



October 23, 2014

## **United Community Banks, Inc. Reports Earnings of \$17.6 Million for Third Quarter 2014, up 38 Percent From a Year Ago**

BLAIRSVILLE, GA -- (Marketwired) -- 10/23/14 -- United Community Banks, Inc. (NASDAQ: UCBI)

- Earnings are 29 cents per diluted share, up 7 percent from second quarter and 38 percent from a year ago
- Loans up \$159 million, or 14 percent annualized
- Net interest margin increases 11 basis points from second quarter
- Core transaction deposits up \$90 million, or 10 percent annualized

United Community Banks, Inc. (NASDAQ: UCBI) ("United") today reported net income of \$17.6 million, or 29 cents per diluted share, for the third quarter of 2014. Earnings per share were up 7 percent from the second quarter, reflecting strong loan growth, a widening net interest margin, and growth in fee revenue. For the first nine months of 2014, United reported net income of \$49.4 million, or 81 cents per diluted share.

"By all measures, we had an exceptional third quarter," said Jimmy Tallent, president and chief executive officer. "Strong loan growth and an expanding net interest margin increased net interest revenue by \$2 million over the second quarter. Our return on assets rose to 95 basis points, seven basis points higher than the second quarter, and close to our goal of 1 percent. Also, our return on equity was 9.4 percent, up 200 basis points from a year ago.

"Third quarter net loan growth of \$159 million was driven by strong production across all of our markets," stated Tallent. "Our strongest area, specialized lending, increased \$132 million. This category includes health care, corporate, SBA, asset-based and commercial real estate lending. We also saw solid growth in our Coastal Georgia and Tennessee markets."

Third quarter taxable equivalent net interest revenue totaled \$57.0 million, up \$2.0 million from the second quarter and up \$2.7 million from the third quarter of 2013. The taxable equivalent net interest margin was 3.32 percent, up 11 basis points from the second quarter and six basis points from a year ago.

"Preserving our net interest margin and growing net interest revenue, while minimizing exposure to changes in interest rates, have been top priorities for growing earnings per share," said Tallent. "Our third quarter results confirm that we are on the right path. We remain sharply focused on growing loans and core deposits to increase net interest revenue, while expanding products to grow fee revenue. Second quarter balance sheet management activities, which included restructuring the securities portfolio, interest rate hedges and wholesale borrowings, contributed to the widening net interest margin and growth in net interest revenue. We expect our margin to stabilize at the current level into the fourth quarter and 2015. We are seeing the results of these efforts positively impact our earnings growth."

The third quarter provision for credit losses was \$2.0 million, down \$200,000 from the second quarter and down \$1.0 million from the third quarter of 2013. Third quarter net charge-offs were \$3.16 million, compared with \$4.18 million in the second quarter and \$4.47 million a year ago. Nonperforming assets at quarter-end were \$21.9 million, down 8 percent from the second quarter and 28 percent from a year ago. Nonperforming assets at quarter-end represented .29 percent of total assets, compared to .32 percent last quarter and .42 percent a year ago.

Third quarter fee revenue totaled \$14.4 million, up \$269,000 from the second quarter and \$187,000 from the third quarter of 2013. Most of the increase from both prior periods resulted from our growing SBA lending business and related gains on the sales of SBA loans. In the third quarter of 2014, we generated gains on these sales of \$945,000 compared with \$744,000 in the second quarter. There were no gains from the sale of SBA loans in the third quarter of 2013.

Service charges and fees dipped slightly from both the second quarter and a year ago, mostly due to lower debit card interchange fees. Overdraft fees were also down from the third quarter of 2013. Mortgage fees were up \$301,000 from the second quarter, but down \$376,000 from a year ago, the decrease reflecting slower mortgage refinancing activity. Closed mortgage loans totaled \$84.2 million in the third quarter compared with \$68.5 million in the second quarter and \$76.6 million in the third quarter of 2013.

Operating expenses were \$41.4 million in the third quarter compared to \$40.5 million in the second quarter and \$40.1 million a year ago. The increase from both prior periods is mostly due to higher staff and incentive costs. Third quarter compensation expense reflects the full cost of additional personnel added through the acquisition of Business Carolina, Inc., which occurred

late in the second quarter, as well as staff added for our new vertical SBA business. Occupancy expense was up from the second quarter and a year ago due to higher utilities and maintenance charges, including lease costs for new locations.

Offsetting these increases was a reduction in the deposit insurance assessment rate due to improvement in our credit measures. Additionally, advertising costs were down \$245,000 due to one-time branding costs in the second quarter, and other expenses decreased \$537,000 primarily due to \$486,000 in branch closure and loss share asset costs that were written off last quarter.

"Our operating efficiency ratio improved to 57.96 percent in the third quarter, compared to 58.65 percent in the second quarter," Tallent said. "We continue to focus on growing revenue while controlling costs."

On September 30, 2014, capital ratios were as follows: Tier 1 Risk-Based of 12.1 percent; Total Risk-Based of 13.3 percent; Tier 1 Common Risk-Based of 11.0 percent; and Tier 1 Leverage of 8.7 percent.

"We are beginning to see meaningful improvement in our financial results, reflecting the successes of our strategic growth initiatives," Tallent said. "Our focus on expanding the net interest margin and growing loans, deposits and fee revenue is driving earnings growth. In the third quarter, we saw a return of strong loan growth and meaningful margin expansion despite the ongoing challenging economic environment. Strategic investments in people and new businesses are driving our growth. We will continue investing in our future by hiring top talent to grow our business. As our third quarter results demonstrate, we are on the right track."

#### Conference Call

United will hold a conference call today, Thursday, October 23, 2014, 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 16941301. The conference call also will be webcast and can be accessed by selecting "Calendar of Events" within the Investor Relations section of United's website at [www.ucbi.com](http://www.ucbi.com).

