2018 ANNUAL REPORT

United
COMMUNITY BANKS, INC.®

FINANCIAL HIGHLIGHTS

(dollars in millions, except per share data, employees and banking offices)

	2018	2017
CORE EARNINGS SUMMARY		
Net interest revenue	$ 438.7	$ 355.9
Noninterest income	93.0	88.3
Operating expenses *(excluding merger-related and other non-operating charges)*	298.9	252.9
Pre-tax, pre-credit operating earnings	**232.8**	**191.3**
Provision for credit losses	(9.5)	(3.8)
Merger-related and other non-operating charges, net of taxes	(5.9)	(52.5)
Operating income tax expense (excl. benefit on merger and other non-operating charges)	(51.3)	(67.2)
Net income	**166.1**	**67.8**
PER COMMON SHARE		
Diluted earnings—GAAP	$ 2.07	$ 0.92
Diluted earnings—operating (1)	2.14	1.63
Cash dividends declared	0.58	0.38
Book value	18.24	16.67
Tangible book value	14.24	13.65
PERFORMANCE MEASURES		
Net interest margin	3.91 %	3.52 %
Allowance for loan losses to loans	0.73	0.76
Return on assets—GAAP	1.35	0.62
Return on assets—operating (1)	1.40	1.09
Return on common equity—GAAP	11.60	5.67
Return on tangible common equity—operating (1)	15.69	12.02
Average equity to average assets	11.24	10.71
Average tangible common equity to average assets	8.92	9.29
Tier 1 risk-based capital ratio	12.42	12.24
AS OF YEAR-END		
Loans	$ 8,383	$ 7,736
Investment securities	2,903	2,937
Total assets	12,573	11,915
Deposits	10,535	9,808
Shareholders' equity	1,458	1,303
Common shares outstanding (thousands)	79,234	77,580
Employees	2,344	2,175
Banking offices	149	156

(1) Excludes the effect of merger-related and other non-operating charges, net of taxes, of $5.9 million and $10.9 million, respectively, in 2018 and 2017; impact of remeasurement of deferred tax asset resulting from 2017 Tax Cuts and Jobs Act of $38.2 million; and release of disproportionate tax effects lodged in accumulated other comprehensive income (loss) of $3.4 million in 2017.

LETTER TO SHAREHOLDERS

OUR PURPOSE

We help our customers live better lives by delivering high-quality financial products and services. We live by the "Golden Rule of Banking"— we treat our customers the way we want to be treated.

ANNUAL LETTER – LYNN HARTON, CEO

I could not be more proud of the United team's 2018 accomplishments and I am very optimistic about the future for our company. Despite ongoing industry challenges such as rapid technology change, intense competition and increasing interest rates, we had an outstanding year by nearly every measure. We set new records for net income, earnings per share, return on assets and return on equity. We were able to increase our dividend to $0.58, an increase of $0.20 (or 53%) over last year. Even at that level, we are paying out only 28% of our earnings and continue to increase our capital levels and related capital ratios at a rapid pace. We also met our stated 2018 full-year goal of a 1.40% Operating Return on Average Assets (ROAA) and posted a fourth quarter ROAA of 1.45% on an operating basis.

In addition to the financial accomplishments for the year, we continued to improve the long-term prospects of the company—consistent with our desire to build one of the best financial institutions in the South. To do that, our strategies are focused on five key areas:

1. **Talent Recruitment and Development – our goal is to be the best place for the best bankers to work**

Banking is a service business, which means it is a people business. Sixty percent of our costs are direct employee costs. Without great people, we would be just an average bank.

We focus on culture in order to create an environment to attract great people. During 2018, we completed our third comprehensive employee survey since 2013. We ask for honest feedback and share the results with the entire company. The results continue to be strong, with our teams showing great confidence in our strategies and our future. We have areas to work on as well, and we are addressing those directly. We believe that creating an environment where team members feel free to give honest and direct feedback makes us a better company; one better able to harness the creative capacity of our teams.

