



# 1<sup>st</sup> Quarter 2019 Investor Presentation

April 23, 2019



# Disclosures

## CAUTIONARY STATEMENT

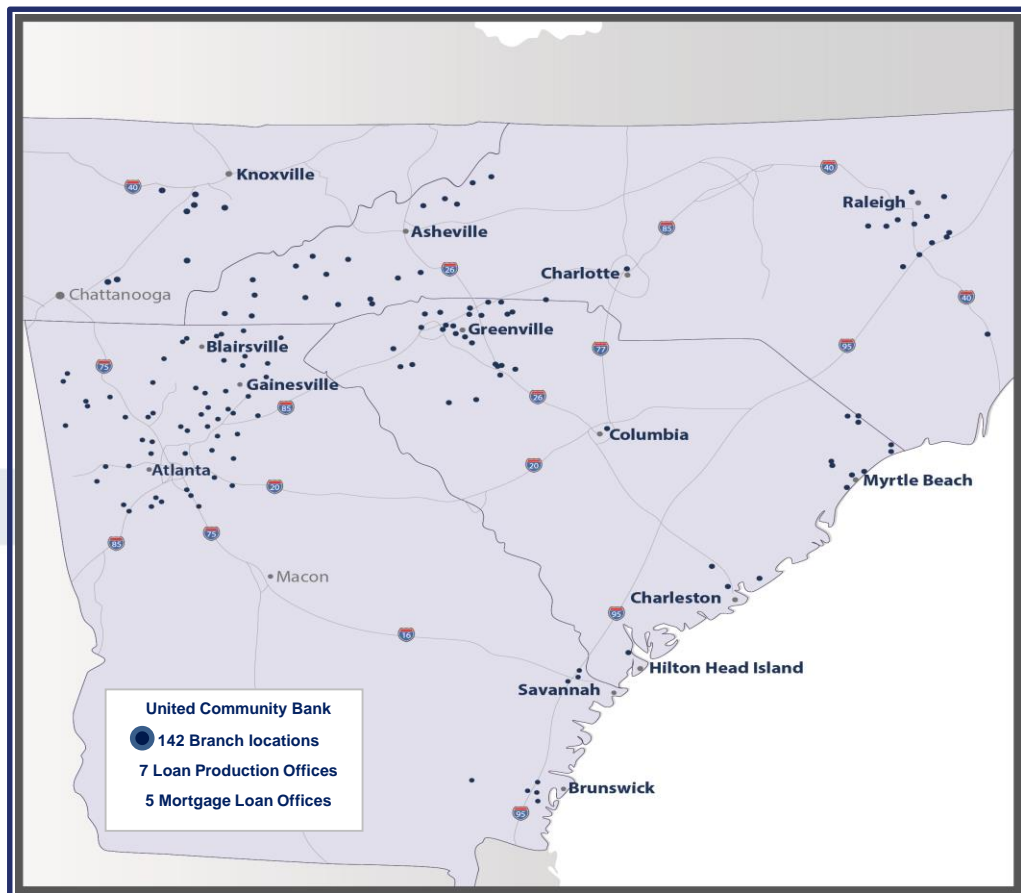
This investor presentation may contain forward-looking statements, as defined by federal securities laws, including statements about United and its financial outlook and business environment. These statements are based on current expectations and are provided to assist in the understanding of our operations and future financial performance. Our operations and such performance involves risks and uncertainties that may cause actual results to differ materially from those expressed or implied in any such statements. For a discussion of some of the risks and other factors that may cause such forward-looking statements to differ materially from actual results, please refer to United Community Banks, Inc.'s filings with the Securities and Exchange Commission, including its 2018 Annual Report on Form 10-K under the section entitled "Forward-Looking Statements." Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements.

## NON-GAAP MEASURES

This presentation includes financial information determined by methods other than in accordance with generally accepted accounting principles ("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 measures include: "Net income – operating," "Net income available to common shareholders – operating," "Earnings per share – operating," "Diluted earnings per share – operating," "Tangible book value per share," "Return on common equity – operating," "Return on tangible common equity – operating," "Return on assets – operating," "Efficiency ratio – operating," "Expenses – operating," "Tangible common equity to risk-weighted assets," and "Average tangible equity to average assets."

Management has included these non-GAAP measures because we believe they may provide useful supplemental information for evaluating our underlying performance trends. Further, management uses these measures in managing and evaluating our business and intends to refer to them in discussions about our operations and performance. Operating performance 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 GAAP measures can be found in the 'Non-GAAP Reconciliation Tables' included in the exhibits to this presentation.

# Who We Are - Snapshot of United Community Banks, Inc.



## 1Q19 Overview

Ticker	UCBI (NASDAQ)
Market Cap	\$2.1Bn
P/EPS (2019E)	11.7x
P/TBV	177%
Assets	\$12.5Bn
Loans	\$8.5Bn
Deposits	\$10.5Bn
CET1*	12.4%
NPAs / Assets	0.20%
ROA – GAAP	1.44%
ROA – Operating <sup>(1)</sup>	1.45%
ROCE – GAAP	11.85%
ROCE – Operating <sup>(1)</sup>	15.46%

\*1Q19 Capital Ratios are preliminary

## Premier Southeast Regional Bank

- Established in 1950 and headquartered in Blairsville, GA with executive offices in Greenville, SC
  - 2,323 employees
- One of the largest regional banks in the U.S. by assets with 142 branch locations, 7 loan production offices and 5 mortgage loan offices in four states: GA, NC, SC and TN
  - Top 10 market share in GA and SC
- Metro-focused branch network with locations in fast growing areas

Market data as of April 18, 2019

1) See non-GAAP reconciliation table slides at the end of the exhibits for a reconciliation of operating performance measures to GAAP performance measures

# Our Goals

## People

*Great Place to Work for  
Great People*

## Service

*Best-in-Class Customer  
Service Rating across all  
channels*

## Profitability

*Sustainable Top Quartile  
ROA*

We have a long-term mindset, building a company where great people can be successful and confident; they can have a career, not a job.

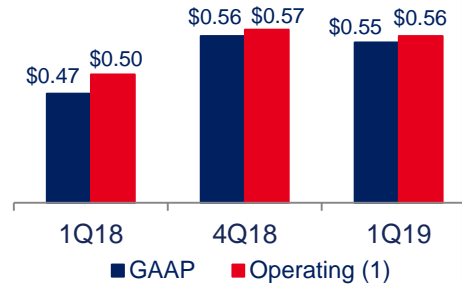
We are here to help customers live better lives by providing better service to them. We listen, we provide great advice and we are responsive. We care, and it shows.