#### About United Community Banks, Inc.

United Community Banks, Inc. (UCBI) is a bank holding company based in Blairsville, Georgia, with \$7.5 billion in assets. The company's banking subsidiary, United Community Bank, is one of the Southeast's largest full-service banks, operating 103 offices in Georgia, North Carolina, South Carolina and Tennessee. The bank specializes in personalized community banking services for individuals, small businesses and corporations. A full range of consumer and commercial banking services includes mortgage, advisory, treasury management and other products. National survey organizations consistently recognize United Community Bank for outstanding customer service. 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 2013 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; taxable equivalent)</i>	2014			2013		Third Quarter 2014-2013 Change
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	
<b>INCOME SUMMARY</b>						
Interest revenue	\$ 63,338	\$ 61,783	\$ 60,495	\$ 61,695	\$ 61,426	
Interest expense	6,371	6,833	6,326	5,816	7,169	
Net interest revenue	56,967	54,950	54,169	55,879	54,257	5%
Provision for credit losses	2,000	2,200	2,500	3,000	3,000	
Fee revenue	14,412	14,143	12,176	13,519	14,225	1
<b>Total revenue</b>	69,379	66,893	63,845	66,398	65,482	
Operating expenses	41,364	40,532	39,050	41,614	40,097	3
Income before income taxes	28,015	26,361	24,795	24,784	25,385	10

Income tax expense (benefit)	10,399	10,004	9,395	8,873	9,885	
<b>Net income</b>	<u>17,616</u>	<u>16,357</u>	<u>15,400</u>	<u>15,911</u>	<u>15,500</u>	14
Preferred dividends and discount accretion	-	-	439	2,912	3,059	
<b>Net income available to common shareholders</b>	<u>\$ 17,616</u>	<u>\$ 16,357</u>	<u>\$ 14,961</u>	<u>\$ 12,999</u>	<u>\$ 12,441</u>	42

#### PERFORMANCE MEASURES

Per common share:

Diluted income	\$ .29	\$ .27	\$ .25	\$ .22	\$ .21	38
Book value	12.15	11.94	11.66	11.30	10.99	11
Tangible book value <sup>(2)</sup>	12.10	11.91	11.63	11.26	10.95	11

Key performance ratios:

Return on common equity <sup>(1)</sup> <sup>(3)</sup>	9.41%	8.99%	8.64%	7.52%	7.38%	
Return on assets <sup>(3)</sup>	.95	.88	.85	.86	.86	
Net interest margin <sup>(3)</sup>	3.32	3.21	3.21	3.26	3.26	
Efficiency ratio	57.96	58.65	59.05	60.02	58.55	
Equity to assets	9.85	9.61	9.52	11.62	11.80	
Tangible equity to assets <sup>(2)</sup>	9.83	9.58	9.50	11.59	11.76	
Tangible common equity to assets <sup>(2)</sup>	9.83	9.58	9.22	8.99	9.02	
Tangible common equity to risk-weighted assets <sup>(2)</sup>	14.10	13.92	13.63	13.18	13.34	

#### ASSET QUALITY \*

Non-performing loans	\$ 18,745	\$ 20,724	\$ 25,250	\$ 26,819	\$ 26,088	
Foreclosed properties	<u>3,146</u>	<u>2,969</u>	<u>5,594</u>	<u>4,221</u>	<u>4,467</u>	
Total non-performing assets (NPAs)	21,891	23,693	30,844	31,040	30,555	
Allowance for loan losses	71,928	73,248	75,223	76,762	80,372	
Net charge-offs	3,155	4,175	4,039	4,445	4,473	
Allowance for loan losses to loans	1.57%	1.66%	1.73%	1.77%	1.88%	
Net charge-offs to average loans <sup>(3)</sup>	.28	.38	.38	.41	.42	
NPAs to loans and foreclosed properties	.48	.54	.71	.72	.72	
NPAs to total assets	.29	.32	.42	.42	.42	

#### AVERAGE BALANCES (\$

in millions)

Loans	\$ 4,446	\$ 4,376	\$ 4,356	\$ 4,315	\$ 4,250	5
Investment securities	2,231	2,326	2,320	2,280	2,178	2
Earning assets	6,820	6,861	6,827	6,823	6,615	3
Total assets	7,374	7,418	7,384	7,370	7,170	3
Deposits	6,143	6,187	6,197	6,190	5,987	3
Shareholders' equity	726	713	703	856	846	(14)
Common shares - basic (thousands)	60,776	60,712	60,059	59,923	59,100	
Common shares - diluted (thousands)	60,779	60,714	60,061	59,925	59,202	

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

Loans *	\$ 4,569	\$ 4,410	\$ 4,356	\$ 4,329	\$ 4,267	7
Investment securities	2,222	2,190	2,302	2,312	2,169	2
Total assets	7,526	7,352	7,398	7,425	7,243	4
Deposits	6,241	6,164	6,248	6,202	6,113	2
Shareholders' equity	736	722	704	796	852	(14)
Common shares outstanding (thousands)	60,248	60,139	60,092	59,432	59,412	

(1) 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). (2) Excludes effect of acquisition related intangibles and associated amortization. (3) Annualized.

\* Excludes loans and foreclosed properties covered by loss sharing agreements with the FDIC.