During 2018, we continued to invest in the development of our teams. We graduated our third Leadership Academy class—a group of eleven that joins the previous 30 graduates of this comprehensive program focused on strategy, culture and leadership. We began a new Operational Excellence program to give a broader segment of our leaders a deeper understanding of our strategies and goals. To share the benefits of tax reform with our teams, we gave unscheduled base pay increases or bonuses to 58% of our employees and we increased the company match on 401k contributions by 43%.

Finally, we continued to add talent, not only to our company, but also to our board. We were very pleased to add Lance Drummond and Jenn Mann to our board this year. Lance is the former Executive Vice President of Operations and Technology for TD Canada Trust. Prior to that role, he led online bank and ATM operations at Bank of America and was responsible for the largest bank-owned network of ATMs in the country. Lance also brings extensive experience in bank operations such as mortgage processing, digitization and information technology. He currently serves as a board member of the Federal Home Loan Mortgage Corporation (Freddie Mac) and a Trustee for the University of Rochester.

Jenn is the Executive Vice President and Chief Human Resources Officer for SAS Institute, Inc., a global leader in analytics, business intelligence and data management software in Cary, North Carolina with a worldwide workforce of more than 14,000. She is widely recognized for her initiatives in the areas of employee performance, workplace culture and organizational effectiveness at SAS, which has consistently been recognized as one of the Fortune 100 Best Companies to Work For® by *Fortune* magazine.

Both Lance and Jenn bring a significant depth of experience and skilled oversight to our company's operations and are valuable additions to our already outstanding board talent.

2. Customer Service – our goal is to have class-leading customer service across our delivery channels

We not only survey our employees, but also our customers. In 2018, we received and analyzed 5,000 customer surveys and incorporated the feedback into our training and delivery strategies. We have statistically valid customer service scores for each of our branches and those scores are both a qualifier and a multiplier for our branch incentive programs. We were honored to be ranked "best in class" in overall satisfaction by our outside survey company, with the majority of our retail metrics in the top 25% of peer rankings.

We are also pleased that our culture and employees continue to be recognized by several meaningful industry publications. We were included on *Forbes'* list of America's Best 100 Banks for the sixth year in a row. Also, for the fifth year in a row, we earned the top ranking for overall retail customer satisfaction in the Southeast by J.D. Power. *American Banker* recognized United as one of the top 75 "Best Banks to Work For" nationally for the second year in a row.

3. Top Quartile Financial Performance Through Cycles – our goal is to deliver consistent and predictable high levels of financial performance relative to our peers

With our 140 basis points Operating ROAA in 2018, we have achieved profitability greater than peer averages. This has not always been the case, and we have worked hard and with a sense of urgency to improve our returns—and we will continue to do so. Our goal is to be a top performer in our group not just in good times, but also through the cycle. To do that, we continue to expand our footprint into high growth markets, add complementary products and lines of business to diversify our revenue sources and enhance our strong risk culture.

We are vigilant in managing our concentrations and diversifying our funding sources. In 2018, we continued to invest in risk management talent and processes and believe we are well positioned to face any potential recessionary economic pressures, if they arise. During the year, we strengthened our operational risk management by adding leadership oversight to the area and investing in fraud mitigation and analytics. We significantly improved our disaster recovery systems. We prepared for the implementation of CECL, the upcoming new standard for loan loss accounting and invested in improving our overall project management process.

During 2018, we completed the conversion of Four Oaks Bank, adding a great team and a great market – Raleigh and the surrounding MSA. We added equipment finance to our product set through the acquisition of Navitas Credit Corporation. We continued to expand our mortgage operation, adding mortgage lenders in the newer parts of our footprint. Our deposit base remains one of the strongest in the Southeast, with a full year deposit cost of only 40 basis points. Our cost discipline continues to pay dividends, and our operating efficiency ratio dropped to 55.9% for the year.

As a result, our operating earnings per share increased to $2.14—a 31% increase over the comparable figure for 2017 (approximately a 10% increase excluding the effects of a lower tax rate associated with tax reform). Finally, during 2018, our assets increased by 6% to $12.57 billion, our deposits grew by 7% and our loans increased by 8%.