We earn our independence by consistently providing top quartile returns for our owners through the cycle.

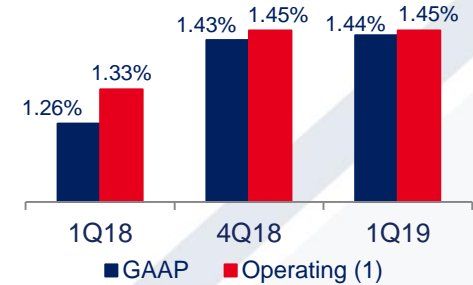
# 1Q19 Highlights

- GAAP diluted earnings per share of \$0.55
- Operating diluted earnings per share of \$0.56, up 12% vs. the year ago quarter
- GAAP ROA of 1.44% in 1Q
  - Operating ROA of 1.45%
- Quarterly dividend of \$0.16 up 33% vs. last year
- Growth in tangible book per share of 15% vs. last year
- Annualized EOP loan growth of 7% for the quarter, excluding indirect auto runoff of \$27 mm
- Core deposit transaction growth of \$135 mm

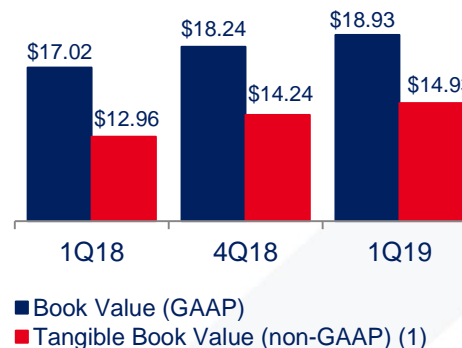
Earnings Per Share



Return on Assets



Book Value Per Share (2)



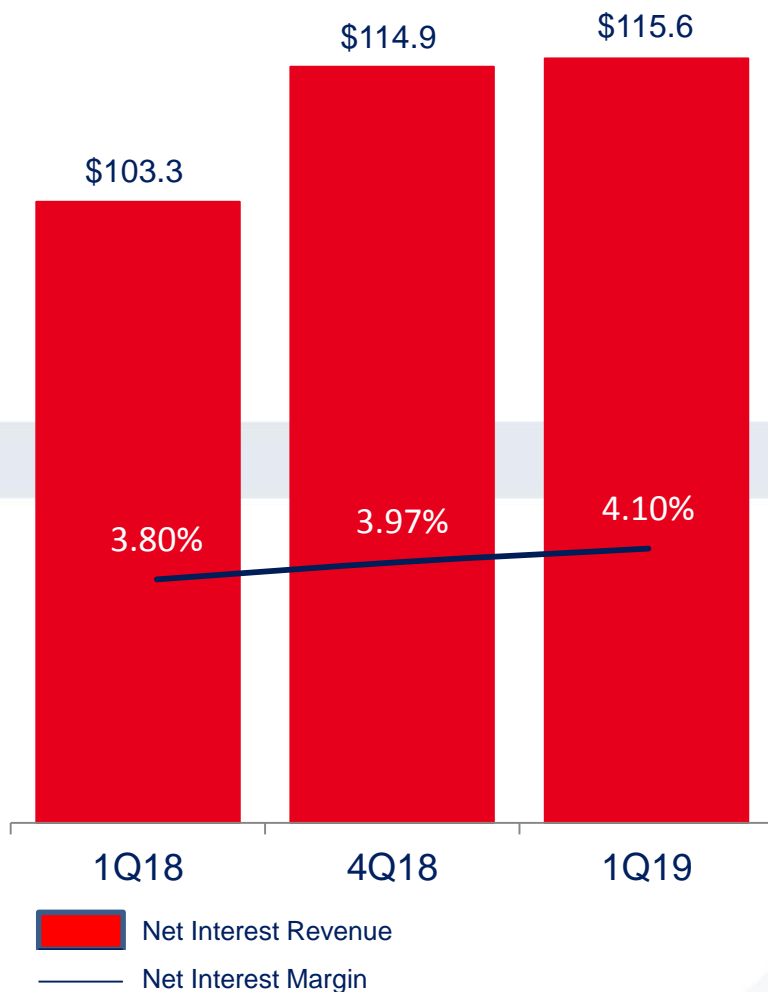
Dividends Per Share



1) See non-GAAP reconciliation table slides at the end of the exhibits for a reconciliation of operating performance measures to GAAP performance  
 2) Excludes effect of acquisition-related intangibles and associated amortization

# Net Interest Revenue / Margin<sup>(1)</sup>

\$ in millions



- Net interest revenue of \$115.6 mm increased \$0.8 mm (0.7%) vs. 4Q18 and \$12.3 mm (12.0%) vs. 1Q18
  - Benefit of organic loan growth, Navitas acquisition and a mix change towards loans from securities (EOP loans are up \$110 mm from 4Q18)
- Net interest margin up 13 bps vs. 4Q18 impacted by
  - Higher loan yield of 20 bps due to higher customer yields across multiple products
  - Loan yield increase outpaced cost of funds increase by 9 bps
  - Intentional balance sheet deleveraging added 6 bps to NIM
    - Investment securities were reduced by \$183 mm (\$122 mm average) with offset in wholesale borrowings
  - Accretable yield contributed \$3.2 mm or 11 bps to 1Q19 NIM vs. 9 bps in 4Q18
- Net interest margin up 30 bps vs. 1Q18 due to higher interest rates, stable core deposit base and the impact of acquisitions