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

<i>(in thousands, except per share data; taxable equivalent)</i>	<b>For the Nine Months Ended September 30,</b>		<b>YTD 2014-2013 Change</b>
	<b>2014</b>	<b>2013</b>	
<b>INCOME SUMMARY</b>			
Interest revenue	\$ 185,616	\$ 185,628	
Interest expense	19,530	21,866	
Net interest revenue	166,086	163,762	1%
Provision for credit losses	6,700	62,500	
Fee revenue	40,731	43,079	(5)
<b>Total revenue</b>	200,117	144,341	
Operating expenses	120,946	132,690	(9)
Income before income taxes	79,171	11,651	
Income tax expense (benefit)	29,798	(245,578)	
<b>Net income</b>	49,373	257,229	
Preferred dividends and discount accretion	439	9,166	
<b>Net income available to common shareholders</b>	<b>\$ 48,934</b>	<b>\$ 248,063</b>	
<b>PERFORMANCE MEASURES</b>			
Per common share:			
Diluted income	\$ .81	\$ 4.24	
Book value	12.15	10.99	11
Tangible book value (2)	12.10	10.95	11
Key performance ratios:			
Return on common equity (1)(3)	9.02%	64.29%	
Return on assets (3)	.89	4.93	
Net interest margin (3)	3.25	3.32	
Efficiency ratio	58.54	64.19	
Equity to assets	9.66	9.91	
Tangible equity to assets (2)	9.64	9.85	
Tangible common equity to assets (2)	9.55	7.04	
Tangible common equity to risk-weighted assets (2)	14.10	13.34	
<b>ASSET QUALITY *</b>			
Non-performing loans	\$ 18,745	\$ 26,088	
Foreclosed properties	3,146	4,467	
Total non-performing assets (NPAs)	21,891	30,555	
Allowance for loan losses	71,928	80,372	
Net charge-offs	11,369	89,265	
Allowance for loan losses to loans	1.57%	1.88%	
Net charge-offs to average loans (3)	.35	2.84	
NPAs to loans and foreclosed properties	.48	.72	
NPAs to total assets	.29	.42	
<b>AVERAGE BALANCES (\$ in millions)</b>			
Loans	\$ 4,393	\$ 4,234	4
Investment securities	2,292	2,160	6
Earning assets	6,836	6,590	4

Total assets	7,392	6,974	6
Deposits	6,176	5,972	3
Shareholders' equity	714	691	3
Common shares - basic ( <i>thousands</i> )	60,511	58,443	
Common shares - diluted ( <i>thousands</i> )	60,513	58,444	

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

Loans *	\$ 4,569	\$ 4,267	7
Investment securities	2,222	2,169	2
Total assets	7,526	7,243	4
Deposits	6,241	6,113	2
Shareholders' equity	736	852	(14)
Common shares outstanding ( <i>thousands</i> )	60,248	59,412	

(1) 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). (2) Excludes effect of acquisition related intangibles and associated amortization. (3) Annualized.

\* Excludes loans and foreclosed properties covered by loss sharing agreements with the FDIC.

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

(in thousands, except per share data; taxable equivalent)	2014			2013	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
<b>Interest revenue reconciliation</b>					
Interest revenue - taxable equivalent	\$ 63,338	\$ 61,783	\$ 60,495	\$ 61,695	\$ 61,426
Taxable equivalent adjustment	(405)	(377)	(357)	(380)	(370)
Interest revenue (GAAP)	<u>\$ 62,933</u>	<u>\$ 61,406</u>	<u>\$ 60,138</u>	<u>\$ 61,315</u>	<u>\$ 61,056</u>
<b>Net interest revenue reconciliation</b>					
Net interest revenue - taxable equivalent	\$ 56,967	\$ 54,950	\$ 54,169	\$ 55,879	\$ 54,257
Taxable equivalent adjustment	(405)	(377)	(357)	(380)	(370)
Net interest revenue (GAAP)	<u>\$ 56,562</u>	<u>\$ 54,573</u>	<u>\$ 53,812</u>	<u>\$ 55,499</u>	<u>\$ 53,887</u>
<b>Total revenue reconciliation</b>					
Total operating revenue	\$ 69,379	\$ 66,893	\$ 63,845	\$ 66,398	\$ 65,482
Taxable equivalent adjustment	(405)	(377)	(357)	(380)	(370)
Total revenue (GAAP)	<u>\$ 68,974</u>	<u>\$ 66,516</u>	<u>\$ 63,488</u>	<u>\$ 66,018</u>	<u>\$ 65,112</u>
<b>Income before taxes reconciliation</b>					
Income before taxes	\$ 28,015	\$ 26,361	\$ 24,795	\$ 24,784	\$ 25,385
Taxable equivalent adjustment	(405)	(377)	(357)	(380)	(370)
Income before taxes (GAAP)	<u>\$ 27,610</u>	<u>\$ 25,984</u>	<u>\$ 24,438</u>	<u>\$ 24,404</u>	<u>\$ 25,015</u>
<b>Income tax expense (benefit) reconciliation</b>					
Income tax expense (benefit)	\$ 10,399	\$ 10,004	\$ 9,395	\$ 8,873	\$ 9,885
Taxable equivalent adjustment	(405)	(377)	(357)	(380)	(370)
Income tax expense (benefit) (GAAP)	<u>\$ 9,994</u>	<u>\$ 9,627</u>	<u>\$ 9,038</u>	<u>\$ 8,493</u>	<u>\$ 9,515</u>
<b>Book value per common share reconciliation</b>					
Tangible book value per common share	\$ 12.10	\$ 11.91	\$ 11.63	\$ 11.26	\$ 10.95
Effect of goodwill and other intangibles	.05	.03	.03	.04	.04
Book value per common share (GAAP)	<u>\$ 12.15</u>	<u>\$ 11.94</u>	<u>\$ 11.66</u>	<u>\$ 11.30</u>	<u>\$ 10.99</u>
<b>Average equity to assets reconciliation</b>					
Tangible common equity to assets	9.83%	9.58%	9.22%	8.99%	9.02%

Effect of preferred equity	-	-	.28	2.60	2.74
Tangible equity to assets	9.83	9.58	9.50	11.59	11.76
Effect of goodwill and other intangibles	.02	.03	.02	.03	.04
Equity to assets (GAAP)	<u>9.85%</u>	<u>9.61%</u>	<u>9.52%</u>	<u>11.62%</u>	<u>11.80%</u>

**Tangible common equity to risk-weighted assets reconciliation**

Tangible common equity to risk-weighted assets	14.10%	13.92%	13.63%	13.18%	13.34%
Effect of other comprehensive income	.34	.53	.36	.39	.49
Effect of deferred tax limitation	(3.39)	(3.74)	(3.92)	(4.26)	(4.72)
Effect of trust preferred	1.02	1.04	1.03	1.04	1.09
Effect of preferred equity	-	-	-	2.39	4.01
Tier I capital ratio (Regulatory)	<u>12.07%</u>	<u>11.75%</u>	<u>11.10%</u>	<u>12.74%</u>	<u>14.21%</u>

