



**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 statement](#)

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**18** Can any resulting loss be recognized? ▶ [see attached statement](#)

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

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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 ▶ \_\_\_\_\_

Print your name ▶ Allison Johnson Title ▶ CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Heather Wallace	/s/ Heather Wallace	05/04/2022		P01977717
	Firm's name ▶ Dixon Hughes Goodman LLP	Firm's EIN ▶ 56-0747981		Phone no. 205-212-5300	
	Firm's address ▶ 800 Shades Creek Parkway, STE 500, Birmingham, AL 35209-4547				

**Spirit of Texas Bancshares, Inc.**  
**Attachment to Form 8937**  
**EIN: 90-0499552**  
**Report of Organizational Actions Affecting Basis of Securities**

**Form 8937 Part II, Box 14:**

On November 14, 2018, Comanche National Corporation ("Comanche") completed a merger with Spirit of Texas Bancshares, Inc. ("Spirit"). Pursuant to the terms and conditions of the Agreement and Plan of Merger, dated as of July 19, 2018, Comanche merged with and into Spirit. As a result of the merger, Spirit is the surviving corporation while Comanche ceased to exist as a corporation.

Pursuant to the terms and conditions set forth in the Reorganization Agreement, each outstanding share of Comanche common stock was converted into the right to receive \$30.67 in cash and approximately 5.37 shares of Spirit common stock.

In lieu of each fractional share of Spirit Common Stock that would otherwise have been issued to Comanche shareholders in the Merger, Spirit will pay cash in an amount determined by multiplying such fraction by \$21.00.

**Form 8937 Part II, Box 15:**

The merger of Comanche with and into Spirit qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

A Comanche shareholder's tax basis in one (1) share of Spirit common stock received in exchange for Comanche common stock should equal the shareholder's basis in one (1) share of Comanche common stock divided by 5.37. Alternatively, such shareholder's tax basis in one (1) share of Spirit common stock received in exchange for Comanche's common stock should equal 18.622% of the shareholder's tax basis in one (1) share of the Comanche common stock.

If a Comanche shareholder acquired different blocks of the Comanche common stock at different times or at different prices, the Spirit common stock received will be allocated pro rata to each block of Comanche common stock, and the basis of each block of Spirit common stock received will be determined on a block-for-block basis depending on the basis of the blocks of Comanche common stock exchanged for such block of Spirit common stock.

Comanche shareholders who receive cash in lieu of a fractional share of Spirit common stock are, for purposes of determining the taxability of that cash, deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These Comanche shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the common shares deemed to have been exchanged for the fractional share and the amount of cash received.

Each shareholder is encouraged to consult their own personal tax advisor regarding the determination of this realized gain or loss on the exchange.

**Form 8937 Part II, Box 16:**

Refer to the description of the basis calculation in Part II, Box 15 above. The November 14, 2018 closing price of a single share of Spirit common stock on the NASDAQ Stock Exchange was \$18.48.

**Form 8937 Part II, Box 17:**

Spirit's acquisition of Comanche, pursuant to the merger completed on November 14, 2018 was structured to qualify as reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In general, the income tax consequences to the shareholders are determined under Internal Revenue Code sections 302, 354, 356, 358, and 368.

**Form 8937 Part II, Box 18:**

In general, each Comanche shareholder who received Spirit common stock and cash for all of their Comanche stock cannot recognize any loss. A Comanche shareholder who received cash in lieu of a fractional share of Spirit common stock may recognize loss if the amount of cash received is less than the basis in the fractional share, as applicable.

**Form 8937 Part II, Box 19:**

In general, any adjustment to the tax basis that causes gain or loss recognized by Comanche shareholder as a result of the completion of the Merger should be reported for the taxable year which includes November 14, 2018. A calendar year shareholder would report the transaction on a 2018 income tax return.

The holding period of Spirit common stock received in exchange for shares of Comanche common stock will include the holding period of Comanche common stock for which it is exchanged. A holder of Comanche common stock who received cash in lieu of a fractional share of Spirit common stock will generally be treated as having received the fractional share pursuant to the merger and then as having sold the fractional share of common stock for cash.

Each shareholder is encouraged to consult their own personal tax advisor regarding the determination of this realized gain or loss on the exchange.

No ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Merger described in this report. This report is not binding on the IRS and the IRS and the U.S. courts could disagree with one or more of the positions described above.

This information in this form does not constitute tax advice and each holder of Comanche National Corporation common stock is urged to consult its tax advisor with respect to the application of United States federal income tax laws to the holder's particular situation.