1) Net interest margin is calculated on a fully-taxable equivalent basis

# Deposit Growth

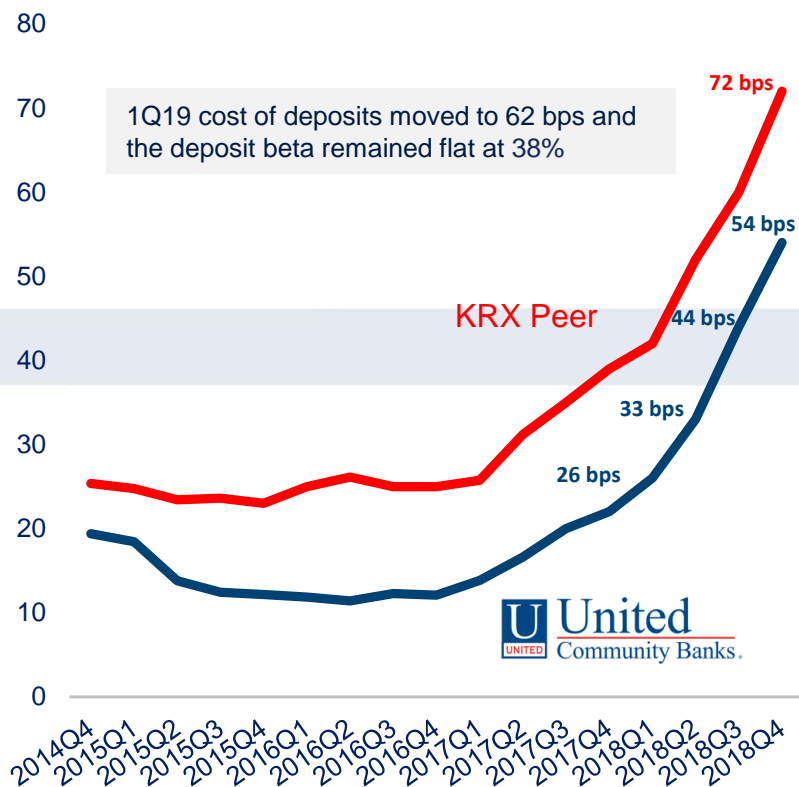
Deposits by Category in millions					
	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019
Non-Interest Bearing Core					
Demand Deposit	\$ 3,027	\$ 3,068	\$ 3,118	\$ 3,048	\$ 3,159
Interest Bearing Core					
NOW	1,225	1,204	1,200	1,193	1,203
MMDA	1,979	1,989	2,015	2,048	2,050
Savings	675	681	678	667	679
Total Interest Bearing Core	3,878	3,874	3,893	3,908	3,932
<b>Total Core Trans Deposits</b>	<b>6,905</b>	<b>6,942</b>	<b>7,011</b>	<b>6,956</b>	<b>7,091</b>
Time (Customer)	1,487	1,491	1,528	1,563	1,624
Public Funds (Customer)	1,190	1,089	1,139	1,331	1,260
Brokered	411	444	551	684	559
<b>Total Deposits</b>	<b>\$ 9,993</b>	<b>\$ 9,966</b>	<b>\$ 10,229</b>	<b>\$ 10,534</b>	<b>\$ 10,534</b>

- Annualized end-of-period core transaction deposit growth of 8%
- Total deposits were flat vs. 4Q18 and up \$541 million YoY
- \$135 million of core transaction deposit growth was offset by a seasonal decrease in public funds and a decrease in brokered deposits related to the deleveraging strategy
- Our performance continues to be enhanced by the stability and strength of our core deposit base

# Deposits

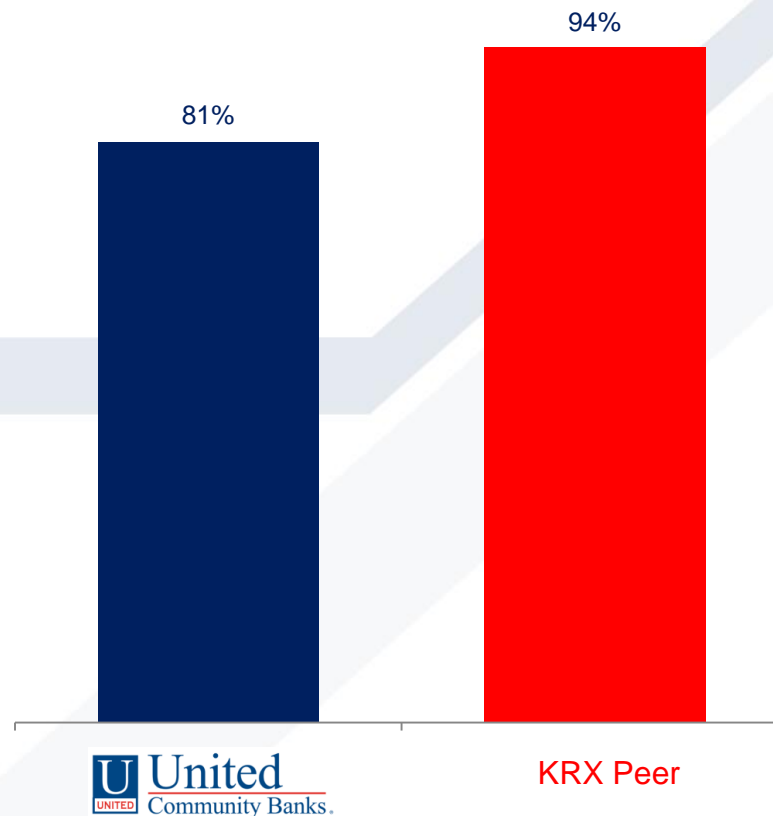
## Low-Cost Deposit Base

Cost of Total Deposits (bps) <sup>(1)</sup>



## Sufficient Liquidity to Support Future Growth

Loans / Deposits <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>



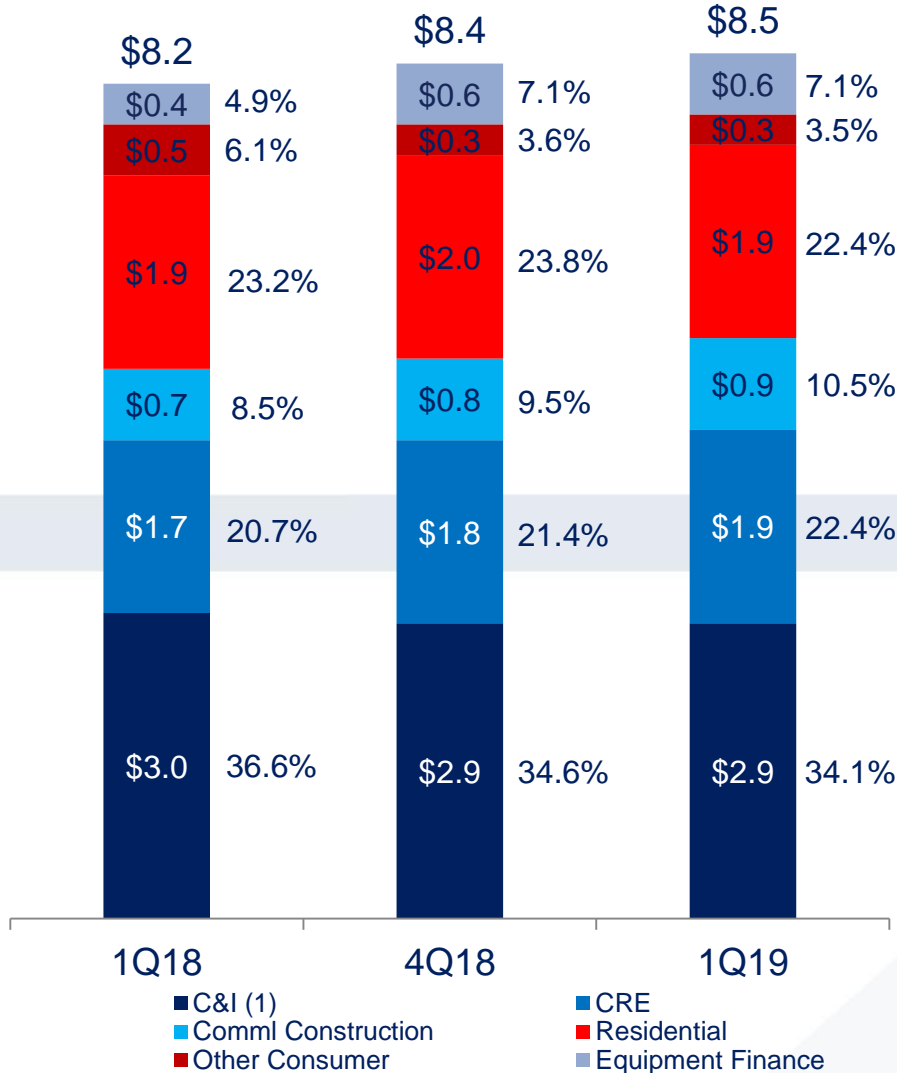
Note: Peer comparison banks comprise the KBW Regional Bank Index (ticker: KRX)