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

<i>(in thousands, except per share data; taxable equivalent)</i>	<b>For the Nine Months Ended September 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>Interest revenue reconciliation</b>		
Interest revenue - taxable equivalent	\$ 185,616	\$ 185,628
Taxable equivalent adjustment	(1,139)	(1,103)
Interest revenue (GAAP)	<u>\$ 184,477</u>	<u>\$ 184,525</u>
<b>Net interest revenue reconciliation</b>		
Net interest revenue - taxable equivalent	\$ 166,086	\$ 163,762
Taxable equivalent adjustment	(1,139)	(1,103)
Net interest revenue (GAAP)	<u>\$ 164,947</u>	<u>\$ 162,659</u>
<b>Total revenue reconciliation</b>		
Total operating revenue	\$ 200,117	\$ 144,341
Taxable equivalent adjustment	(1,139)	(1,103)
Total revenue (GAAP)	<u>\$ 198,978</u>	<u>\$ 143,238</u>
<b>Income before taxes reconciliation</b>		
Income before taxes	\$ 79,171	\$ 11,651
Taxable equivalent adjustment	(1,139)	(1,103)
Income before taxes (GAAP)	<u>\$ 78,032</u>	<u>\$ 10,548</u>
<b>Income tax expense (benefit) reconciliation</b>		
Income tax expense (benefit)	\$ 29,798	\$ (245,578)
Taxable equivalent adjustment	(1,139)	(1,103)
Income tax expense (benefit) (GAAP)	<u>\$ 28,659</u>	<u>\$ (246,681)</u>
<b>Book value per common share reconciliation</b>		
Tangible book value per common share	\$ 12.10	\$ 10.95
Effect of goodwill and other intangibles	.05	.04
Book value per common share (GAAP)	<u>\$ 12.15</u>	<u>\$ 10.99</u>
<b>Average equity to assets reconciliation</b>		
Tangible common equity to assets	9.55%	7.04%
Effect of preferred equity	.09	2.81
Tangible equity to assets	9.64	9.85
Effect of goodwill and other intangibles	.02	.06
Equity to assets (GAAP)	<u>9.66%</u>	<u>9.91%</u>
<b>Tangible common equity to risk-weighted assets reconciliation</b>		
Tangible common equity to risk-weighted assets	14.10%	13.34%

Effect of other comprehensive income	.34	.49
Effect of deferred tax limitation	(3.39)	(4.72)
Effect of trust preferred	1.02	1.09
Effect of preferred equity	-	4.01
Tier I capital ratio (Regulatory)	<u>12.07%</u>	<u>14.21%</u>

**UNITED COMMUNITY BANKS, INC.**

**Financial Highlights**

**Loan Portfolio Composition at Period-End <sup>(1)</sup>**

<i>(in millions)</i>	2014			2013	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
<b>LOANS BY CATEGORY</b>					
Owner occupied commercial RE	\$ 1,153	\$ 1,163	\$ 1,142	\$ 1,134	\$ 1,129
Income producing commercial RE	605	598	624	623	614
Commercial & industrial	650	554	495	472	457
Commercial construction	181	160	148	149	137
Total commercial	2,589	2,475	2,409	2,378	2,337
Residential mortgage	866	861	866	875	888
Home equity lines of credit	459	451	447	441	421
Residential construction	307	302	318	328	318
Consumer installment	348	321	316	307	303
<b>Total loans</b>	<b>\$ 4,569</b>	<b>\$ 4,410</b>	<b>\$ 4,356</b>	<b>\$ 4,329</b>	<b>\$ 4,267</b>
<b>LOANS BY MARKET</b>					
North Georgia	\$ 1,168	\$ 1,175	\$ 1,205	\$ 1,240	\$ 1,262
Atlanta MSA	1,289	1,305	1,290	1,275	1,246
North Carolina	553	555	563	572	575
Coastal Georgia	444	426	425	423	421
Gainesville MSA	254	257	262	255	253
East Tennessee	281	270	272	280	277
South Carolina / Corporate	337	206	131	88	47
Other <sup>(2)</sup>	243	216	208	196	186
<b>Total loans</b>	<b>\$ 4,569</b>	<b>\$ 4,410</b>	<b>\$ 4,356</b>	<b>\$ 4,329</b>	<b>\$ 4,267</b>
<b>RESIDENTIAL CONSTRUCTION</b>					
Dirt loans					
Acquisition & development	\$ 36	\$ 34	\$ 37	\$ 39	\$ 40
Land loans	35	36	37	38	35
Lot loans	146	151	159	166	167
Total	217	221	233	243	242
House loans					
Spec	18	19	19	23	30
Sold	72	62	66	62	46
Total	90	81	85	85	76
<b>Total residential construction</b>	<b>\$ 307</b>	<b>\$ 302</b>	<b>\$ 318</b>	<b>\$ 328</b>	<b>\$ 318</b>

<sup>(1)</sup> Excludes total loans of \$2.8 million, \$3.1 million, \$19.3 million, \$20.3 million and \$23.3 million as of September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013 and September 30, 2013, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank. <sup>(2)</sup> Includes purchased indirect auto loans that are not assigned to a geographic region.

