

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  UNITED COMMUNITY BANKS, INC. AS SUCCESSOR TO PROGRESS FINANCIAL CORPORATION		2 Issuer's employer identification number (EIN)  58-1807304	
3 Name of contact for additional information  KIM CAGLE	4 Telephone No. of contact  864-241-8733	5 Email address of contact  KIM_CAGLE@UCBI.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  2 WEST WASHINGTON ST		7 City, town, or post office, state, and ZIP code of contact  GREENVILLE, SC 29601	
8 Date of action  JANUARY 3, 2023		9 Classification and description  COMMON STOCK	
10 CUSIP number  90984P303	11 Serial number(s)  N/A	12 Ticker symbol  UCBI	13 Account number(s)  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 PROGRESS FINANCIAL CORPORATION ("PROGRESS") THROUGH A MERGER TRANSACTION AND PROGRESS SIMULTANEOUSLY MERGER WITH AND INTO UCBI EFFECTIVE JANUARY 3, 2023 ("MERGER EFFECTIVE TIME").

PURSUANT TO THE AGREEMENT AND PLAN OF MERGER, EACH SHARE OF PROGRESS COMMON STOCK WAS EXCHANGED FOR .770 SHARES OF UCBI COMMON STOCK. THE PROGRESS SHAREHOLDERS RECEIVED CASH IN LIEU OF FRACTIONAL SHARES BASED UPON THE AVERAGE CLOSING SALE PRICE ON THE FIVE FULL TRADING DAYS IMMEDIATELY PRECEDING THE CLOSING DATE FOR \$33.76 FOR 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 354

IRC SECTION 356

IRC SECTION 358

IRC SECTION 1001

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 JANUARY 3, 2023.

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.

Sign Here Signature ▶  Date ▶ February 13, 2023

Print your name ▶ Alan Kunkler Title ▶ Chief Accounting Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	LISA M. BROOKS		2023.02.10 14:11:42 -06'00'	<input type="checkbox"/>	P00281355
	Firm's name ▶ CROWE LLP			Firm's EIN ▶ 35-0912680	
	Firm's address ▶ 720 COOL SPRINGS BLVD, STE 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 15**

A shareholder's tax basis in one (1) share of UCBI common stock received in exchange for Progress capital stock should equal the shareholder's basis in one (1) share of Progress capital stock divided by 0.770 (not counting the basis of any shares allocated to the receipt of fractional UCBI shares).

Progress 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.

**Part II, Line 16**

The fair market value of UCBI common stock at the effective time of the merger was \$33.80 per share, based on the closing price on December 30, 2022.

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 Progress capital stock surrendered, the basis of the Progress 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 Progress 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 Progress 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 Progress 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.

Progress shareholders who receive only UCBI stock will generally not recognize gain or loss.