

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name MainSource Financial Group, Inc.		2 Issuer's employer identification number (EIN) 35-1562245	
3 Name of contact for additional information James M. Anderson	4 Telephone No. of contact 812-663-6734	5 Email address of contact janderson@mainsourcefinancial.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2105 North State Road 3 Bypass		7 City, town, or post office, state, and Zip code of contact Greensburg, Indiana 47240	
8 Date of action April 30, 2017		9 Classification and description Common Stock of FCB Bancorp, Inc.	
10 CUSIP number N/A	11 Serial number(s) N/A	12 Ticker symbol FCBE	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 ► [See Attached Statement](#)

- 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 ► [See Attached Statement](#)

- 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 ► [See Attached Statement](#)

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](#)

18 Can any resulting loss be recognized? ► [See Attached Statement](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► [See Attached Statement](#)

**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 ►

James M. Anderson

Date ►

6/13/2017

Print your name ► **James M. Anderson**

Title ► **Executive Vice President & CFO**

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

ATTACHMENT TO FORM 8937
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

MainSource Financial Group, Inc.
EIN: 35-1562245

Part II, Line 14:

On April 30, 2017, FCB Bancorp, Inc. (“FCB”) was merged with and into MainSource Financial Group, Inc. (“MainSource”), with MainSource as the surviving entity (the “Merger”), pursuant to the terms and conditions of the Agreement and Plan of Merger dated December 19, 2016 by and between FCB and MainSource (“Merger Agreement”)

Part II, Line 15:

As a result of the Merger, each share of FCB common stock (other than (i) shares held as treasury stock of FCB, (ii) shares held directly or indirectly by MainSource, except shares held in a fiduciary capacity or in satisfaction of a debt previously contracted, if any, and (iii) dissenting shares) was converted into the right to receive (a) 0.9 shares of MainSource common stock, no par value (the “Stock Consideration”), plus cash in lieu of any fractional shares of MainSource common stock, and (b) \$7.00 in cash (the “Cash Consideration”). Cash was paid in lieu of fractional shares of MainSource common stock based on a price of \$32.98 per share.

Each FCB shareholder will allocate basis between each share of common stock of FCB converted into the Stock Consideration. The Cash Consideration received for each share of common stock of FCB represents a reduction in the shareholder’s basis as a return of capital.

Gain may be recognized by each FCB shareholder based on the following scenarios:

- If the adjusted basis in an individual share of FCB stock is greater than or equal to \$37.78 ($\$7.00 + (\$34.20 \times 0.90 \text{ shares} = \$30.78)$), recognized gain should be \$0.
- If the adjusted basis in an individual share of FCB stock is greater than \$30.78 but less than \$37.78, recognized gain should equal the excess of \$37.78 over the FCB stock basis.
- If the adjusted basis in an individual share of FCB stock is less than \$30.78, recognized gain should equal \$7.00.

Part II, Line 16:

The Merger should qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

The effect of the Merger on the tax basis of FCB common stock held by FCB shareholders is summarized as follows:

- All FCB Shareholders. The tax basis of the shares of MainSource common stock received by each FCB shareholder will be the same as the basis of the shares of FCB common stock surrendered in exchange for the shares of MainSource common stock, plus any gain recognized by such shareholder in the Merger, and minus any cash received by the shareholder in the Merger.

- FCB Shareholders Who Received Cash in Lieu of Fractional Shares. Each FCB shareholder who received cash in lieu of a fractional share interest in MainSource common stock will be treated as having received such cash in full payment for such fractional share of common stock. Consequently, since the shareholder did not receive MainSource common stock in exchange for the fractional share interest, there will be no new basis to compute.

As reported by NASDAQ, the closing price of a share of MainSource common stock on April 28, 2017, the last trading day prior to the closing date of the Merger, was \$34.20.

The basis of shares of MainSource common stock received, once computed as per above, must be allocated to the individual MainSource shares received in accordance with Treasury Regulation §1.358-2(a). *See also* Treasury Regulation §1.358-2(b). Since fewer shares of MainSource common stock were received than shares of FCB common stock surrendered, the basis of the FCB shares surrendered must be allocated to the shares of MainSource stock received in a manner that reflects, to the greatest extent possible, that a share of MainSource stock received is received in respect of FCB shares of stock that were acquired on the same date and at the same price. To the extent it is not possible to allocate basis in this manner, the basis of the FCB shares surrendered must be allocated to the shares of MainSource stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares whose basis is allocated to any particular MainSource share received. This could result in a single share of MainSource stock having a split basis and a split holding period. *See* Example (14) of Treasury Regulation §1.358-2(c) for an illustration of this principle.

Part II, Line 17:

The acquisition of FCB by MainSource should qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. In general, the federal income tax consequences to the FCB shareholder are determined under Code Sections 302, 318, 354, 356, 358, 368(a), 1001, 1011, 1221, 1223 and 1411.

Part II, Line 18:

In general, each FCB shareholder cannot recognize any loss. A FCB shareholder who received cash in lieu of a fractional share of MainSource common stock may recognize loss if the amount of cash received is less than the tax basis in the shareholder's fractional share of FCB common stock.

Part II, Line 19:

In general, any adjustment to the tax basis that causes gain or loss recognized by a FCB shareholder as a result of the completion of the Merger should be reported for the taxable year which includes April 30, 2017 (e.g., a calendar year shareholder should report the transaction on the shareholder's federal income tax return filed for the 2017 calendar year).

For additional information, please refer to the full text of the Merger Agreement, which is included as Annex A to the Proxy Statement/Prospectus filed by MainSource with the U.S. Securities and Exchange Commission on February 6, 2017, as amended.

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

The above information does not constitute tax advice. It does not address the tax consequences that may apply to any particular shareholder and each shareholder is urged to consult his or her own tax advisor regarding the tax consequences of the Merger.