	9,632,920

Shareholders' equity:

Common stock, \$1 par value; 150,000,000 shares authorized; 73,403,453 and 70,899,114 shares issued and outstanding	73,403	70,899
Common stock issuable; 588,445 and 519,874 shares	8,703	7,327
Capital surplus	1,341,346	1,275,849
Accumulated deficit	(192,128)	(251,857)
Accumulated other comprehensive loss	(10,684)	(26,483)
Total shareholders' equity	1,220,640	1,075,735
Total liabilities and shareholders' equity	\$ 11,129,027	\$ 10,708,655

UNITED COMMUNITY BANKS, INC.

Average Consolidated Balance Sheets and Net Interest Analysis

For the Three Months Ended September 30,

	2017			2016		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<i>(dollars in thousands, fully taxable equivalent (FTE))</i>						
Assets:						
Interest-earning assets:						
Loans, net of unearned income (FTE) ⁽¹⁾⁽²⁾	\$ 7,149,348	\$ 80,301	4.46 %	\$ 6,675,328	\$ 69,427	4.14 %
Taxable securities ⁽³⁾	2,695,162	17,204	2.55	2,588,037	15,284	2.36
Tax-exempt securities (FTE) ⁽¹⁾⁽³⁾	105,151	1,098	4.18	22,113	219	3.96
Federal funds sold and other interest-earning assets	183,170	883	1.93	157,972	754	1.91
Total interest-earning assets (FTE)	10,132,831	99,486	3.90	9,443,450	85,684	3.61
Non-interest-earning assets:						
Allowance for loan losses	(60,098)			(63,874)		
Cash and due from banks	103,477			100,775		

Premises and equipment	203,579			198,234		
Other assets ⁽³⁾	599,725			602,690		
Total assets	<u>\$ 10,979,514</u>			<u>\$ 10,281,275</u>		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,863,160	700	.15	\$ 1,744,473	452	.10
Money market	2,170,148	1,953	.36	1,997,165	1,347	.27
Savings	593,823	34	.02	537,447	43	.03
Time	1,338,786	1,548	.46	1,375,706	833	.24
Brokered time deposits	109,811	322	1.16	162,255	(166)	(.41)
Total interest-bearing deposits	<u>6,075,728</u>	<u>4,557</u>	<u>.30</u>	<u>5,817,046</u>	<u>2,509</u>	<u>.17</u>
Federal funds purchased and other borrowings	11,313	36	1.26	42,234	98	.92
Federal Home Loan Bank advances	574,404	1,709	1.18	583,312	1,015	.69
Long-term debt	154,616	2,762	7.09	177,333	2,828	6.34
Total borrowed funds	<u>740,333</u>	<u>4,507</u>	<u>2.42</u>	<u>802,879</u>	<u>3,941</u>	<u>1.95</u>
Total interest-bearing liabilities	<u>6,816,061</u>	<u>9,064</u>	<u>.53</u>	<u>6,619,925</u>	<u>6,450</u>	<u>.39</u>
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	2,837,378			2,490,019		
Other liabilities	133,212			103,859		
Total liabilities	<u>9,786,651</u>			<u>9,213,803</u>		
Shareholders' equity	1,192,863			1,067,472		
Total liabilities and shareholders' equity	<u>\$ 10,979,514</u>			<u>\$ 10,281,275</u>		

Net interest revenue (FTE)	<u>\$ 90,422</u>	<u>\$ 79,234</u>
Net interest-rate spread (FTE)	<u>3.37%</u>	<u>3.22%</u>
Net interest margin (FTE) ⁽⁴⁾	<u>3.54%</u>	<u>3.34%</u>

(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 \$12.6 million in 2017 and \$30.4 million in 2016 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 Nine Months Ended September 30,

	2017			2016		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<i>(dollars in thousands, fully taxable equivalent (FTE))</i>						
Assets:						
Interest-earning assets:						
Loans, net of unearned income (FTE) ⁽¹⁾⁽²⁾	\$ 7,011,962	\$ 227,853	4.34%	\$ 6,277,972	\$ 196,956	4.19%
Taxable securities ⁽³⁾	2,731,081	52,058	2.54	2,665,272	47,590	2.38
Tax-exempt securities (FTE) ⁽¹⁾⁽³⁾	68,005	2,139	4.19	26,415	735	3.71

Federal funds sold and other interest-earning assets	157,582	2,290	1.94	150,146	2,719	2.41
Total interest-earning assets (FTE)	<u>9,968,630</u>	<u>284,340</u>	3.81	<u>9,119,805</u>	<u>248,000</u>	3.63
Non-interest-earning assets:						
Allowance for loan losses	(60,971)			(66,142)		
Cash and due from banks	102,529			93,802		
Premises and equipment	195,576			187,019		
Other assets ⁽³⁾	582,194			574,870		
Total assets	<u>\$ 10,787,958</u>			<u>\$ 9,909,354</u>		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,907,889	1,932	.14	\$ 1,795,372	1,381	.10
Money market	2,100,296	4,938	.31	1,901,903	3,661	.26
Savings	576,927	89	.02	505,337	102	.03
Time	1,292,521	3,499	.36	1,280,503	2,325	.24
Brokered time deposits	106,753	758	.95	194,199	(273)	(.19)
Total interest-bearing deposits	<u>5,984,386</u>	<u>11,216</u>	.25	<u>5,677,314</u>	<u>7,196</u>	.17
Federal funds purchased and other borrowings	22,525	177	1.05	29,427	278	1.26
Federal Home Loan Bank advances	616,388	4,603	1.00	506,524	2,731	.72
Long-term debt	168,271	8,490	6.75	168,955	8,178	6.47
Total borrowed funds	<u>807,184</u>	<u>13,270</u>	2.20	<u>704,906</u>	<u>11,187</u>	2.12
Total interest-bearing liabilities	6,791,570	<u>24,486</u>	.48	6,382,220	<u>18,383</u>	.38
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	2,738,118			2,374,076		
Other liabilities	121,672			102,421		
Total liabilities	<u>9,651,360</u>			<u>8,858,717</u>		
Shareholders' equity	1,136,598			1,050,637		
Total liabilities and shareholders' equity	<u>\$ 10,787,958</u>			<u>\$ 9,909,354</u>		
Net interest revenue (FTE)		<u>\$ 259,854</u>			<u>\$ 229,617</u>	
Net interest-rate spread (FTE)			<u>3.33 %</u>			<u>3.25 %</u>
Net interest margin (FTE) ⁽⁴⁾			<u>3.49 %</u>			<u>3.36 %</u>

(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 \$4.67 million in 2017 and \$15.1 million in 2016 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.

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