4. **Infrastructure Development – we are committed to having the support, governance and delivery systems that enable United to grow responsibly**

It is easy to see our growth in loans and deposits. It is harder to see the systems, processes and people that we must have to grow responsibly.

We understand that technology is increasingly critical to the future of the banking business and we continue to invest in this aspect of our business. In particular, we are improving our customer experience by investing in new digital capabilities. With our successful mobile improvements, our mobile customers increased by 26% in 2018, and threefold since 2015. Our customer satisfaction scores for our digital channels are in the top quartile of our peers according to our outside survey company. Our technology investments are also improving our efficiency. As an example, our mortgage processing times were reduced by seven full days due to our new digital mortgage application and processing system. During the year, we also implemented online consumer deposit account opening services with plans to make this a bigger sales and marketing channel over time.

In 2019, we will see continued development in the areas of digital delivery and digital marketing. We are excited about the opportunities that we see to grow our business with these new tools.

5. **Balance Sheet and Capital Strength – our goal is to maintain a strong capital base relative to our peers and to be good stewards of that capital**

Our risk philosophy extends to our capital planning and we believe in maintaining a strong and secure balance sheet to help us meet our long-term goals. Our capital ratios compare well versus peers and we are committed to effectively and efficiently managing our capital. In 2018, we grew our capital ratios with strong internal capital generation and through a raise of $100 million in Tier 2 capital. We paid for a significant portion of our Navitas Credit Corporation acquisition in cash to lever our capital intelligently. During the year, we redeemed expensive Trust Preferred debt and also refreshed our $50 million share repurchase program for opportunistic use in 2019. Finally, we believe our 80% loan-to-deposit ratio and liquid balance sheet translates into manageable funding opportunities as we continue to grow.

LOOKING FORWARD

I was honored to take on the role of Chief Executive Officer at United Community Bank in 2018 after almost six years as Chief Operating Officer. Our culture is of tantamount importance to our company, and I fully understand the responsibility to maintain and reinforce what sets us apart. I want to thank Jimmy Tallent for his years of service to United and his role in building this great company.

It would not be an overstatement to say that without Jimmy Tallent, there would be no United Community Bank. Jimmy's love for people, passion for excellent customer service and strong leadership took United from its humble roots as a small, single-office bank headquartered in the mountains of North Georgia to the $12.6 billion regional bank it is today. And while Jimmy enjoys some well-deserved time with his family, our unique culture remains his legacy at United Community Bank.

As we look forward into the remainder of 2019 and beyond, we are excited about our prospects. We believe we will continue to have opportunities to expand our commercial banking team with new hires. There continue to be attractive merger opportunities that will enable us to expand into new markets and deepen our penetration of existing markets. Disruption in our market from several announced large bank mergers will also provide opportunities for our team to grow market share. Our investments in digital delivery and marketing are promising for the long-term growth and success of the company. Most importantly, we believe our team-based culture—with open communication, a sense of connection and belonging, and a clear shared purpose—will continue to drive great performance for you, our shareholders.

Many thanks for your support and belief in United!