- 1) Source: S&P Global Market Intelligence
- 2) United results as of 1Q19; KRX results as of 4Q18 (Source: S&P Global Market Intelligence)
- 3) United results based on EOP balances; KRX results based on EOP balances



# Loans

\$ in billions

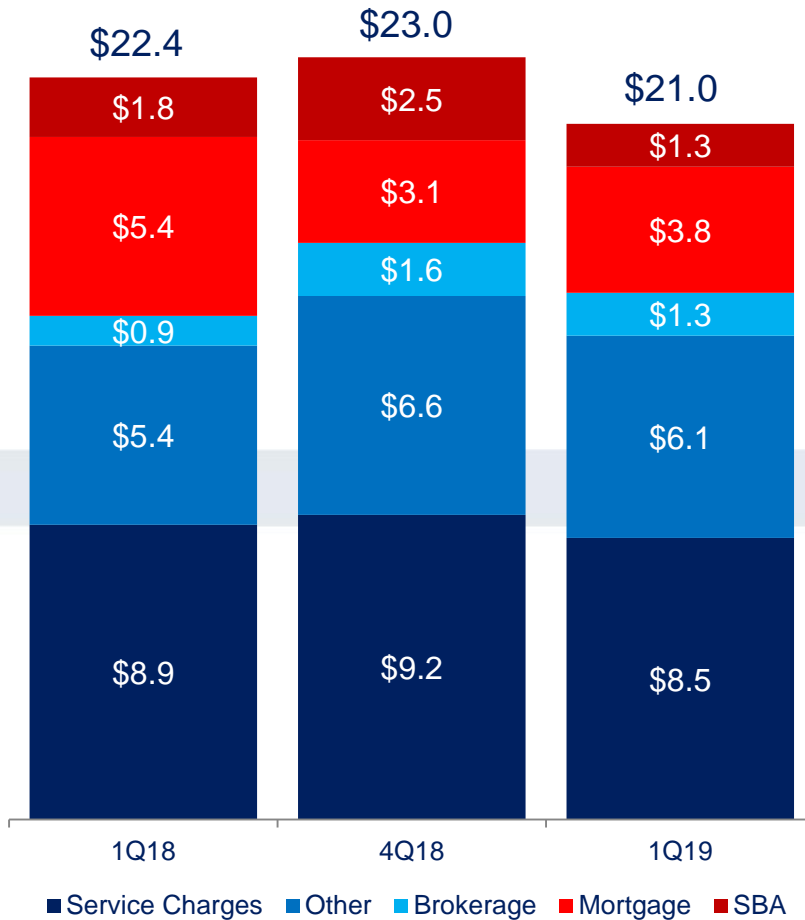


- Annualized linked quarter loan growth was \$110 mm, or 5%; excluding the impact of planned indirect auto runoff of \$27 mm, linked quarter loan growth was \$137 mm, or 7% annualized
  - Commercial Construction up \$70 mm
  - Equipment Financing up \$41 mm
- Diversified portfolio, weighted towards C&I
- Well within regulatory guidance on construction and CRE levels
  - The 100%/300% ratios stand at 78% and 203%, respectively

1) C&I includes commercial and industrial loans as well as owner-occupied CRE loans

# Fee Revenue

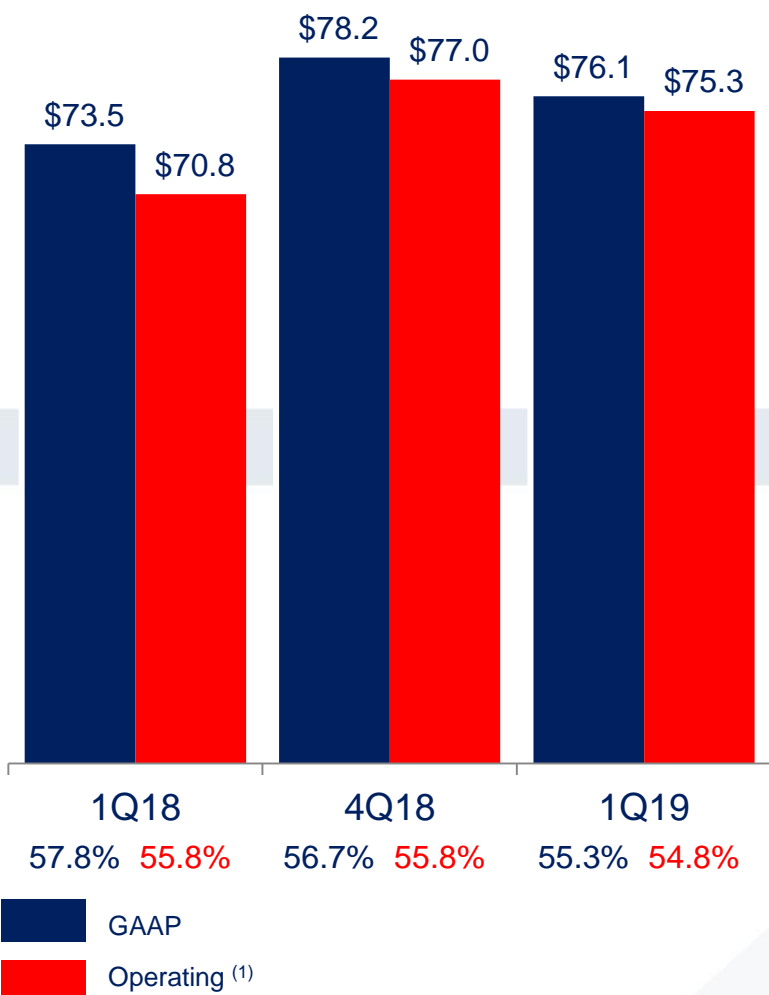
\$ in millions



- Vs. Linked quarter, fees down \$2.0 mm due to:
  - Strong mortgage volume offset by \$1.3 mm negative MSR mark; record number of mortgage locks up 23% in 1Q19 vs. 4Q18
  - SBA fees lower than last quarter due to expected seasonality and the strategic decision to hold more loan production on balance sheet
  
