

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 FOUR OAKS FINCORP, INC.		58-1807304	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
JANE KEITH	706-781-2265	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	
NOVEMBER 1, 2017		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 ▶ UNITED COMMUNITY BANKS, INC (UCBI) ACQUIRED FOUR OAKS FINCORP, INC. (FOFN) THROUGH A MERGER TRANSACTION IN WHICH FOFN MERGED WITH AND INTO UCBI EFFECTIVE NOVEMBER 1, 2017 ("MERGER EFFECTIVE TIME").

PURSUANT TO THE AGREEMENT AND PLAN OF MERGER, EACH SHARE OF FOFN COMMON STOCK WAS EXCHANGED FOR .6178 SHARES OF UCBI COMMON STOCK AND \$1.90 CASH. FOFN SHAREHOLDERS RECEIVED CASH IN LIEU OF FRACTIONAL SHARES BASED UPON THE PER SHARE PRICE OF \$27.42 FOR THE UCBI COMMON STOCK.

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 ▶ _____

IRC SECTION 368(a)

IRC SECTION 302(b)

IRC SECTION 318

IRC SECTION 354

IRC SECTION 356

IRC SECTION 358

IRC SECTION 1221

IRC SECTION 1411

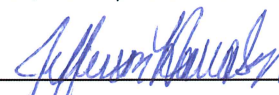
SEE ALSO TREASURY REGULATION § 1.358-2(a) AND (c) AND PROPOSED TREASURY REGULATION §1.358-2(b).

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

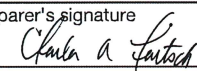
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE REPORTABLE TAX YEAR IS THE TAX YEAR INCLUDING NOVEMBER 1, 2017.

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 ▶ 11/14/17

Print your name ▶ JEFFERSON L. HARRALSON Title ▶ CHIEF FINANCIAL OFFICER

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	CHARLES A. LAETSCH, CPA		2017.11.14 13:29:10 -05'00'		P00027983
	Firm's name ▶ CROWE HORWATH LLP	Firm's EIN ▶ 35-0921680		Phone no. 212-572-5500	
	Firm's address ▶ 488 MADISON AVE, FLOOR 3 NEW YORK, NY 10022				

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

For purposes of this attachment, UCBI refers to the issuer, United Community Banks, Inc.; and FOFN refers to Four Oaks Fincorp, Inc. (FEIN: 56-2028446).

Part II, Line 15

Each FOFN common shareholder of record as of the Merger Effective Time became entitled to receive from UCBI 0.6178 shares of UCBI common stock for each of their former shares of FOFN common stock subject to surrender of the old FOFN shares; plus a cash payment of \$1.90 per share; plus potentially a cash payment in lieu of the issuance of any fractional share of UCBI common stock.

The basis of UCBI shares received in the merger will be generally determined in accordance with IRC Section 358(a), as follows:

- The basis of FOFN shares surrendered
- Reduced by the cash received in the merger (if any)
- Increased by any gain recognized in the exchange, computed on a per share basis

The following information is necessary to compute gain to be recognized in the exchange on a per share basis as to each share of FOFN common stock that was held by a holder of record as of the Merger Effective Time:

- Cash consideration received per FOFN common share: \$1.90 per share
- Fair market value of UCBI shares received per FOFN common share: $\$27.42 \times 0.6178 \text{ shares} = \16.94 per share
- Total consideration received per FOFN common share: $\$1.90 + \$16.94 = \$18.84 \text{ per share}$

To determine 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 the old basis, the following scenarios should be used to determine the per share gain to be recognized by a holder of record of a share of FOFN common stock as of the Merger Effective Time. FOFN shareholders should note that cash payments in lieu of fractional shares are expressly not considered in the scenarios describe:

- If the adjusted basis in an individual share of FOFN stock is greater than or equal to \$18.84, recognized gain should be \$0.
- If the adjusted basis in an individual share of FOFN stock is greater than \$16.94 but less than \$18.84, recognized gain should equal the excess of \$18.84 over the FOFN stock basis.
- If the adjusted basis in an individual share of FOFN stock is less than or equal to \$16.94, recognized gain should equal \$1.90.

Part II, Line 16

The fair market value of UCBI common stock at the effective time of the merger was \$27.42 per share, based on the closing price on October 31, 2017.

The basis of UCBI shares received, once computed as per above, 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 FOFN common stock surrendered, the basis of the FOFN 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 FOFN 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 FOFN 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

No loss may be recognized by a FOFN shareholder receiving UCBI common stock, 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.