LYNN HARTON
President, Chief Executive Officer

EXECUTIVE OFFICERS

LYNN HARTON
President
Chief Executive Officer

RICH BRADSHAW
Chief Banking Officer

ROB EDWARDS
Chief Risk Officer

JEFFERSON HARRALSON
Chief Financial Officer

BRAD MILLER
General Counsel
Corporate Secretary

MARK TERRY
Chief Information Officer

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)	2018	2017	2016
INTEREST REVENUE			
Loans, including fees	$ 420,383	$ 315,050	$ 268,382
Investment securities:			
Taxable	73,496	70,172	63,413
Tax exempt	4,189	2,216	614
Deposits in banks and short-term investments	2,012	2,282	2,611
Total interest revenue	500,080	389,720	335,020
INTEREST EXPENSE			
Deposits:			
NOW and interest-bearing demand	7,390	3,365	1,903
Money market	12,097	7,033	4,982
Savings	150	135	135
Time	19,906	6,529	3,136
Total deposit interest expense	39,543	17,062	10,156
Short-term borrowings	1,112	352	399
Federal Home Loan Bank advances	6,345	6,095	3,676
Long-term debt	14,330	10,226	11,005
Total interest expense	61,330	33,735	25,236
Net interest revenue	438,750	355,985	309,784
Provision for (Release of) credit losses	9,500	3,800	(800)
Net interest revenue after provision for credit losses	429,250	352,185	310,584
NONINTEREST INCOME			
Service charges and fees	35,997	38,295	42,113
Mortgage loan and other related fees	19,010	18,320	20,292
Brokerage fees	5,191	4,633	4,280
Gains from sales SBA/USDA loans	9,277	10,493	9,545
Securities (losses) gains, net	(656)	42	982
Other	24,142	16,477	16,485
Noninterest income	92,961	88,260	93,697
Total revenue	522,211	440,445	404,281
NONINTEREST EXPENSES			
Salaries and employee benefits	181,015	153,098	138,789
Occupancy	22,781	20,344	19,603
Communications and equipment	21,277	19,660	18,355
FDIC assessments and other regulatory charges	8,491	6,534	5,866
Professional fees	15,540	12,074	11,822
Postage, printing and supplies	6,416	5,952	5,382
Advertising and public relations	5,991	4,242	4,426
Amortization of intangibles	6,846	4,845	4,182
Merger-related and other charges	5,414	13,901	8,122
Other	32,514	26,961	24,742
Total noninterest expenses	306,285	267,611	241,289
Income before income taxes	215,926	172,834	162,992
Income tax expense	49,815	105,013	62,336
Net income	**$ 166,111**	**$ 67,821**	**$ 100,656**
Net income available to common shareholders	**$ 164,927**	**$ 67,250**	**$ 100,635**
Income per common share:			
Basic	$ 2.07	$ 0.92	$ 1.40
Diluted	2.07	0.92	1.40
Weighted average common shares outstanding:			
Basic	79,662	73,247	71,910
Diluted	79,671	73,259	71,915

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	2018	2017
ASSETS		
Cash and due from banks	$ 126,083	$ 129,108
Interest-bearing deposits in banks	201,182	185,167
Cash and cash equivalents	327,265	314,275
Debt securities available-for-sale	2,628,467	2,615,850
Debt securities held-to-maturity (fair value $268,803 and $321,276)	274,407	321,094
Loans held for sale (includes $18,935 and $26,252 at fair value)	18,935	32,734
Loans, net of unearned income	8,383,401	7,735,572
Less allowance for loan losses	(61,203)	(58,914)
Loans, net	8,322,198	7,676,658
Premises and equipment, net	206,140	208,852
Bank owned life insurance	192,616	188,970
Accrued interest receivable	35,413	32,459
Net deferred tax asset	64,224	88,049
Derivative financial instruments	24,705	22,721
Goodwill and other intangible assets	324,072	244,397
Other assets	154,750	169,401
Total assets	**$12,573,192**	**$11,915,460**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Noninterest-bearing demand	$ 3,210,220	$ 3,087,797
NOW and interest-bearing demand	2,274,775	2,131,939
Money market	2,097,526	2,016,748
Savings	669,886	651,742
Time	1,598,391	1,548,460
Brokered	683,715	371,011
Total deposits	10,534,513	9,807,697
Short-term borrowings	-	50,000
Federal Home Loan Bank advances	160,000	504,651
Long-term debt	267,189	120,545
Derivative financial instruments	26,433	25,376
Accrued expenses and other liabilities	127,503	103,857
Total liabilities	**11,115,638**	**10,612,126**
Commitments and contingencies		
Shareholders' equity:		
Common stock, $1 par value; 150,000,000 shares authorized; 79,234,077 and 77,579,561 shares issued and outstanding	79,234	77,580
Common stock issuable; 674,499 and 607,869 shares	10,744	9,083
Capital surplus	1,499,584	1,451,814
Accumulated deficit	(90,419)	(209,902)
Accumulated other comprehensive loss	(41,589)	(25,241)
Total shareholders' equity	**1,457,554**	**1,303,334**
Total liabilities and shareholders' equity	**$12,573,192**	**$11,915,460**

