

Form **8937**
 (December 2011)
 Department of the Treasury
 Internal Revenue Service

**Report of Organizational Actions
 Affecting Basis of Securities**

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name 1ST SOURCE CORPORATION		2 Issuer's employer identification number (EIN) 35-1068133	
3 Name of contact for additional information ANDREA G. SHORT	4 Telephone No. of contact 574-235-2000	5 Email address of contact SHAREHOLDER@1STSOURCE.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. BOX 1602		7 City, town, or post office, state, and Zip code of contact SOUTH BEND, IN 46634	
8 Date of action 07/22/2015	9 Classification and description COMMON STOCK DIVIDEND		
10 CUSIP number 336901 10 3	11 Serial number(s)	12 Ticker symbol NASDAQ: SRCE	13 Account number(s)

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 ▶ **1ST SOURCE CORPORATION PAID A STOCK DIVIDEND ON AUGUST 14, 2015 TO SHAREHOLDERS OF RECORD ON AUGUST 5, 2015 OF 1 SHARE OF STOCK FOR EVERY 10 SHARES OF STOCK OWNED. FRACTIONAL SHARES WERE PAID OUT BASED UPON A MARKET VALUE OF \$31.79.**

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 STOCK DIVIDEND IS NON-TAXABLE UNDER SECTION 305(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). AS A RESULT OF THE STOCK DIVIDEND, EACH 1ST SOURCE CORPORATION SHAREHOLDER IS REQUIRED TO ALLOCATE THEIR TAX BASIS IN THE SHARES THEY OWNED PRIOR TO THE STOCK DIVIDEND OVER THE SHARES THEY OWN AFTER THE STOCK DIVIDEND. SEE EXAMPLE BELOW ON LINE 16.**

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 ▶ **A 1ST SOURCE CORPORATION SHAREHOLDER WILL DIVIDE THEIR BASIS IN EACH SHARE HELD BEFORE THE STOCK DIVIDEND BY 1.10 TO DETERMINE THEIR TAX BASIS IN EACH SHARE HELD IMMEDIATELY AFTER THE STOCK DIVIDEND, AND WILL MULTIPLY THE TOTAL NUMBER OF SHARES OWNED PRIOR TO THE STOCK DIVIDEND BY 1.10 TO DETERMINE THE NUMBER OF SHARES OF 1ST SOURCE CORPORATION COMMON STOCK OWNED AFTER THE STOCK DIVIDEND.**

EXAMPLE:
BEFORE THE STOCK DIVIDEND: 100 SHARES WITH A TAX BASIS OF \$10.00 PER SHARE = \$1,000 AGGREGATE BASIS
AFTER THE STOCK DIVIDEND: 100 SHARES X 1.10 = 110 SHARES OWNED AFTER THE STOCK DIVIDEND
\$10 TAX BASIS PER SHARE / 1.10 = \$9.09 (ROUNDED) TAX BASIS PER SHARE AFTER THE STOCK DIVIDEND
\$110 SHARES X \$9.09 PER SHARE TAX BASIS = \$1,000 (ROUNDED) AGGREGATE TAX BASIS

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 305(a), SECTION 307(a)

18 Can any resulting loss be recognized? ► N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____
THE STOCK DIVIDEND OCCURRED IN 2015.

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 ► *Andrea G Short* Date ► 0/19/15
 Print your name ► **ANDREA G. SHORT** Title ► **TREASURER**

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.	