



**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 to Form 8937 - Part II, Line 17.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

18 Can any resulting loss be recognized? ▶ **See Attachment to Form 8937 - Part II, Line 18.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_


19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
**See Attachment to Form 8937 - Part II, Line 19**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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 ▶ 8/14/18  
Print your name ▶ JOHN OAKES Title ▶ VP/CONTROLLER

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	LANCE C. LESLIE		8/14/18		P00529894
	Firm's name ▶ DELOITTE TAX LLP	Firm's EIN ▶	86-1065772	Phone no.	563-322-4415
	Firm's address ▶ 4550 E. 53RD STREET, SUITE 110	DAVENPORT	IA 52807		

**QCR Holdings, Inc. (as Successor to Springfield Bancshares, Inc.)**  
**EIN: 42-1397595**  
**Attachment to Form 8937 – Part II**

**Line 14**

On July 2, 2018 (the "Effective Date"), Springfield Bancshares, Inc. ("Springfield"), was merged with and into QCR Holdings, Inc. ("QCR"), with QCR remaining as the surviving entity (the "Merger"), pursuant to the terms and conditions of the Agreement and Plan of Reorganization, dated as of April 17, 2018, by and between QCR and Springfield (the "Merger Agreement"). Pursuant to the Merger Agreement, each issued and outstanding share of Springfield common stock ("Springfield Shares") issued and outstanding immediately prior to Effective Time, other than any Excluded Shares (defined below), was exchanged for \$1.50 in cash and 0.3060 of QCR common stock ("QCR Shares"), plus cash in lieu of any fractional Springfield Shares (the "Merger Consideration").

"Excluded Shares" means any Springfield Shares owned by Springfield or QCR, in each case other than shares held in any Springfield benefit plan or related trust accounts or otherwise held in a fiduciary or agency capacity or as a result of debts previously contracted.

**Line 15**

The Merger is intended to qualify as a reorganization under section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, a Springfield shareholder who receives cash (other than cash received in lieu of fractional QCR Shares) and QCR Shares in exchange for Springfield Shares generally will recognize gain (but not loss) in an amount equal to the lesser of: (i) the amount by which the sum of the fair market value of the QCR Shares and cash received by the Springfield shareholder exceeds such shareholder's adjusted tax basis in the Springfield Shares; and (ii) the amount of cash received by such shareholder (excluding any cash received in lieu of a fractional QCR Share in each of (i) and (ii), which is discussed below). If Springfield Shares were acquired at different times or different prices, any gain or loss will be determined separately with respect to each block of Springfield Shares. Please consult your tax advisor with respect to your specific tax situation.

The aggregate tax basis of the QCR Shares received in the Merger (including the fractional Springfield Shares deemed received and exchanged for cash, as discussed below) will be the same as the aggregate tax basis of the Springfield Shares surrendered in exchange therefor, (a) decreased by the amount of cash received (excluding any cash received in lieu of a fractional QCR Share), and (b) increased by the amount of gain recognized in the Merger (excluding gain recognized with respect to a fractional QCR Share) (the "Adjusted Aggregate Tax Basis").

Where one QCR Share is received in exchange for more than one Springfield Share, the Adjusted Aggregate Tax Basis must be allocated to the QCR Shares (or allocable portions thereof) in a manner that seeks to replicate, to the greatest extent possible, the tax basis in the Springfield Shares that were acquired on the same date and at the same price. To the extent it is

not possible to allocate the Adjusted Aggregate Tax Basis in this manner, the Adjusted Aggregate Tax Basis in the Springfield Shares surrendered must be allocated to the QCR Shares (or allocable portions thereof) received in a manner that minimizes the disparity in the holding periods of Springfield Shares whose basis is allocated to any particular QCR Share received.

A Springfield shareholder who received cash in lieu of a fractional QCR Share in the Merger will be treated as though such holder received such fractional QCR Share in the Merger, with an adjusted basis in such fractional QCR Share as determined in the manner described above, and then as having had such fractional QCR Share redeemed for cash. As a result, a holder is generally expected to recognize gain or loss equal to the difference between the amount of cash received and the portion of the aggregate tax basis allocated to such fractional QCR Share.

**Line 16**

Consult your tax advisor regarding the manner in which the QCR Shares are valued for purposes of determining the potential gain described above on Line 15. Under generally applicable federal income tax rules, one reasonable approach to determine the fair market value of QCR Shares for purposes of calculating the potential gain on the Springfield Shares exchanged in the Merger is to use the mean of the highest and the lowest quoted selling prices of QCR Shares on July 2, 2018, which is \$47.95.

**Line 17**

Sections 368(a), 356(a), 358(a), and 358(b).

**Line 18**

Springfield shareholders will not recognize any loss for U.S. federal income tax purposes on the receipt of the QCR Shares and cash in the Merger; however, a Springfield shareholder may recognize gain or loss with respect to cash received in lieu of a fractional share.

**Line 19**

The Merger became effective on July 2, 2018, which is therefore the relevant date for purposes of determining tax basis and related information. The corresponding tax year is the year of each holder of Springfield Shares that includes July 2, 2018.