- Vs. Last Year, fees down \$1.4 mm to \$21.0 mm
  - Mortgage originations of \$181 mm, down 6% year over year; locks up 8% in 1Q19 to \$317 mm
  - 1Q19 SBA production of \$37.6 mm, up 15% vs. 1Q18
  - 1Q19 SBA loan sales of \$17.1 mm, down 23% from \$22.2 mm in 1Q18

# Expense Discipline

\$ in millions



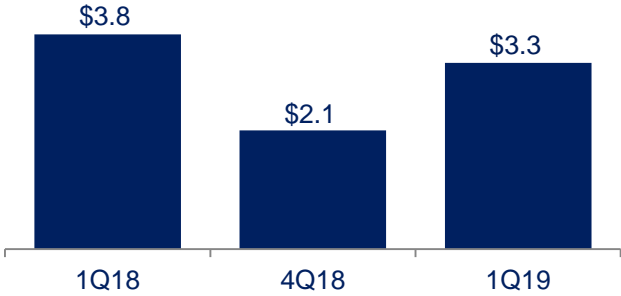
- Linked quarter, GAAP and operating expenses decreased 3% and 2%, respectively
  - Salary and benefits expenses higher due to benefits expense and higher payroll taxes
  - Operating efficiency ratio improved 105 bps to 54.8%
  - Remaining expense categories mostly lower as 2018 cost control efforts materialize
  
- Market expansions and acquisitions drove year-over-year GAAP and operating expenses higher by 4% and 6%, respectively
  - Continued cost control efforts help drive 97 bps of operating efficiency ratio improvement

1) See non-GAAP reconciliation table slides at the end of the exhibits for a reconciliation of operating performance measures to GAAP performance measures

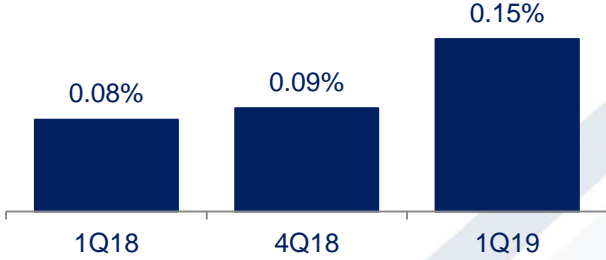
# Credit Quality

### Provision for Credit Losses

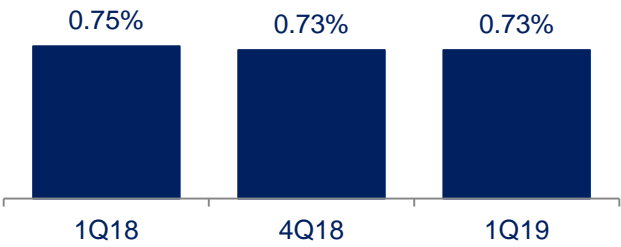
\$ in millions



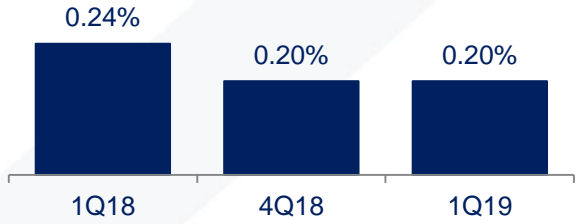
### Net Charge-Offs as % of Average Loans



### Allowance for Loan Losses



### Non-Performing Assets as % of Total Assets



# Capital Ratios

Holding Company	1Q18	4Q18	1Q19*
Common Equity Tier I Capital	11.3%	12.2%	12.4%
Tier I Risk-Based Capital	11.6	12.4	12.7
Total Risk-Based Capital	13.5	14.3	14.6
Leverage	9.1	9.6	9.9
Tangible Common Equity to Tangible Assets	8.7	9.3	9.8

- Profitability continues to provide significant capital ratio improvement each quarter
- All regulatory capital ratios significantly above “well-capitalized”
- Quarterly dividend of \$0.16 per share (up 33% YoY)
- 1Q share repurchase activity equated to 305,000, or \$7.8 mm at an average price \$25.70
- All cash First Madison acquisition will lever 2Q ratios modestly

\*1Q19 Capital Ratios are preliminary

# Key Strengths

- Culture and business model that attracts both bankers and potential acquisition partners
- Positioned well in many of the South's fastest-growing markets
- Superior customer service helps drive great core deposit growth
- Well-developed credit model to drive consistent performance through cycles
- Liquid balance sheet and strong capital offer flexibility in a rising rate environment