**UNITED COMMUNITY BANKS, INC.**

**Financial Highlights**

**Loan Portfolio Composition at Period-End <sup>(1)</sup>**

<i>(in millions)</i>	2014		2013	Linked Quarter Change	Year over Year Change
	Third Quarter	Second Quarter	Third Quarter		
<b>LOANS BY CATEGORY</b>					
Owner occupied commercial RE	\$ 1,153	\$ 1,163	\$ 1,129	\$ (10)	\$ 24
Income producing commercial RE	605	598	614	7	(9)
Commercial & industrial	650	554	457	96	193
Commercial construction	181	160	137	21	44
Total commercial	2,589	2,475	2,337	114	252
Residential mortgage	866	861	888	5	(22)
Home equity lines of credit	459	451	421	8	38
Residential construction	307	302	318	5	(11)
Consumer installment	348	321	303	27	45
<b>Total loans</b>	<b>\$ 4,569</b>	<b>\$ 4,410</b>	<b>\$ 4,267</b>	<b>159</b>	<b>302</b>
<b>LOANS BY MARKET</b>					
North Georgia	\$ 1,168	\$ 1,175	\$ 1,262	(7)	(94)
Atlanta MSA	1,289	1,305	1,246	(16)	43
North Carolina	553	555	575	(2)	(22)
Coastal Georgia	444	426	421	18	23
Gainesville MSA	254	257	253	(3)	1
East Tennessee	281	270	277	11	4
South Carolina / Corporate	337	206	47	131	290
Other <sup>(2)</sup>	243	216	186	27	57
<b>Total loans</b>	<b>\$ 4,569</b>	<b>\$ 4,410</b>	<b>\$ 4,267</b>	<b>159</b>	<b>302</b>
<b>RESIDENTIAL CONSTRUCTION</b>					
Dirt loans					
Acquisition & development	\$ 36	\$ 34	\$ 40	2	(4)
Land loans	35	36	35	(1)	-
Lot loans	146	151	167	(5)	(21)
Total	217	221	242	(4)	(25)
House loans					
Spec	18	19	30	(1)	(12)
Sold	72	62	46	10	26
Total	90	81	76	9	14
<b>Total residential construction</b>	<b>\$ 307</b>	<b>\$ 302</b>	<b>\$ 318</b>	<b>5</b>	<b>(11)</b>

<sup>(1)</sup> Excludes total loans of \$2.8 million, \$3.1 million, \$19.3 million, \$20.3 million and \$23.3 million as of September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013 and September 30, 2013, respectively, that are covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank. <sup>(2)</sup> Includes purchased indirect auto loans that are not assigned to a geographic region.

## UNITED COMMUNITY BANKS, INC.

### Financial Highlights

#### Credit Quality <sup>(1)</sup>

<i>(in thousands)</i>	Third Quarter 2014		
	Non-performing Loans	Foreclosed Properties	Total NPAs
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 2,156	\$ 1,024	\$ 3,180
Income producing CRE	1,742	42	1,784
Commercial & industrial	1,593	-	1,593
Commercial construction	148	-	148
Total commercial	5,639	1,066	6,705
Residential mortgage	8,350	1,769	10,119
Home equity lines of credit	720	90	810



Residential construction	3,543	221	3,764
Consumer installment	493	-	493
<b>Total NPAs</b>	<u>\$ 18,745</u>	<u>\$ 3,146</u>	<u>\$ 21,891</u>
<b>Balance as a % of Unpaid Principal</b>	68.6%	54.5%	66.1%

#### **NONPERFORMING ASSETS BY MARKET**

North Georgia	\$ 7,392	\$ 1,717	\$ 9,109
Atlanta MSA	1,724	364	2,088
North Carolina	4,919	398	5,317
Coastal Georgia	781	160	941
Gainesville MSA	1,403	85	1,488
East Tennessee	1,227	245	1,472
South Carolina / Corporate	945	177	1,122
Other <sup>(3)</sup>	354	-	354
<b>Total NPAs</b>	<u>\$ 18,745</u>	<u>\$ 3,146</u>	<u>\$ 21,891</u>

#### **NONPERFORMING ASSETS ACTIVITY**

<b>Beginning Balance</b>	\$ 20,724	\$ 2,969	\$ 23,693
Loans placed on non-accrual	7,665	-	7,665
Payments received	(3,129)	-	(3,129)
Loan charge-offs	(4,353)	-	(4,353)
Foreclosures	(2,162)	2,162	-
Capitalized costs	-	209	209
Property sales	-	(2,350)	(2,350)
Write downs	-	(108)	(108)
Net gains (losses) on sales	-	264	264
<b>Ending Balance</b>	<u>\$ 18,745</u>	<u>\$ 3,146</u>	<u>\$ 21,891</u>

(1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.

(2) Annualized.

(3) Includes purchased indirect auto loans that are not assigned to a geographic region.

#### **UNITED COMMUNITY BANKS, INC.**

##### **Financial Highlights**

##### **Credit Quality <sup>(1)</sup>**

<i>(in thousands)</i>	Second Quarter 2014		
	Non-performing Loans	Foreclosed Properties	Total NPAs
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 2,975	\$ 653	\$ 3,628
Income producing CRE	1,032	242	1,274
Commercial & industrial	1,102	-	1,102
Commercial construction	95	-	95
Total commercial	5,204	895	6,099
Residential mortgage	10,201	1,426	11,627
Home equity lines of credit	510	128	638
Residential construction	4,248	520	4,768
Consumer installment	561	-	561
<b>Total NPAs</b>	<u>\$ 20,724</u>	<u>\$ 2,969</u>	<u>\$ 23,693</u>
<b>Balance as a % of Unpaid Principal</b>	66.5%	.4%	3.9%

#### **NONPERFORMING ASSETS BY MARKET**

North Georgia	\$ 8,216	\$ 1,392	\$ 9,608
Atlanta MSA	3,883	510	4,393
North Carolina	5,314	615	5,929
Coastal Georgia	782	80	862
Gainesville MSA	921	49	970
East Tennessee	1,218	323	1,541

South Carolina / Corporate	-	-	-
Other <sup>(3)</sup>	390	-	390
<b>Total NPAs</b>	<u>\$ 20,724</u>	<u>\$ 2,969</u>	<u>\$ 23,693</u>

#### **NONPERFORMING ASSETS ACTIVITY**

<b>Beginning Balance</b>	\$ 25,250	\$ 5,594	\$ 30,844
Loans placed on non-accrual	9,529	-	9,529
Payments received	(4,027)	-	(4,027)
Loan charge-offs	(8,341)	-	(8,341)
Foreclosures	(1,687)	1,687	-
Capitalized costs	-	-	-
Property sales	-	(4,430)	(4,430)
Write downs	-	(305)	(305)
Net gains (losses) on sales	-	423	423
<b>Ending Balance</b>	<u>\$ 20,724</u>	<u>\$ 2,969</u>	<u>\$ 23,693</u>

- (1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.
- (2) Annualized.
- (3) Includes purchased indirect auto loans that are not assigned to a geographic region.

