

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
UNITED COMMUNITY BANKS, INC. AS SUCCESSOR TO AQUESTA FINANCIAL HOLDINGS, INC.		58-1807304	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
JANE KEITH	706-439-2469	JANE_KEITH@UCBI.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
125 HIGHWAY 515 EAST		BLAIRSVILLE, GA 30512	
8 Date of action		9 Classification and description	
OCTOBER 1, 2021		PREFERRED STOCK COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
90984P303	N/A	UCBI	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHED STATEMENT

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE ATTACHED STATEMENT

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHED STATEMENT

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

AQUESTA PREFERRED STOCK CONVERSION:

- IRC SECTION 368(a)(1)(E)
- IRC SECTION 354
- IRC SECTION 358
- REV. RUL. 77-238

THE MERGER:

- IRC SECTION 368(a)(1)(A)
- IRC SECTION 354
- IRC SECTION 356
- IRC SECTION 358
- IRC SECTION 1001
- IRC SECTION 1221

18 Can any resulting loss be recognized? ▶ SEE ATTACHED STATEMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

AQUESTA PREFERRED STOCK CONVERSION: THE REPORTABLE TAX YEAR IS THE TAX YEAR INCLUDING OCTOBER 1, 2021.

THE MERGER: THE REPORTABLE TAX YEAR IS THE TAX YEAR INCLUDING OCTOBER 1, 2021.

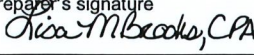
THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND PROVIDES A DESCRIPTION OF COMMON TAX CONSEQUENCES, BUT DOES NOT PURPORT TO DESCRIBE ALL TAX CONSEQUENCES THAT MAY APPLY TO ALL TYPES OF SHAREHOLDERS. EACH SHAREHOLDER SHOULD CONSULT THEIR OWN TAX ADVISOR REGARDING THE SPECIFIC CONSEQUENCES OF THE TRANSACTIONS ON TAX BASIS AND HOLDING PERIOD, INCLUDING APPLICABILITY OF ANY U.S. FEDERAL, STATE AND LOCAL, AND FOREIGN TAX LAWS.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶  Date ▶ November 9, 2021

Print your name ▶ Alan Kunkler Title ▶ Chief Accounting Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	LISA M. BROOKS		2021.11.09 13:38:21 -06'00'		
	Firm's name ▶ CROWE LLP	Firm's EIN ▶ 35-0921680	Firm's address ▶ 720 COOL SPRINGS BLVD, SUITE 600 FRANKLIN, TN 37067	Phone no. 615-360-5500	

Attachment* to Form 8937
Report of Organizational Actions Affecting Basis of Securities
United Community Banks, Inc.
FEIN: 58-1807304

Part II, Line 14

United Community Banks, Inc. ("UCBI") acquired Aquesta Financial Holdings, Inc. ("Aquesta") through a merger transaction and Aquesta simultaneously merged with and into UCBI ("the Merger") effective October 1, 2021 ("Merger Effective Time").

Each share of Aquesta preferred stock issued and outstanding as of immediately prior to the Merger Effective Time automatically converted into 100 shares of Aquesta Common Stock ("the Aquesta preferred stock conversion") immediately prior to the Merger Effective Time in accordance with the articles of incorporation of Aquesta, as amended. No fractional shares were issued. Such converted shares shall be treated as shares of Aquesta Common Stock with respect to the payment of the Merger Consideration described below.

Pursuant to the Agreement and Plan of Merger, each share of Aquesta Common Stock was exchanged for either: 1) \$21.50 cash, or 2) 0.6386 shares of UCBI Common Stock, or 3) a combination of cash and stock consideration in such proportions as requested by the stockholder (collectively, with the fractional share consideration described below, "the Merger Consideration"). The election to receive cash is subject to an aggregate cash limit to ensure that no more than 30% of the outstanding shares of Aquesta Common Stock are exchanged for cash. Similarly, the election to receive stock is subject to an aggregate stock limit to ensure that no less than 70% of the outstanding shares of Aquesta Common Stock are exchanged for UCBI Common Stock.

