

COST BASIS

Bank of Bird-in-Hand has declared a 25% stock split effectuated as a stock dividend which affects the cost basis of your common stock investment.

The date of the stock dividend is listed below:

Record Date	Payable Date
June 4, 2018	July 31, 2018

For each stock dividend that occurred when an investor owned Bank of Bird-in-Hand common stock, multiply the shares held before the dividend by 1.25 to obtain the new number of shares held. Divide the original cost of the shares by the new share number to calculate the investor's adjusted basis.

Example: If an investor owned 1,000 shares at a cost of \$10 per share, a 25% stock dividend would increase the number of shares to 1,250. The total cost of the shares is unchanged at \$10,000 and the new cost basis is $\$10,000/1,250$ shares, or \$8.00. This process would continue for each stock dividend that could occur while the stock is held.

The IRS forms below further explain the July 2018 25% stock dividend.

- JULY 2018 – IRS FORM 8937