#### **UNITED COMMUNITY BANKS, INC.**

##### **Financial Highlights**

##### **Credit Quality <sup>(1)</sup>**

<i>(in thousands)</i>	First Quarter 2014		
	Non-performing Loans	Foreclosed Properties	Total NPAs
<b>NONPERFORMING ASSETS BY CATEGORY</b>			
Owner occupied CRE	\$ 3,868	\$ 1,167	\$ 5,035
Income producing CRE	1,278	1,645	2,923
Commercial & industrial	822	-	822
Commercial construction	479	-	479
Total commercial	6,447	2,812	9,259
Residential mortgage	13,307	2,146	15,453
Home equity lines of credit	1,106	362	1,468
Residential construction	3,805	274	4,079
Consumer installment	585	-	585
<b>Total NPAs</b>	<u>\$ 25,250</u>	<u>\$ 5,594</u>	<u>\$ 30,844</u>
<b>Balance as a % of U npaid Principal</b>	65.8%	53.9%	63.2%

#### **NONPERFORMING ASSETS BY MARKET**

North Georgia	\$ 12,166	\$ 2,058	\$ 14,224
Atlanta MSA	2,916	904	3,820
North Carolina	6,501	866	7,367
Coastal Georgia	800	1,607	2,407
Gainesville MSA	1,145	-	1,145
East Tennessee	1,428	159	1,587
South Carolina / Corporate	-	-	-
Other <sup>(3)</sup>	294	-	294
<b>Total NPAs</b>	<u>\$ 25,250</u>	<u>\$ 5,594</u>	<u>\$ 30,844</u>

#### **NONPERFORMING ASSETS ACTIVITY**

<b>Beginning Balance</b>	\$ 26,819	\$ 4,221	\$ 31,040
Loans placed on non-accrual	9,303	-	9,303
Payments received	(1,666)	-	(1,666)
Loan charge-offs	(4,839)	-	(4,839)
Foreclosures	(4,367)	4,367	-
Capitalized costs	-	-	-

Property sales	-	(3,238)	(3,238)
Write downs	-	(277)	(277)
Net gains (losses) on sales	-	521	521
<b>Ending Balance</b>	<b>\$ 25,250</b>	<b>\$ 5,594</b>	<b>\$ 30,844</b>

- (1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.
- (2) Annualized.
- (3) Includes purchased indirect auto loans that are not assigned to a geographic region.

**UNITED COMMUNITY BANKS, INC.**

**Financial Highlights**

**Credit Quality**<sup>(1)</sup>

	Third Quarter 2014		Second Quarter 2014		First Quarter 2014	
	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(2)</sup>	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(2)</sup>	Net Charge-Offs	Net Charge-Offs to Average Loans <sup>(2)</sup>
<i>(in thousands)</i>						
<b>NET CHARGE-OFFS BY CATEGORY</b>						
Owner occupied CRE	\$ 746	.26%	\$ (1,836)	(.64)%	\$ 278	.10%
Income producing CRE	104	.07	435	.29	205	.13
Commercial & industrial	(341)	(.23)	662	.52	421	.35
Commercial construction	103	.24	131	.34	-	-
Total commercial	612	.10	(608)	(.10)	904	.15
Residential mortgage	1,116	.52	2,509	1.17	1,515	.71
Home equity lines of credit	356	.31	466	.42	993	.90
Residential construction	712	.94	1,671	2.13	212	.27
Consumer installment	359	.43	137	.18	415	.54
<b>Total</b>	<b>\$ 3,155</b>	<b>.28</b>	<b>\$ 4,175</b>	<b>.38</b>	<b>\$ 4,039</b>	<b>.38</b>

**NET CHARGE-OFFS BY MARKET**

North Georgia	\$ 1,861	.63%	\$ (741)	(.25)%	\$ 1,272	.42%
Atlanta MSA	(250)	(.08)	1,481	.46	1,232	.39
North Carolina	656	.47	2,161	1.55	577	.41
Coastal Georgia	228	.21	116	.11	512	.49
Gainesville MSA	259	.40	797	1.23	141	.22
East Tennessee	230	.33	288	.42	239	.35
South Carolina / Corporate	5	.01	-	-	-	-
Other <sup>(3)</sup>	166	.31	73	.14	66	.14
<b>Total</b>	<b>\$ 3,155</b>	<b>.28</b>	<b>\$ 4,175</b>	<b>.38</b>	<b>\$ 4,039</b>	<b>.38</b>

- (1) Excludes non-performing loans and foreclosed properties covered by the loss-sharing agreement with the FDIC, related to the acquisition of Southern Community Bank.
- (2) Annualized.
- (3) Includes purchased indirect auto loans that are not assigned to a geographic region.

**UNITED COMMUNITY BANKS, INC.**

**Consolidated Statement of Income (Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
<i>(in thousands, except per share data)</i>				
<b>Interest revenue:</b>				
Loans, including fees	\$ 49,653	\$ 50,162	\$ 145,602	\$ 151,827

Investment securities, including tax exempt of \$177, \$202, \$558 and \$624	12,346	9,887	36,118	29,905
Deposits in banks and short-term investments	934	1,007	2,757	2,793
Total interest revenue	<u>62,933</u>	<u>61,056</u>	<u>184,477</u>	<u>184,525</u>

**Interest expense:**

Deposits:				
NOW	365	413	1,216	1,286
Money market	872	545	2,192	1,641
Savings	20	37	61	109
Time	1,721	2,630	5,510	8,871
Total deposit interest expense	2,978	3,625	8,979	11,907
Short-term borrowings	316	525	2,064	1,563
Federal Home Loan Bank advances	435	16	573	65
Long-term debt	2,642	3,003	7,914	8,331
Total interest expense	6,371	7,169	19,530	21,866
Net interest revenue	56,562	53,887	164,947	162,659
Provision for credit losses	2,000	3,000	6,700	62,500
Net interest revenue after provision for credit losses	<u>54,562</u>	<u>50,887</u>	<u>158,247</u>	<u>100,159</u>