The Aquesta shareholders received cash in lieu of fractional shares based on the per share price of \$30.05 for the UCBI Common Stock.

Part II, Line 15

Aquesta preferred stock conversion

The Aquesta preferred stock conversion qualifies as a reorganization pursuant to Section 368(a) of the code, and no gain or loss was recognized by a shareholder as a result of the transaction. A shareholder's aggregate tax basis in the Aquesta preferred stock held immediately prior to the Aquesta preferred stock conversion became the aggregate tax basis in the Aquesta Common Stock held after the Aquesta preferred stock conversion.

Merger

For those Aquesta shareholders who received only stock consideration in the exchange, a shareholder's tax basis in one (1) share of UCBI Common Stock received in exchange for Aquesta Common Stock should equal the shareholder's basis in one (1) share of Aquesta Common Stock divided by 0.63863 (not counting the basis of any shares allocated to the receipt of fractional UCBI shares).

For those Aquesta shareholders who received a combination of cash and stock, the aggregate basis of UCBI Common Stock received in the merger will be generally determined in accordance with IRC Section 358(a), as follows:

- The basis of Aquesta Common Stock exchanged
- Reduced by the cash received in the merger (if any)
- Increased by any gain recognized in the exchange, computed on a per share basis.

Aquesta shareholders who received cash instead of fractional shares of UCBI Common Stock will be treated as having received the fractional shares in the merger and then as having exchanged the fractional shares for cash. These holders will generally recognize gain or loss equal to the difference between the tax basis allocated to the fractional shares and the amount of cash received.

For those Aquesta shareholders who received only cash consideration in the exchange, there were no UCBI shares received and therefore there is no basis calculation necessary.

Part II, Line 16

Aquesta preferred stock conversion

As described in Line 15 above, the tax basis of each Aquesta shareholder's total investment remains the same.

Merger

The fair market value of UCBI Common Stock at the effective time of the merger was \$32.82 per share, based on the closing price on September 30, 2021.

The basis of UCBI shares received, once computed, must be allocated to the individual UCBI shares received in accordance with Treasury Regulation §1.358-2(a). See also Proposed Treasury Regulation §1.358-2(b). Since fewer shares of UCBI common stock were received than shares of Aquesta common stock surrendered, the basis of the Aquesta shares surrendered must be allocated to the shares of UCBI stock received in a manner that reflects, to the greatest extent possible, that a share of UCBI stock received is received in respect of Aquesta shares of stock that were acquired on the same date and at the same price. To the extent it is not possible to allocate basis in this manner, the basis of the Aquesta shares surrendered must be allocated to the shares of UCBI stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares whose basis is allocated to any particular UCBI share received. This could result in a single share of UCBI stock having a split basis and a split holding period. See Example (14) of Treasury Regulation §1.358-2(c) for an illustration of this principle.

Part II, Line 18

Aquesta preferred stock conversion

As described in Line 15 above, shareholders generally will not recognize gain or loss as a result of the transaction.

Merger

Aquesta shareholders who receive solely cash will recognize gain or loss equal to the difference between the taxable basis of the Aquesta shares surrendered and the amount of cash received. The deductibility of capital losses is subject to limitation.

Aquesta shareholders who receive a combination of UCBI stock and cash may generally recognize gain, but not loss, equal to the lesser of the total gain realized or the difference between the taxable basis allocable to the whole or fractional shares surrendered and the amount of cash received.

Aquesta shareholders who receive only UCBI stock will generally not recognize gain or loss, except that any loss on the receipt of cash in lieu of fractional shares of UCBI stock may be recognized. The deductibility of capital losses is subject to limitation.

**This attachment summarizes basic U.S. federal income tax information relevant to the Aquesta preferred stock conversion and the Merger. Shareholders should consult their tax advisors to determine the federal, state, local, and foreign tax consequences of the transaction based on their specific circumstances.*