# Acquisition of First Madison Bank & Trust

## Transaction Overview

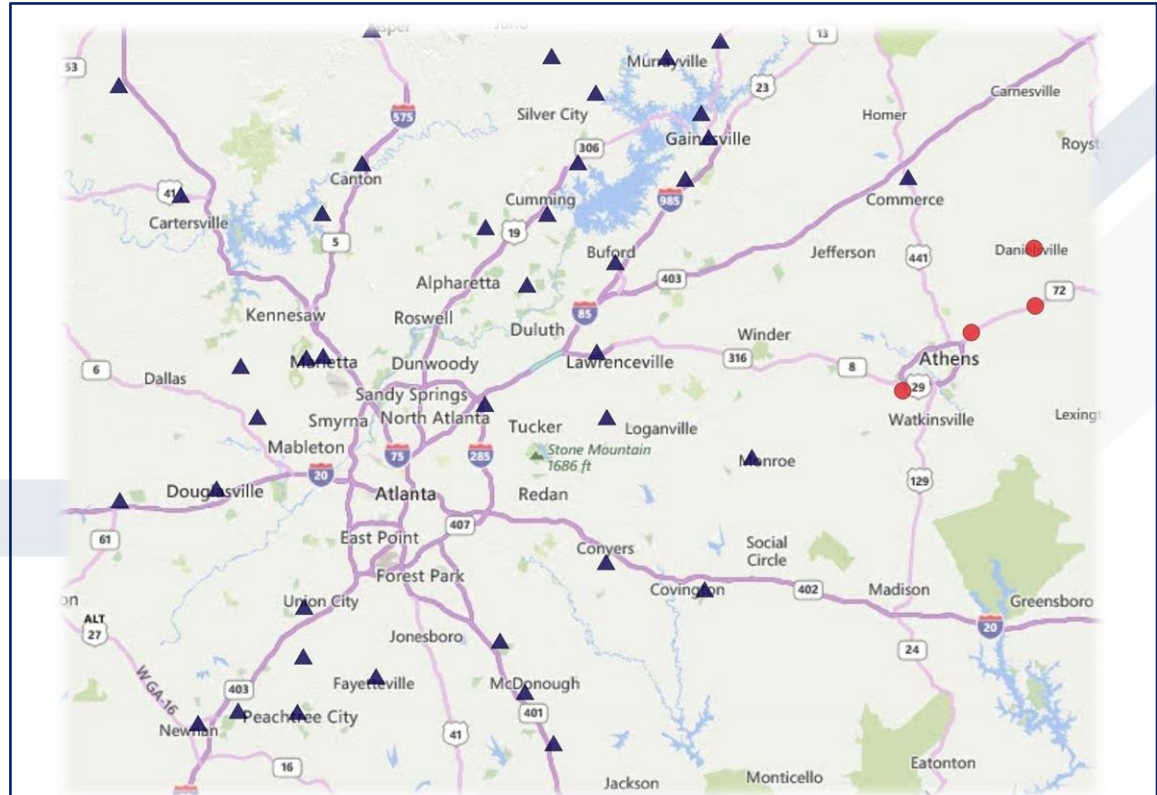
- Announced February 5, 2019
- Expected closing in second quarter 2019
- 100% cash
  - \$52 million transaction value
- 172% P/TBV
- Strategic fill-in with a well-established, high-performing community bank

## Company Snapshot

- Assets: \$258 million
- Loans: \$202 million
- Deposits: \$213 million
- NIM: 4.34%
- Offices: 4

## Compelling Financial Returns

- Slightly accretive to projected 2019 EPS for its partial year contribution, excluding one-time merger charges
- \$.05 accretive to projected 2020 EPS
- 2% dilutive to tangible book value per share
- Financial returns not dependent upon cost savings, which are < 20% of non-interest expenses



- Well established community bank located in the attractive Athens-Clarke County MSA
- Locally focused franchise that is a natural geographic extension of our existing footprint
- High performing partner leading to desirable financial returns

UCBI ▲ FMBT ●



# Presentation Exhibits





# Who We Are

## Full-Service Regional Bank with a Strong Culture Rooted in Sound Credit Underwriting & Growth

### Cultural Pillars

#### High-Quality Balance Sheet

- Underwriting conservatism and portfolio diversification
- Top quartile credit quality performance
- Prudent capital, liquidity and interest-rate risk management
- Focused on improving return to shareholders with increasing ROTCE and dividend growth

#### Profitability

- Managing a steady margin with minimal accretion income
- Fee revenue expansion through focused growth initiatives
- Continued operating expense discipline while investing in growth opportunities
- Executing on M&A cost savings
- High-quality, low-cost core deposit base

#### Growth

- Addition of Commercial Banking Solutions platforms (middle-market banking, SBA lending, senior care, income-property lending, asset-based lending, builder finance, renewable energy, equipment finance) and actively pursuing additional lending platforms
- Entered into and continue to target new markets with team lift-outs
- Continuous emphasis on and enhancement of Mortgage product offerings to drive loan and revenue growth
- Acquisitions that fit our footprint and culture and deliver desired financial returns

### Customer Service Is at Our Foundation



# AWARDS AND RECOGNITION

## ACCOLADES

NAMED ONE OF  
**AMERICA'S BEST  
PERFORMING BANKS**  
- FORBES MAGAZINE

ONE OF THE BEST BANKS  
**IN THE WORLD**  
- FORBES MAGAZINE

**TOP-RANKING**  
IN OVERALL SATISFACTION IN THE SOUTH  
- GREENWICH ASSOCIATES

**BEST IN CLASS**  
IN CUSTOMER SATISFACTION  
- CUSTOMER SERVICE PROFILES

**ONE OF AMERICA'S BEST  
BANKS TO WORK FOR**  
- AMERICAN BANKER

ONE OF ATLANTA AND  
SOUTH CAROLINA'S  
**TOP WORKPLACES**  
- WORKPLACE DYNAMICS



# Who We Are

## Focused on High-Growth MSAs in Southeast

Fastest Growing Southeast MSAs <sup>(1)</sup>	2019-2024 Proj. Population Growth	2019 Population	2024 Proj. Median Household Income
1. Myrtle Beach, SC	9.66%	485,770	\$55,203
2. Cape Coral, FL	8.46%	757,170	\$62,988
3. Orlando, FL	8.13%	2,589,416	\$65,275
4. Charleston, SC	8.11%	799,117	\$70,920
5. Raleigh, NC	8.02%	1,366,959	\$85,734
6. Naples, FL	7.86%	381,728	\$73,715
7. Lakeland, FL	7.55%	705,037	\$54,996
8. North Port, FL	7.53%	825,378	\$66,059
9. Charlotte, NC	7.29%	2,591,118	\$73,487
10. Jacksonville, FL	6.92%	1,549,094	\$67,247
17. Atlanta, GA	6.52%	6,017,552	\$77,092
19. Greenville, SC	6.18%	912,621	\$62,654
20. Savannah, GA	6.15%	395,004	\$68,589
23. Spartanburg, SC	5.93%	340,535	\$55,507

 UCBI MSA Presence (Branch and or LPO)

Note:

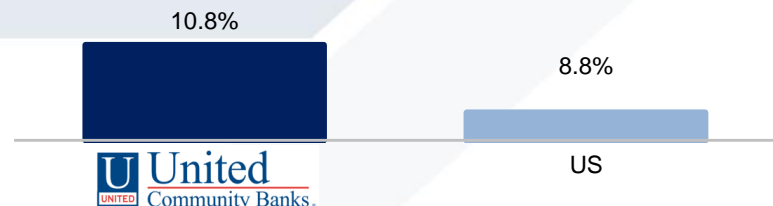
- 1) Includes MSAs with a population of greater than 300,000
- 2) Weighted by State deposits

