

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <u>NorthWest Indiana Bancorp as successor to AJS Bancorp, Inc.</u>		2 Issuer's employer identification number (EIN) 35-1927981	
3 Name of contact for additional information <u>Robert T. Lowry</u>	4 Telephone No. of contact 219-836-4400	5 Email address of contact <u>rlowry@ibankpeoples.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>9204 Columbia Avenue</u>		7 City, town, or post office, state, and ZIP code of contact <u>Munster, Indiana 46321</u>	
8 Date of action <u>January 24, 2019</u>		9 Classification and description <u>Common Stock</u>	
10 CUSIP number <u>667516108</u>	11 Serial number(s)	12 Ticker symbol <u>NWIN</u>	13 Account number(s)

**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 ▶ On January 24, 2019, NorthWest Indiana Bancorp (NWIN) acquired AJS Bancorp, Inc. (AJSB), EIN 36-4485429, through a merger transaction, and AJSB merged with and into NWIN. The transaction qualified as a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code. Pursuant to the terms of the merger, AJSB shareholders holding 100 or more shares of AJSB common stock exchanged each share of AJSB common stock for 0.2030 shares of NWIN common stock and \$7.20 in cash. AJSB shareholders holding fewer than 100 shares of AJSB common stock received \$16.00 per share in cash. The AJSB shareholders received cash in lieu of fractional shares based upon the per share price of \$43.01 for NWIN 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 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 Item 15 above for a description of the calculation. The fair market value of the NWIN common stock at the effective time of the merger was \$42.00 per share, based on the January 23, 2019 closing price of a single share of NWIN common stock as quoted on the OTC Pink Marketplace. The NWIN common stock price used to determine the fractional share consideration was the volume-weighted average per share closing price of a share of NWIN common stock as quoted on the OTC Pink Marketplace during the 15 consecutive trading days immediately preceding the second business day prior to the closing of the merger.

**Part II** Organizational Action (continued)

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

Sections 302, 318, 354, 356, 358(a), 368(a), 1001.

18 Can any resulting loss be recognized? ▶ No loss may be recognized by an AJSB shareholder receiving NWIN common stock and cash, but if a taxable loss is calculated on the deemed sale of a fractional share of NWIN common stock deemed to have been received in the exchange, this loss may be recognized. AJSB Shareholders receiving solely cash may recognize loss, if any.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is 2019.

Each AJSB shareholder should consult his, her or its tax advisor as to the determination of gain or loss and allocation of basis to any NWIN common stock received.

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 ▶ *Robert T. Lowry* Date ▶ 3/8/19  
Print your name ▶ Robert T Lowry Title ▶ EVP/CFO

**Paid Preparer Use Only**

Print/Type preparer's name Monica Schmidt	Preparer's signature <u><i>Monica J Schmidt</i></u>	Date 03/07/2019	Check <input type="checkbox"/> if self-employed	PTIN P00032475
Firm's name ▶ Crowe LLP	Firm's address ▶ 330 E Jefferson Blvd, PO Box 7, South Bend, IN 46624-0007		Firm's EIN ▶ 35-0921680	Phone no. 574-232-3992

NorthWest Indiana Bancorp as successor to AJS Bancorp, Inc.  
EIN 35-1927981  
Statement to Form 8937

**Part II, Item 15**

- AJSB shareholders receiving solely cash will experience no effect on basis of their AJSB common stock.
  - These holders should recognize gain or loss equal to the difference between the cash received and the tax basis in their AJSB shares surrendered.
- AJSB shareholders receiving NWIN stock and cash will experience the following effects:
  - Gain, but not loss, will be recognized equal to the lesser of: (a) the amount of cash received in the merger; or (b) the amount, if any, by which the sum of the cash received and the fair market value of the NWIN stock received exceeds the holder's adjusted tax basis in the AJSB shares exchanged in the merger. For this purpose, in computing the gain to be recognized on the exchange of AJSB common stock for NWIN common stock and cash, the amount of cash considered to be received in the merger does not include cash received in lieu of fractional shares. Gain or loss should be calculated separately for each identifiable block of shares surrendered in the merger, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares.
  - The aggregate tax basis of the NWIN shares received will equal the aggregate basis of AJSB shares exchanged (not counting the basis of any shares allocated to the receipt of fractional NWIN shares), reduced by cash received in the merger (not counting cash received for fractional shares), and increased by any gain recognized in the exchange (not counting any gain on fractional shares). Generally, the tax basis is allocated to individual NWIN shares received on a block-by-block basis. Since a whole number of NWIN shares were not issued in exchange for each AJSB share, this could result in a single share of NWIN stock having a split basis and a split holding period.
  - AJSB shareholders who received cash instead of a fractional share of NWIN common stock will be treated as having received the fractional share in the merger and then as having exchanged the fractional share for cash. These holders will generally recognize gain or loss equal to the difference between the tax basis allocable to the fractional share and the amount of cash received.