SELECTED DATA—QUARTERLY SUMMARY

(in millions, except per share data)

	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4
EARNINGS SUMMARY					
Net interest revenue	$ 114.8	$ 112.1	$ 108.5	$ 103.3	$ 97.5
Noninterest income	23.1	24.2	23.3	22.4	21.9
Total revenue	137.9	136.3	131.8	125.7	119.4
Operating expenses (1)	77.0	77.1	74.0	70.8	68.5
Pre-tax, pre-credit operating earnings (1)	**60.9**	**59.2**	**57.8**	**54.9**	**50.9**
Provision for credit losses	(2.1)	(1.8)	(1.8)	(3.8)	(1.2)
Merger-related and other non-operating charges, net of taxes	(0.6)	(0.5)	(2.8)	(2.0)	(44.4)
Operating income tax expense (2)	(13.1)	(13.2)	(13.6)	(11.4)	(17.3)
Net income	**$ 45.1**	**$ 43.7**	**$ 39.6**	**$ 37.7**	**$ (12.0)**
PERFORMANCE MEASURES					
Per common share:					
Diluted net income—GAAP	$ 0.56	$ 0.54	$ 0.49	$ 0.47	$ (0.16)
Diluted net income—operating (3)	0.57	0.55	0.53	0.50	0.42
Cash dividends declared	0.16	0.15	0.15	0.12	0.10
Book value	18.24	17.56	17.29	17.02	16.67
Tangible book value (4)	14.24	13.54	13.25	12.96	13.65
Key performance ratios:					
Net interest margin (5)	3.97 %	3.95 %	3.90 %	3.80 %	3.63 %
Return on assets—GAAP (5)	1.43	1.41	1.30	1.26	(0.40)
Return on assets—operating (3)(5)	1.45	1.42	1.39	1.33	1.10
Return on common equity—GAAP (5)(6)	12.08	11.96	11.20	11.11	(3.57)
Return on common equity—operating (3)(5)(6)	12.25	12.09	11.97	11.71	9.73
Return on tangible common equity—operating (3)(4)(5)(6)	15.88	15.81	15.79	15.26	11.93
Average equity to average assets	11.35	11.33	11.21	11.03	11.21
Average tangible equity to average assets (4)	9.04	8.97	8.83	8.82	9.52
Average tangible common equity to average assets (4)	9.04	8.97	8.83	8.82	9.52
ASSET QUALITY					
Non-performing loans	$ 23.8	$ 22.5	$ 21.8	$ 26.3	$ 23.7
Foreclosed properties	1.3	1.4	2.6	2.7	3.2
Total non-performing assets (NPAs)	25.1	23.9	24.4	29.0	26.9
Allowance for loan losses	61.2	60.9	61.1	61.1	58.9
Net charge-offs	1.8	1.5	1.4	1.5	1.1
Allowance for loan losses to loans	0.73 %	0.74 %	0.74 %	0.75 %	0.76 %
Net charge-offs to average loans (5)	0.09	0.07	0.07	0.08	0.06
NPAs to loans and foreclosed properties	0.30	0.29	0.30	0.35	0.35
NPAs to total assets	0.20	0.19	0.20	0.24	0.23
AT PERIOD END					
Loans	$ 8,383	$ 8,226	$ 8,220	$ 8,184	$ 7,736
Investment securities	2,903	2,873	2,834	2,731	2,937
Total assets	12,573	12,405	12,386	12,264	11,915
Deposits	10,535	10,229	9,966	9,993	9,808
Shareholders' equity	1,458	1,402	1,379	1,357	1,303
Common shares outstanding	79.2	79.2	79.1	79.1	77.6

(1) Excludes merger-related and other non-operating charges. (2) Excludes the tax effect of merger-related and other non-operating expenses and the 4th quarter 2017 impact of remeasurement of United's deferred tax assets following the passage of tax reform legislation. (3) Excludes the impact of remeasurement of United's deferred tax asset following the passage of tax reform legislation and the after-tax effect of merger-related and other charges. (4) Excluded the effect of acquisition related intangible assets. (5) Annualized. (6) Net income divided by average realized common equity, which excludes accumulated other comprehensive loss.

