



**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 ATTACHMENT

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

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

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 ▶ *[Handwritten Signature]* Date ▶ 11/2/21  
Print your name ▶ SUSAN MILLER Title ▶ CFO

**Paid Preparer Use Only**

Print preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
<u>ROBERT PARKER, CPA</u>	<i>[Handwritten Signature]</i>	<u>11/2/2021</u>		<u>P00868782</u>
Firm's name ▶	Firm's EIN ▶		Firm's EIN ▶	
<u>CROWE LLP</u>	<u>35-0921680</u>		<u>35-0921680</u>	
Firm's address ▶	Phone no.		Phone no.	
<u>720 COOL SPRINGS BLVD, STE 600 FRANKLIN, TN 37067</u>	<u>615-360-5500</u>		<u>615-360-5500</u>	

**Attachment to Form 8937**  
**Report of Organizational Actions Affecting Basis of Securities**  
**The Tampa Banking Company**  
**FEIN: 59-2775258**

**Part II, Line 14**

The Tampa Banking Company ("TBBC"), through its wholly-owned subsidiary Bank of Tampa (FEIN: 59-1447189, "BOT"), acquired Hillsboro Bank (FEIN: 59-3491132, "HB") through a merger transaction and HB simultaneously merged into Bank of Tampa ("BOT") effective October 1, 2021. The merger qualified as a tax-free reorganization under Section 368 of the Internal Revenue Code.

**Part II, Line 15**

Pursuant to the agreement and Plan of Merger, each share of HB common stock was exchanged for a combination of .3905 shares of TBBC common stock and cash. Total consideration paid was \$29,553,924, \$25,190,908 in TBBC stock and \$4,362,585 in cash. Each HB shareholder had their choice to receive TBBC stock only, cash only, or a combination of TBBC stock and cash.

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

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

- The basis of HB shares 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.

**Part II, Line 16**

The basis of TBBC shares received, once computed, must be allocated to the individual TBBC shares received in accordance with Treasury Regulation §1.358-2(a). Since fewer shares of TBBC common stock were received than shares of HB common stock surrendered, the basis of the HB shares surrendered must be allocated to the shares of TBBC stock received in a manner that reflects, to the greatest extent possible, that a share of TBBC stock received is received in respect of HB 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 HB shares surrendered must be allocated to the shares of TBBC stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares whose basis is allocated to any particulate TBBC share received. This could result in a single share of TBBC 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 17**

Tax treatment of the merger is based on the following Internal Revenue Code (IRC) sections and subsections as more fully discussed below: 368(A), 354, 356, 358, and 1221.

**Part II, Line 18**

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

HB shareholders who receive a combination of TBBC 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.

HB shareholders who receive only TBBC stock will generally not recognize gain or loss.

**Part II, Line 19**

The reportable tax year of the adjustment to the basis of the securities as a result of the organizational action is the shareholder's tax year that includes October 1, 2021.