**Fee revenue:**

Service charges and fees	8,202	8,456	24,627	23,831
Mortgage loan and other related fees	2,178	2,554	5,409	8,212
Brokerage fees	1,209	1,274	3,631	3,104
Securities gains, net	11	-	4,663	116
Loss from prepayment of debt	-	-	(4,446)	-
Other	2,812	1,941	6,847	7,816
Total fee revenue	14,412	14,225	40,731	43,079
<b>Total revenue</b>	<u>68,974</u>	<u>65,112</u>	<u>198,978</u>	<u>143,238</u>

**Operating expenses:**

Salaries and employee benefits	25,666	23,090	74,349	71,416
Communications and equipment	3,094	3,305	9,370	9,819
Occupancy	3,425	3,379	10,065	10,195
Advertising and public relations	894	962	2,659	2,937
Postage, printing and supplies	876	644	2,456	2,401
Professional fees	2,274	2,650	5,873	7,515
Foreclosed property	285	194	503	7,678
FDIC assessments and other regulatory charges	1,131	2,405	3,909	7,415
Amortization of intangibles	313	427	1,061	1,623
Other	3,406	3,041	10,701	11,691
Total operating expenses	41,364	40,097	120,946	132,690
Net income before income taxes	27,610	25,015	78,032	10,548
Income tax expense (benefit)	9,994	9,515	28,659	(246,681)
<b>Net income</b>	17,616	15,500	49,373	257,229
Preferred stock dividends and discount accretion	-	3,059	439	9,166
<b>Net income available to common shareholders</b>	<u>\$ 17,616</u>	<u>\$ 12,441</u>	<u>\$ 48,934</u>	<u>\$ 248,063</u>

Earnings per common share:

Basic	\$ .29	\$ .21	\$ .81	\$ 4.24
Diluted	.29	.21	.81	4.24
Weighted average common shares outstanding:				
Basic	60,776	59,100	60,511	58,443
Diluted	60,779	59,202	60,513	58,444

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

	<u>September 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>	<u>September 30,</u> <u>2013</u>
<i>(in thousands, except share and per share data)</i>			
<b>ASSETS</b>			

Cash and due from banks	\$ 75,268	\$ 71,230	\$ 70,986
Interest-bearing deposits in banks	117,399	119,669	131,147
Short-term investments	23,397	37,999	62,000
Cash and cash equivalents	216,064	228,898	264,133
Securities available for sale	1,789,667	1,832,217	1,963,424
Securities held to maturity (fair value \$440,311, \$485,585 and \$214,651)	432,418	479,742	205,613
Mortgage loans held for sale	20,004	10,319	11,987
Loans, net of unearned income	4,568,886	4,329,266	4,267,067
Less allowance for loan losses	(71,928)	(76,762)	(80,372)
Loans, net	4,496,958	4,252,504	4,186,695
Assets covered by loss sharing agreements with the FDIC	3,253	22,882	31,207
Premises and equipment, net	160,454	163,589	165,993
Bank owned life insurance	81,101	80,670	80,537
Accrued interest receivable	19,908	19,598	18,199
Goodwill and other intangible assets	3,910	3,480	3,888
Foreclosed property	3,146	4,221	4,467
Net deferred tax asset	224,734	258,518	269,784
Derivative financial instruments	22,221	23,833	8,092
Other assets	52,051	44,948	29,274
<b>Total assets</b>	<b>\$ 7,525,889</b>	<b>\$ 7,425,419</b>	<b>\$ 7,243,293</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Liabilities:

##### Deposits:

Demand	\$ 1,561,020	\$ 1,388,512	\$ 1,418,782
NOW	1,399,449	1,427,939	1,279,134
Money market	1,281,526	1,227,575	1,197,495
Savings	287,797	251,125	249,044

##### Time:

Less than \$100,000	774,201	892,961	925,089
Greater than \$100,000	531,428	588,689	624,019

##### Brokered

Total deposits	6,240,729	6,201,505	6,112,907
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Short-term borrowings	6,001	53,241	53,769
Federal Home Loan Bank advances	330,125	120,125	125
Long-term debt	129,865	129,865	129,865
Derivative financial instruments	36,171	46,232	37,269
Unsettled securities purchases	-	29,562	11,610
Accrued expenses and other liabilities	46,573	49,174	45,531

##### Total liabilities

	6,789,464	6,629,704	6,391,076
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#### Shareholders' equity:

Preferred stock, \$1 par value; 10,000,000 shares authorized;

    Series A; \$10 stated value; 0, 0 and 21,700 shares issued and outstanding - - 217

    Series B; \$1,000 stated value; 0, 105,000 and 180,000 shares issued and outstanding - 105,000 179,714

    Series D; \$1,000 stated value; 0, 16,613 and 16,613 shares issued and outstanding - 16,613 16,613

Common stock, \$1 par value; 100,000,000 shares authorized; 50,167,191, 46,243,345 and 45,222,839 shares issued and outstanding 50,167 46,243 45,223

Common stock, non-voting, \$1 par value; 26,000,000 shares authorized; 10,080,787, 13,188,206 and 14,189,006 shares issued and outstanding 10,081 13,188 14,189

Common stock issuable; 354,961, 241,832 and 242,262 shares 5,116 3,930 3,979

Capital surplus 1,091,555 1,078,676 1,077,536

Accumulated deficit (402,773) (448,091) (461,090)

Accumulated other comprehensive loss (17,721) (19,844) (24,164)

**Total shareholders' equity** 736,425 795,715 852,217

**Total liabilities and shareholders' equity** \$ 7,525,889 \$ 7,425,419 \$ 7,243,293

**UNITED COMMUNITY BANKS, INC.**  
**Average Consolidated Balance Sheets and Net Interest Analysis**  
For the Three Months Ended September 30,