### Strong Demographic Profile <sup>(2)</sup>

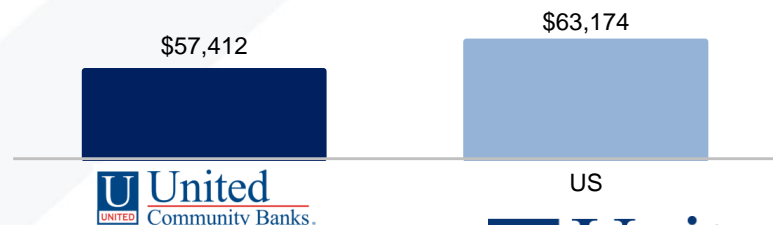
#### '19 – '24 Proj. Population Growth



#### '19 – '24 Proj. Household Income Growth

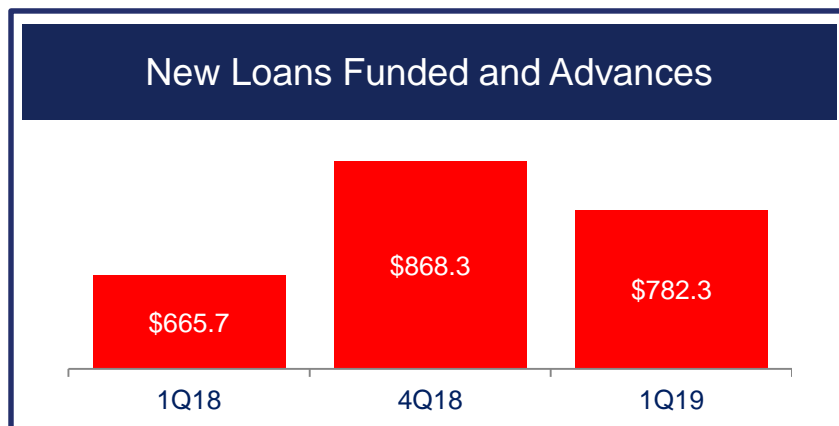


#### Median Household Income



# New Loans Funded and Advances <sup>(1)</sup>

\$ in millions



### New Loans Funded and Advances by Category

	1Q19		4Q18		1Q18		Variance-Incr(Decr)	
Commercial & Industrial	\$ 281.9	\$ 351.6	\$ 220.7	\$ (69.7)	\$ 61.2			
Owner-Occupied CRE	70.7	80.8	67.1	(10.1)	3.6			
Income-Producing CRE	108.8	103.1	70.2	5.7	38.6			
Commercial Constr.	165.6	161.5	145.6	4.1	20.0			
<b>Total Commercial</b>	<b>627.0</b>	<b>697.0</b>	<b>503.6</b>	<b>(70.0)</b>	<b>123.4</b>			
Residential Mortgage	30.0	32.9	38.3	(2.9)	(8.3)			
Residential HELOC	51.8	56.0	53.6	(4.2)	(1.8)			
Residential Construction	57.4	66.3	54.4	(8.9)	3.0			
Consumer	16.1	16.1	15.8	-	0.3			
<b>Total</b>	<b>\$ 782.3</b>	<b>\$ 868.3</b>	<b>\$ 665.7</b>	<b>\$ (86.0)</b>	<b>\$ 116.6</b>			

### New Loans Funded and Advances by Region

	1Q19		4Q18		1Q18		Variance-Incr(Decr)	
Atlanta	\$ 136.9	\$ 145.0	\$ 121.1	\$ (8.1)	\$ 15.8			
Coastal Georgia	54.1	27.1	39.3	27.0	14.8			
North Georgia	62.2	60.2	60.2	2.0	2.0			
North Carolina	80.6	77.0	35.9	3.6	44.7			
Tennessee	17.8	53.9	28.8	(36.1)	(11.0)			
Gainesville	17.8	28.0	10.9	(10.2)	6.9			
South Carolina	121.6	159.3	131.4	(37.7)	(9.8)			
<b>Total Community Banks</b>	<b>491.0</b>	<b>550.5</b>	<b>427.6</b>	<b>(59.5)</b>	<b>63.4</b>			
Asset-based Lending	16.0	25.4	10.8	(9.4)	5.2			
Commercial RE	21.5	34.8	33.7	(13.3)	(12.2)			
Senior Care	37.3	33.1	36.1	4.2	1.2			
Middle Market	24.0	23.6	6.9	0.4	17.1			
SBA	37.6	46.7	32.7	(9.1)	4.9			
Renewable Energy	0.8	5.6	8.5	(4.8)	(7.7)			
Navitas	122.4	124.5	65.3	(2.1)	57.1			
Builder Finance	31.7	24.1	44.1	7.6	(12.4)			
<b>Total Commercial Banking Solutions</b>	<b>291.3</b>	<b>317.8</b>	<b>238.1</b>	<b>(26.5)</b>	<b>53.2</b>			
<b>Total</b>	<b>\$ 782.3</b>	<b>\$ 868.3</b>	<b>\$ 665.7</b>	<b>\$ (86.0)</b>	<b>\$ 116.6</b>			

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

# Commercial RE Diversification – 3/31/2019

## Commercial Construction

in millions

	Committed		Outstanding	
	\$	%	\$	%
Assisted Living/Nursing Home/Rehab Cntr	326	22.7 %	169	19.5 %
Multi-Residential Properties	236	16.5	97	11.2
Residential Construction in Process: SPEC	133	9.3	81	9.4
Office Buildings	92	6.4	68	7.8
Hotels Motels	82	5.7	54	6.2
Retail Building	72	5.0	39	4.5
Residential Construction in Process: PRESOLD	66	4.6	42	4.9
Other Properties	60	4.2	40	4.6
Residential Land Development - Lots Already Developed in Hands of Builders	59	4.1	54	6.2
Vacant (Improved)	52	3.6	45	5.3
Residential Land Development - Subdivisions in Process	42	2.9	29	3.4
Warehouse	41	2.8	35	4.0
Raw Land - Vacant (Unimproved)	40	2.8	34	3.9
Self Storage	30	2.1	12	1.4
Mfg Facility	23	1.6	9	1.0
Restaurants /Franchise Fast Food / Franchise Other	17	1.2	12	1.3
Residential Raw Land in the Hands of Builders/Developers	14	1.0	13	1.5
Commercial Land Development	9	0.6	9	1.1
Churches	8	0.6	8	0.9
Negative Pledge	8	0.6	0	0.0
All Other	25	1.7	16	1.9
<b>Total Commercial Construction</b>	<b>\$ 1,435</b>	<b>100 %</b>	<b>\$ 866</b>	<b>100 %</b>

### Committed Average Loan Size

(in thousands)



➤ Commercial Construction	\$683
➤ Commercial RE:	
➤ Composite CRE	470
➤ Owner-Occupied	391
➤ Income-Producing	573

