

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  NORTHERN INTERSTATE FINANCIAL, INC		<b>2</b> Issuer's employer identification number (EIN)  **-***5464	
<b>3</b> Name of contact for additional information  TIMOTHY MATTSON	<b>4</b> Telephone No. of contact  906-563-9233	<b>5</b> Email address of contact  tpmattson@banknib.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  P O BOX 218		<b>7</b> City, town, or post office, state, and ZIP code of contact  NORWAY, MI 49870	
<b>8</b> Date of action  06/30/2019		<b>9</b> Classification and description  STOCK SPLIT	
<b>10</b> CUSIP number  N/A	<b>11</b> Serial number(s)  N/A	<b>12</b> Ticker symbol  N/A	<b>13</b> Account number(s)  N/A

**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 ▶ **Northern Interstate Financial Inc authorized a two for one split of stock which will involve the issuance of one additional share of stock to the holder of each outstanding share. The record date for determining the owners of record of the Corporation's outstanding shares for purposes of the stock split shall be May 28, 2019.**

**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 ▶ **The above described action will reduce the basis in all shares owned as of May 28, 2019 by 50%. As an example: Shares purchase at \$90.00 per share will now have a basis of \$45.00 per share.**

**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 ▶ **An additional share of stock was issued for each share of stock outstanding. The basis of each share of stock owned will be reduced by 50%. An example: A stock holder that owned 100 shares of stock prior to the 2 for 1 stock split of May 28, 2019 with a purchase price (tax basis) of \$90.00 per share would own 200 shares of stock after the 2 for 1 stock split with a tax basis \$45.00 per share.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
26 U.S. Code §807. Basis of stock and stock rights acquired in distributions

Blank lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ **No loss can be recognized as a direct result of this transaction.**

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **As described in item 14 above the date of this adjustment is May 28, 2019.**

Blank lines for providing 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 ▶ *T. Mattson* Date ▶ *July 1, 2019*  
Print your name ▶ **Timothy Mattson** Title ▶ **President & CEO**

<b>Paid Preparer Use Only</b>	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.	