

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Andover Bancorp, Inc.		2 Issuer's employer identification number (EIN) 34-1436053	
3 Name of contact for additional information Richard B. Kotila, V.P and Assistant Secretary	4 Telephone No. of contact 440/293-7256	5 Email address of contact rkotila@andoverbankohio.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact PO Box 1300		7 City, town, or post office, state, and Zip code of contact Andover, OH 44003-1300	
8 Date of action 31 October 2013	9 Classification and description Common stock		
10 CUSIP number 034263103	11 Serial number(s) N/A	12 Ticker symbol ANDC	13 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 ▶ On 31 October 2013, Andover Bancorp, Inc. split its shares of common stock 50 for 1 for shareholders of record on 14 September 2013.

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 tax basis for each share equals the holder's tax basis in his/her/its common stock held immediately prior to the split divided by 50. If the holder purchased shares at different prices, the holder must calculate the tax basis of said shares separately.

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 ▶ Each share on the record date was valued at \$1,000.00. After the split, each share was valued at \$20.00.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Section 368(a)(1)(E)

18 Can any resulting loss be recognized? ▶ Shareholders will not recognize a gain or loss as a result of the split for U.S. federal income tax purposes.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is the calendar year ending 31 December 2013. The information presented herein represents Andover Bancorp, Inc.'s understanding of existing U.S. federal income tax law and regulations and does not constitute tax advice. The information does not purport to be complete or to describe tax consequences that may apply to particular categories of shareholders. Andover Bancorp, Inc. does not provide tax advice to its shareholders. However, to ensure compliance with requirements imposed by the IRS, Andover Bancorp, Inc. informs you that any U.S. tax advice contained herein is not intended or written to be used, and cannot be used, for purposes of avoiding penalties under the Internal Revenue Code of 1986, as amended, or promoting, marketing, or recommending any transaction or matter discussed herein.

Sign Here

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.

Signature ▶ *Richard B. Kotila* Date ▶ 10 December 2013

Print your name ▶ Richard B. Kotila Title ▶ V.P. and Assistant Secretary

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.