## Commercial Real Estate – Income Producing

in millions

	Committed		Outstanding	
	\$	%	\$	%
Office Buildings	457	23.2 %	416	22.2 %
Retail Building	347	17.6	329	17.6
Assisted Living/Nursing Home/Rehab Cntr	217	11.0	209	11.2
Investor Residential	187	9.5	182	9.7
Hotels Motels	182	9.3	177	9.5
Warehouse	175	8.9	170	9.1
Multi-Residential Properties	123	6.3	114	6.1
Other Properties	80	4.1	78	4.2
Self Storage	61	3.1	59	3.2
Restaurants /Franchise Fast Food / Franchise Other	52	2.7	50	2.7
Mfg Facility	25	1.3	25	1.4
Convenience Stores	21	1.1	20	1.1
Leasehold Property	15	0.8	15	0.8
Automotive Service	8	0.4	8	0.4
Mobile Home Parks	7	0.3	6	0.3
Automotive Dealership	4	0.2	4	0.2
All Other	5	0.2	5	0.3
<b>Total Commercial Real Estate - Income Producing</b>	<b>\$ 1,966</b>	<b>100 %</b>	<b>\$ 1,867</b>	<b>100 %</b>

### Outstanding Average Loan Size

(in thousands)



➤ Commercial Construction	\$413
➤ Commercial RE:	
➤ Composite CRE	443
➤ Owner-Occupied	365
➤ Income-Producing	544

# Strong Credit Culture

## 1. Process Change

- In 2014, centralized and streamlined consumer underwriting and related functions
- Significantly strengthened commercial process for approvals and monitoring

## 2. Add Significant Talent

- CEO with deep knowledge and experience in credit
- 2015 Rob Edwards brought in to lead team (BB&T, TD Bank)
- Senior credit risk team now has large bank credit risk experience

**BUILT TO  
OUTPERFORM  
IN THE NEXT  
CYCLE**

## 3. Concentration Management: Size

- In house project lending limit of \$20 mm, legal lending limit of \$332 mm
- Relationship limit of \$35 mm
- \$133 mm of SNC's outstanding, \$190 mm committed
- Top 25 relationships = \$628 mm, 7.4 % of total loans

## 5. Concentration Management: Product

- Construction/CRE ratio = 78%/203%
- C&D > 30% in cycle, now 13.6%
- Land in C&D \$244 mm and shrinking
- Navitas 7.14% of loans
- Granular product concentration limits

## 4. Concentration Management: Geography

- Four state franchise with mix of metro and rural markets

# Non-GAAP Reconciliation Tables

\$ in thousands, except per share data

	1Q18 (1)	2Q18 (1)	3Q18 (1)	4Q18 (1)	1Q19 (1)
<b>Net Income</b>					
Net income - GAAP	\$ 37,658	\$ 39,634	\$ 43,682	\$ 45,137	\$ 44,262
Merger-related and other charges	2,646	2,873	592	1,234	739
Tax benefit on merger-related and other charges	(628)	(121)	(141)	(604)	(172)
Net income - Operating	<u>\$ 39,676</u>	<u>\$ 42,386</u>	<u>\$ 44,133</u>	<u>\$ 45,767</u>	<u>\$ 44,829</u>
<b>Diluted Earnings per share</b>					
Diluted earnings per share - GAAP	\$ 0.47	\$ 0.49	\$ 0.54	\$ 0.56	\$ 0.55
Merger-related and other charges	0.03	0.04	0.01	0.01	0.01
Diluted earnings per share - Operating	<u>0.50</u>	<u>0.53</u>	<u>0.55</u>	<u>0.57</u>	<u>0.56</u>
<b>Return on Assets</b>					
Return on assets - GAAP	1.26 %	1.30 %	1.41 %	1.43 %	1.44 %
Merger-related and other charges	0.07	0.09	0.01	0.02	0.01
Return on assets - Operating	<u>1.33 %</u>	<u>1.39 %</u>	<u>1.42 %</u>	<u>1.45 %</u>	<u>1.45 %</u>
<b>Book Value per share</b>					
Book Value per share - GAAP	\$ 17.02	\$ 17.29	\$ 17.56	\$ 18.24	\$ 18.93
Effect of goodwill and other intangibles	(4.06)	(4.04)	(4.02)	(4.00)	(4.00)
Tangible book value per share	<u>\$ 12.96</u>	<u>\$ 13.25</u>	<u>\$ 13.54</u>	<u>\$ 14.24</u>	<u>\$ 14.93</u>

- 1) Merger-related and other charges for 1Q19, 4Q18, 3Q18, 2Q18 and 1Q18 include \$193 thousand, \$269 thousand, \$478 thousand, \$593 thousand and \$593 thousand, respectively, of intangible amortization resulting from payments made to executives under their change of control agreements. The resulting intangible assets are being amortized over 12 to 24 months.

# Non-GAAP Reconciliation Tables

\$ in thousands, except per share data

	1Q18	2Q18	3Q18	4Q18	1Q19
	(1)	(1)	(1)	(1)	(1)
<b>Return on Tangible Common Equity</b>					
Return on common equity - GAAP	11.11 %	11.20 %	11.96 %	12.08 %	11.85 %
Effect of merger-related and other charges	0.60	0.77	0.13	0.17	0.15
Return on common equity - Operating	11.71	11.97	12.09	12.25	12.00
Effect of goodwill and intangibles	3.55	3.82	3.72	3.63	3.46
Return on tangible common equity - Operating	15.26 %	15.79 %	15.81 %	15.88 %	15.46 %
<b>Expenses</b>					
Expenses - GAAP	\$ 73,475	\$ 76,850	\$ 77,718	\$ 78,242	\$ 76,084
Merger-related and other charges	(2,646)	(2,873)	(592)	(1,234)	(739)
Expenses - Operating	\$ 70,829	\$ 73,977	\$ 77,126	\$ 77,008	\$ 75,345
<b>Efficiency Ratio</b>					
Efficiency Ratio - GAAP	57.83 %	57.94 %	56.82 %	56.73 %	55.32 %
Merger-related and other charges	(2.08)	(2.17)	(0.43)	(0.90)	(0.54)
Efficiency Ratio - Operating	55.75 %	55.77 %	56.39 %	55.83 %	54.78 %

- 1) Merger-related and other charges for 1Q19, 4Q18, 3Q18, 2Q18 and 1Q18 include \$193 thousand, \$269 thousand, \$478 thousand, \$593 thousand and \$593 thousand, respectively, of intangible amortization resulting from payments made to executives under their change of control agreements. The resulting intangible assets are being amortized over 12 to 24 months.





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