

Part II Organizational Action (continued)

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

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ (See attached statement)

Blank lines for providing information on loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ (See attached statement)

Blank lines for providing other necessary information.

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 ▶ April A. Berne Date ▶ 4-10-2020

Print your name ▶ April Berne 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
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

ATTACHMENT TO FORM 8937
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

FCN Banc Corp
EIN: 35-1660653

Part II, Line 14:

On February 29, 2020, DSA Financial Corporation (“DSA”) was merged with and into FCN Banc Corp (“FCN”), with FCN as the surviving entity (the “Merger”), pursuant to the terms and conditions of the Agreement and Plan of Merger dated August 29, 2019, by and between FCN and DSA (the “Merger Agreement”).

Part II, Line 15:

As a result of the Merger each share of DSA common stock held by a non-accredited investor or by a person who was not affirmatively determined by FCN to be an accredited investor was converted into the right to receive \$13.75 in cash, without interest (the “Per Share Cash Consideration”). Each share of DSA common stock held by an accredited investor was converted into the right to receive either (i) the Per Share Cash Consideration; or (ii) .3819 shares of FCN common stock (the “Per Share Stock Consideration”). Cash was paid in lieu of fractional shares of FCN common stock based upon a price of \$41.00 per share.

The Merger should qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

Assuming that the Merger constituted a tax-free reorganization under Section 368(a), the effect of the Merger on the tax basis of DSA common stock held by DSA shareholders who are U.S. holders (as such term is defined in the Proxy Statement and Prospectus) is summarized as follows:

- *All DSA Shareholders.* The aggregate basis of the FCN common stock received in the Merger will be the same as the aggregate basis of DSA common stock for which it was exchanged, decreased by the amount of cash received in the Merger (except with respect to any cash received in lieu of fractional shares, as discussed below), decreased by any basis attributable to cash received in lieu of fractional shares of FCN common stock, and increased by the amount of gain recognized on the exchange.
- *Exchange Solely for FCN Common Stock.* No gain or loss will be recognized by a DSA stockholder who received solely shares of FCN common stock in exchange for shares of DSA common stock pursuant to the Merger (except for cash received in lieu of fractional shares, as discussed below).
- *Exchange Solely for Cash.* Gain or loss will be recognized by a DSA stockholder who received solely cash in exchange for shares of DSA common stock equal to the difference between the amount of cash received and such stockholder’s tax basis in the DSA common stock surrendered in the exchange for the cash.
- *Exchange for FCN Common Stock and Cash.* Gain (but no loss) will be recognized by a DSA stockholder who received shares of FCN common stock and cash in exchange for shares of DSA common stock pursuant to the Merger, in an amount equal to the lesser of

(1) the amount by which the sum of the fair market value of the FCN common stock and cash received exceeds such stockholder's cost basis in the DSA common stock surrendered, or (2) the amount of cash received in the Merger (except with respect to any cash received in lieu of fractional shares, as discussed below).

- *Cash received in lieu of fractional shares.* DSA shareholders who received cash instead of a fractional share of FCN common stock, will generally be treated as having received such fractional share of FCN common stock pursuant to the Merger and then as having sold such fractional share of FCN common stock for cash.

If a DSA shareholder acquired different blocks of DSA common stock at different times or at different prices, the FCN common stock the shareholder received in the Merger will be allocated pro rata to each block of DSA common stock, and the basis and holding period of each block of FCN common stock the shareholder received will be determined on a block-for-block basis depending on the basis and holding period of the blocks of DSA common stock exchanged for such block of FCN common stock.

Part II, Line 16:

See response to Part II, Line 15, above.

Part II, Line 17:

The acquisition of DSA by FCN should qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. In general, the federal income tax consequences to the DSA shareholder are determined under Code Sections 302, 318, 354, 356, 358, 368(a), 1001, 1011, 1221, 1223 and 1411.

Part II, Line 18:

The Merger was intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes. Assuming that the Merger is so treated, the following shall apply: A U.S. holder of DSA common stock will not recognize any loss upon receipt of FCN common stock in the Merger, except with respect to any cash received and cash received in lieu of a fractional share of FCN common stock.

Gain or loss will be recognized by a DSA stockholder receiving solely cash in exchange for shares of DSA common stock equal to the difference between the amount of cash received and such stockholder's tax basis in the DSA common stock surrendered in the exchange for the cash. DSA Shareholders who received cash instead of a fractional share of FCN common stock will generally be treated as having received such fractional share of FCN common stock pursuant to the Merger and then as having sold such fractional share of FCN common stock for cash. As a result, such shareholders generally will recognize gain or loss equal to the difference between the amount of cash received and the tax basis in your fractional share of FCN common stock as set forth above.

Part II, Line 19:

In general, any adjustment to the tax basis that causes gain or loss recognized by a DSA shareholder as a result of the completion of the Merger should be reported for the taxable year

which includes February 29, 2020 (e.g., a calendar year shareholder should report the transaction on the shareholder's federal income tax return filed for the 2020 calendar year).

No ruling from the Internal Revenue Service (“IRS”) has been requested, or will be obtained, regarding the federal income tax consequences of the Merger described in this attachment. This attachment is not binding on the IRS and the IRS and the courts could disagree with one or more of the positions described herein.

Each shareholder is advised to consult his or her tax advisor regarding the tax treatment of the merger.