

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.](#)

Horizontal lines for providing the applicable Internal Revenue Code section(s) and subsection(s).

18 Can any resulting loss be recognized? ▶ [See attached.](#)

Horizontal lines for providing the answer to the question regarding resulting loss recognition.

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

Horizontal lines for providing any other information necessary to implement the adjustment.

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 ▶ [April 29, 2024](#)

Print your name ▶ [Kevin Vaughn](#) 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.			

BANCORP 34, INC.

EIN: 74-2819148

ATTACHMENT TO FORM 8937

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Merger (as defined below). The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. CBOA Financial, Inc. shareholders are encouraged to consult their independent tax advisors regarding the particular consequences of the Merger to them (including the applicability and effect of all federal, state, local and non-U.S. laws) and should carefully read the proxy statement/prospectus (the “Proxy Statement”), dated February 12, 2024, and filed with the Securities and Exchange Commission, noting especially the discussion under the heading “**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER.**” The information provided herein is subject to such discussion in all respects. The Proxy Statement may be accessed at www.sec.gov.

Part II, Item 14

On March 19, 2024, pursuant to the terms and conditions of the Agreement and Plan of Merger dated as of April 27, 2023, and amended as of December 21, 2023 (the “Agreement”), by and among Bancorp 34, Inc., a Maryland corporation (“Bancorp 34”) and CBOA Financial, Inc. (“CBOA”), an Arizona Corporation, CBOA merged with and into Bancorp 34, with Bancorp 34 surviving (the “Merger”).

As a result of the Merger, each share of CBOA common stock, no par value per share, outstanding as of immediately prior to the effective time of the Merger, was converted into the right to receive 0.2628 shares (the “Exchange Ratio”) of Bancorp 34 common stock, par value \$0.01 per share, with cash issued in lieu of fractional shares pursuant to the terms of the Agreement.

Bancorp 34 did not issue any fractional shares of Bancorp 34 common stock in the Merger. Holders of CBOA common stock who would otherwise have been entitled to a fraction of a share of Bancorp 34 common stock upon the completion of the Merger instead received, for the fraction of a share, an amount in cash (rounded to the nearest cent) (without interest) equal to such fractional part of a share of Bancorp common stock multiplied by \$12.16.

Part II, Item 15

The Merger was intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. Assuming the Merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code, the aggregate tax basis of the shares of Bancorp 34 common stock received pursuant to the Merger (including any fractional shares of Bancorp 34 common stock deemed received and exchanged for cash) will be the same as the aggregate tax basis of the shares of CBOA common stock surrendered in exchange therefor, and the holding period of the Bancorp 34 common stock received pursuant to Merger (including any fractional share of Bancorp 34 common stock deemed received and exchanged for cash) will include the holding period of the shares of CBOA common stock surrendered in exchange therefor.

Part II, Item 16

Please see Part II, Item 15 above for a general description of a shareholder’s change in basis calculation. The following is an example of how the previously-described approach to basis determination would be applied:

Assumption:

Number of CBOA shares owned by CBOA shareholder: 100

CBOA shareholder’s aggregate tax basis in all CBOA shares owned (assumed to be \$3.00 per share): \$300

Whole shares of Bancorp 34 common stock received in the Merger (100 CBOA shares multiplied by the Exchange Ratio of 0.2628 and rounding down the product thereof): 26

Number of fractional shares of Bancorp 34 common stock deemed received: 0.28

Basis per share of Bancorp 34 common stock received (\$3.00 basis per CBOA share divided by the Exchange Ratio of 0.2628): \$11.415525 per share

Aggregate tax basis in whole shares of Bancorp 34 common stock received in the Merger (26 multiplied by \$11.415525): \$296.80

Tax basis in fractional share of Bancorp 34 common stock deemed sold (0.28 shares multiplied by \$11.415525): \$3.20

Cash received in deemed sale of fractional share (0.28 shares multiplied by \$12.16 per share): \$3.40

Gain realized on fractional share deemed sold (\$3.40 value minus \$3.20 basis): \$0.20

Part II, Item 17

Tax consequences to surrendering shareholders of CBOA common stock are determined under Sections 302, 354, 356, 358 and 1001 of the Code.

Part II, Item 18

If the Merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code, CBOA shareholders generally will not recognize any loss as a result of having received Bancorp 34 common stock (including any fractional shares of Bancorp 34 common stock deemed received) pursuant to the Merger.

However, CBOA shareholders who receive cash in lieu of a fractional share of Bancorp 34 common stock will be treated as having received such fractional share pursuant to the Merger and then as having exchanged such fractional share for cash. Any such shareholder generally will recognize loss with respect to the deemed sale of the fractional share of Bancorp 34 common stock if the amount of cash received in lieu of such fractional share is less than the tax basis allocated to such fractional share.

Part II, Item 19

Any adjustment to the tax basis of securities resulting from the Merger is reportable in the tax year that includes March 19, 2024. For calendar year taxpayers, the reportable tax year is 2024.