CORPORATE INFORMATION

FINANCIAL INFORMATION

Analysts and investors seeking financial information should contact:
Jefferson L. Harralson
Executive Vice President and CFO
864-240-6208
jefferson_harralson@ucbi.com

This Annual Report contains forward-looking statements that involve risk and uncertainty and actual results could differ materially from the anticipated results or other expectations expressed in the forward-looking statements. A discussion of factors that could cause actual results to differ materially from those expressed in the forward-looking statements is included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission.

This Annual Report also contains financial measures that were prepared on a basis different from accounting principles generally accepted in the United States ("GAAP"). References to operating performance measures are non-GAAP financial measures. Management has included such non-GAAP financial measures because such non-GAAP measures exclude certain non-recurring revenue and expense items and therefore provide a meaningful basis for analyzing financial trends. A reconciliation of these measures to financial measures determined using GAAP is included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission.

STOCK PRICE

	Quarter	High	Low	Close	Average Daily Volume
2017	4th	$ 29.60	$ 25.76	$ 28.14	365,725
2018	1st	$ 33.60	$ 27.73	$ 31.65	529,613
	2nd	34.18	30.52	30.67	402,230
	3rd	31.93	27.82	27.89	414,541
	4th	28.88	20.23	21.46	509,152

INVESTOR INFORMATION

Investor information including this report, Form 10-K, quarterly financial results, press releases and various other reports are available at ir.ucbi.com. Alternatively, shareholders may contact Investor Relations at 866-270-5900 or investor_relations@ucbi.com.

STOCK EXCHANGE

United Community Banks, Inc. (Ticker: UCBI) common stock is listed for trading on the NASDAQ Global Select Market.

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

PricewaterhouseCoopers LLP, Atlanta, GA

REGISTRAR TRANSFER AGENT

Continental Stock Transfer & Trust Co.
17 Battery Park, 8th Floor
New York, NY 10004
212-509-4000 | continentalstock.com

EQUAL OPPORTUNITY EMPLOYER

United Community Banks, Inc. is an equal opportunity employer. All matters regarding recruiting, hiring, training, compensation, benefits, promotions, transfers and other personnel policies will remain free from discriminatory practices.

BOARD OF DIRECTORS

Thomas A. Richlovsky
Lead Director
Retired Chief Financial Officer and Treasurer
National City Corporation

Jimmy C. Tallent
Executive Chairman

Robert H. Blalock
Chief Executive Officer
Blalock Insurance Agency, Inc.

L. Cathy Cox
Dean
School of Law, Mercer University

Kenneth L. Daniels
Retired Chief Credit Risk and Policy Officer
BB&T Corporation

Lance F. Drummond
Retired Executive Vice President, Operations and Technology
TD Canada Trust

H. Lynn Harton
President, Chief Executive Officer

Jennifer Mann
Executive Vice President, Chief Human Resources Officer
SAS Institute, Inc.

David C. Shaver
Chief Executive Officer
Cost Segregation Advisors, LLC

Tim R. Wallis
Owner and President
Wallis Printing Company

David H. Wilkins
Partner
Nelson, Mullins, Riley & Scarborough, LLP

EXECUTIVE OFFICERS

H. Lynn Harton
President, Chief Executive Officer

Jefferson L. Harralson
Executive Vice President, Chief Financial Officer

Robert A. Edwards
Executive Vice President, Chief Risk Officer

Bradley J. Miller
Executive Vice President, General Counsel and Corporate Secretary

Richard W. Bradshaw
Executive Vice President, Chief Banking Officer

Mark Terry
Chief Information Officer