

**ATTACHMENT TO FORM 8937**

**MID-SOUTHERN  
BANCORP, INC.  
PART II – ITEM 16**

**Example to Describe Calculation of Change in Tax Basis:**

The following example illustrates the method by which a former stockholder of Mid-Southern Savings Bank, FSB would determine his or her tax basis in the Mid-Southern Bancorp, Inc. common stock ("New Stock") received as a result of the Second-Step Conversion. The example assumes that the stockholder is an individual U.S. citizen or resident who acquired his or her shares of Mid-Southern Savings Bank, FSB common stock ("Old Stock") in one block at the same price for cash and holds such shares as capital assets. The example does not address any special rules that may apply to a particular stockholder, nor do they address the consequences of any state, local or foreign tax laws.

**Assumptions:**

**Number of shares of Old Stock held prior to the Second-Step Conversion – 100 shares**

**Tax basis in each share of Old Stock - \$10**

**Aggregate tax basis in Old Stock - \$1,000 (100 shares x \$10)**

**Number of shares of New Stock received as a result of the Second-Step Conversion - 234 shares (100 shares of Old Stock x 2.3462 exchange ratio)**

**Purchase price of each share of New Stock sold to the public in connection with the Second- Step Conversion - \$10.00**

Cost basis in Old Stock: (100 shares x \$10)	\$ 1,000.00
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Value of shares of New Stock received in the exchange as a result of the Second-Step Conversion.

New Stock received (234 shares x \$10.00)	\$ 2,340.00
Value of Fractional Share (0.62 x 10.00)	<u>6.20</u>
Total Value	<u><u>\$ 2,346.20</u></u>

Tax Basis in New Stock received as a result of the Second-Step Conversion.

Basis in Old Stock	\$	1,000.00
Less: Cash Amount Received (not including cash in lieu of fractional shares)		-
Plus: Recognized Gain		-
Basis in New Stock	\$	<u>1,000.00</u>

Taxable Gain/Loss on Fractional Share

Cash paid in lieu of fractional share (0.62 x \$10.00)	\$	6.20
Less: Basis attributable to fractional share ((0.62/\$2,346.20) x \$1,000)	\$	<u>(0.26)</u>
Taxable Gain/(Loss)	\$	5.94

Final Adjusted Tax Basis in New Stock

Basis in New Stock received (including fractional share)	\$	1,000.00
Less: Basis attributable to fractional share		<u>(0.26)</u>
Basis in New Stock	\$	999.74
Per Share Basis (\$999.74/234)	\$	4.27

**The calculations set forth above are for illustrative purposes only and should not be considered tax advice. You are urged to discuss your specific tax situation with your tax advisor.**

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The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending any transaction or matter addressed herein.