<i>(dollars in thousands, taxable equivalent)</i>	2014			2013		
	Average Balance	Interest	Avg. Rate	Average Balance	Interest	Avg. Rate
<b>Assets:</b>						
Interest-earning assets:						
Loans, net of unearned income <sup>(1)(2)</sup>	\$ 4,445,947	\$ 49,853	4.45%	\$ 4,249,892	\$ 50,265	4.69%
Taxable securities <sup>(3)</sup>	2,212,116	12,169	2.20	2,157,448	9,685	1.80
Tax-exempt securities <sup>(1)(3)</sup>	18,794	290	6.17	20,913	331	6.32
Federal funds sold and other interest-earning assets	143,169	1,026	2.87	186,544	1,145	2.46
<b>Total interest-earning assets</b>	<u>6,820,026</u>	<u>63,338</u>	3.69	<u>6,614,797</u>	<u>61,426</u>	3.69
Non-interest-earning assets:						
Allowance for loan losses	(74,146)			(83,408)		
Cash and due from banks	71,224			63,890		
Premises and equipment	161,315			166,906		
Other assets <sup>(3)</sup>	395,184			407,912		
<b>Total assets</b>	<u>\$ 7,373,603</u>			<u>\$ 7,170,097</u>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,331,806	365	.11	\$ 1,222,334	413	.13
Money market	1,387,042	872	.25	1,328,661	545	.16
Savings	282,746	20	.03	248,937	37	.06
Time less than \$100,000	791,289	876	.44	952,320	1,369	.57
Time greater than \$100,000	542,216	827	.61	644,264	1,229	.76
Brokered time deposits	278,330	18	.03	233,842	32	.05
Total interest-bearing deposits	<u>4,613,429</u>	<u>2,978</u>	.26	<u>4,630,358</u>	<u>3,625</u>	.31
Federal funds purchased and other borrowings	53,713	316	2.33	67,292	525	3.10
Federal Home Loan Bank advances	227,190	435	.76	32,082	16	.20
Long-term debt	129,865	2,642	8.07	144,601	3,003	8.24
Total borrowed funds	<u>410,768</u>	<u>3,393</u>	3.28	<u>243,975</u>	<u>3,544</u>	5.76
<b>Total interest-bearing liabilities</b>	<u>5,024,197</u>	<u>6,371</u>	.50	<u>4,874,333</u>	<u>7,169</u>	.58
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,530,011			1,356,792		
Other liabilities	92,986			93,247		
Total liabilities	<u>6,647,194</u>			<u>6,324,372</u>		
Shareholders' equity	<u>726,409</u>			<u>845,725</u>		
<b>Total liabilities and shareholders' equity</b>	<u>\$ 7,373,603</u>			<u>\$ 7,170,097</u>		
<b>Net interest revenue</b>		<u>\$ 56,967</u>			<u>\$ 54,257</u>	
Net interest-rate spread			<u>3.19%</u>			<u>3.11%</u>
<b>Net interest margin <sup>(4)</sup></b>			<u>3.32%</u>			<u>3.26%</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 \$7.42 million in 2014 and pretax unrealized losses of \$10.6 million in 2013 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,

<i>(dollars in thousands, taxable equivalent)</i>	2014			2013		
	<u>Average Balance</u>	<u>Interest</u>	<u>Avg. Rate</u>	<u>Average Balance</u>	<u>Interest</u>	<u>Avg. Rate</u>
<b>Assets:</b>						
Interest-earning assets:						
Loans, net of unearned income <sup>(1)(2)</sup>	\$ 4,392,895	\$ 146,156	4.45%	\$ 4,233,531	\$ 152,073	4.80%
Taxable securities <sup>(3)</sup>	2,272,639	35,560	2.09	2,138,725	29,281	1.83
Tax-exempt securities <sup>(1)(3)</sup>	19,515	914	6.24	21,411	1,022	6.36
Federal funds sold and other interest-earning assets	150,782	2,986	2.64	196,445	3,252	2.21
<b>Total interest-earning assets</b>	<u>6,835,831</u>	<u>185,616</u>	3.63	<u>6,590,112</u>	<u>185,628</u>	3.76
Non-interest-earning assets:						
Allowance for loan losses	(76,148)			(100,154)		
Cash and due from banks	65,744			63,879		
Premises and equipment	161,843			168,144		
Other assets <sup>(3)</sup>	404,654			252,275		
<b>Total assets</b>	<u>\$ 7,391,924</u>			<u>\$ 6,974,256</u>		
<b>Liabilities and Shareholders' Equity:</b>						
Interest-bearing liabilities:						
Interest-bearing deposits:						
NOW	\$ 1,367,713	1,216	.12	\$ 1,256,684	1,286	.14
Money market	1,375,064	2,192	.21	1,297,792	1,641	.17
Savings	272,696	61	.03	242,807	109	.06
Time less than \$100,000	828,694	2,822	.46	997,193	4,686	.63
Time greater than \$100,000	561,167	2,610	.62	670,821	4,086	.81
Brokered time deposits	300,374	78	.03	201,599	99	.07
Total interest-bearing deposits	<u>4,705,708</u>	<u>8,979</u>	.26	<u>4,666,896</u>	<u>11,907</u>	.34
Federal funds purchased and other borrowings	91,320	2,064	3.02	70,512	1,563	2.96
Federal Home Loan Bank advances	169,392	573	.45	41,352	65	.21
Long-term debt	129,865	7,914	8.15	131,491	8,331	8.47
Total borrowed funds	<u>390,577</u>	<u>10,551</u>	3.61	<u>243,355</u>	<u>9,959</u>	5.47
<b>Total interest-bearing liabilities</b>	<u>5,096,285</u>	<u>19,530</u>	.51	<u>4,910,251</u>	<u>21,866</u>	.60
Non-interest-bearing liabilities:						
Non-interest-bearing deposits	1,469,967			1,305,133		
Other liabilities	111,522			68,312		
Total liabilities	<u>6,677,774</u>			<u>6,283,696</u>		
Shareholders' equity	<u>714,150</u>			<u>690,560</u>		
<b>Total liabilities and shareholders' equity</b>	<u>\$ 7,391,924</u>			<u>\$ 6,974,256</u>		
<b>Net interest revenue</b>		<u>\$ 166,086</u>			<u>\$ 163,762</u>	
Net interest-rate spread			<u>3.12%</u>			<u>3.16%</u>
<b>Net interest margin <sup>(4)</sup></b>			<u>3.25%</u>			<u>3.32%</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 \$1.59 million in 2014 and pretax unrealized gains of \$7.96 million in 2013 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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