

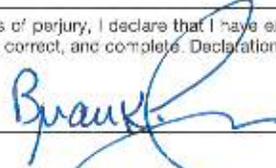
Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment to Form 8937

18 Can any resulting loss be recognized? ▶ See Attachment to Form 8937

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment to Form 8937

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 ▶ 5-26-2021
Print your name ▶ Brian K. Finneran Title ▶ President & CFO

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.	

HANOVER BANCORP, INC.
EIN 81-3324480
ATTACHMENT TO FORM 8937
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Part II, Box 14:

On May 26, 2021 (the “Effective Date”), Savoy Bank, a New York state chartered commercial bank (“Savoy”) was merged (the “Merger”) with and into Hanover Community Bank, a New York state chartered commercial bank (the “Bank”) and the wholly owned subsidiary Hanover Bancorp, Inc. (“Bancorp”), with Bank as the surviving entity, pursuant to the terms and conditions of the Agreement and Plan of Merger (the “Merger Agreement”), dated as of August 27, 2020, as amended, between the Bancorp, Bank, and Savoy. Pursuant to the Merger Agreement, Savoy was merged with and into the Bank, with the Bank surviving, in a two-step transaction (collectively, the “Merger”).

Upon the consummation of the Merger, each share of Savoy common stock, \$1.00 par value (“Savoy Common Stock”) was converted into the right to receive (i) \$3.246 in cash and (ii) 0.141 shares of Bancorp common stock.

No fractional shares were issued in connection with the consummation of the Merger; cash was issued in lieu thereof.

Part II, Box 15:

The acquisition of Savoy by Bank pursuant to the Merger was intended to qualify as a reorganization within the meaning of section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

Each Savoy shareholder received half of the per share merger consideration in shares of Bancorp common stock, and half of the per share merger consideration in cash. Therefore, a U.S. holder who exchanges his, her or its shares of Savoy common stock for a combination of cash and shares of Hanover common stock pursuant to the Merger may recognize gain (but not loss) equal to the lesser of: (i) the excess, if any, of the amount of cash plus the fair market value of any shares of Bancorp common stock received, over such U.S. holder’s adjusted tax basis in the shares of Savoy common stock surrendered; and (ii) the amount of cash received by such U.S. holder (other than cash received in lieu of fractional shares of Bancorp common stock).

Further discussion of the material U.S. federal income tax consequences of the Transaction can be found under the heading “Material U.S. Federal Income Tax Consequences” in the Bancorp’s Form S-4 filed with the Securities and Exchange Commission on April 13, 2021.

Part II, Box 16:

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Consult your tax adviser to determine the particular tax consequences to you of the Merger.

Fair market value generally is the price at which property would change hands between a willing buyer and seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. The Bancorp common stock is not traded on any exchange or established over the counter market. U.S. federal income tax law does not specifically prescribe how you should determine the fair market value of Bancorp common stock received in the merger; you should consult your tax advisor to determine what measure of fair value if appropriate. Notwithstanding the foregoing, the precise number of shares issued to Savoy shareholders receiving Bancorp stock as consideration was based on the determined value of Savoy shares of \$6.4926 per share, calculated in accordance with the terms of the Merger Agreement.

Part II, Box 17:

The acquisition of Savoy by Bank pursuant to the Merger was intended to qualify as a reorganization within the meaning of section 368(a) of the Code. Assuming the Merger so qualifies, the federal income tax consequences to the Savoy shareholders who receive shares of Bancorp common stock as partial consideration for shares of Savoy common stock will be determined under Code sections 354, 356, 358, and 1221.

Part II, Box 18:

Savoy shareholders who received Bancorp common stock as Merger consideration cannot recognize any loss by reason of the Merger, except with respect to cash received in lieu of a fractional share of Bancorp common stock. If a Savoy shareholder receives cash in lieu of a fractional share of Bancorp common stock, the Savoy shareholder will be treated as having received a fractional share of Bancorp common stock pursuant to the Merger and then having exchanged the fractional share of Bancorp common stock for cash in a redemption by Bancorp. As a result, the Savoy shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the Savoy shareholder's basis in the fractional share of Bancorp common stock as described in line 16 above. Such gain or loss generally will be a capital gain or loss, and will be long-term capital gain or loss if, as of the Effective Date, the Savoy shareholder's holding period with respect to the fractional share (including the holding period of the Savoy common stock surrendered therefor) exceeds one year. Special rules apply to Savoy shareholders who received their shares of Savoy common stock through the exercise of an employee stock option, through a tax qualified retirement plan, or otherwise as compensation, and such Savoy shareholders are instructed to consult their own tax advisers.

Part II, Box 19:

In general, any adjustment to the tax basis that results in gain or loss recognized by a Savoy shareholder as a result of the completion of the Merger should be reported for the taxable year that includes the Effective Date (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2021 calendar year).

For additional information please refer to the full text of the Merger Agreement, which is included as Exhibit 2.1 in Bancorp's Form S-4 filed with the Securities and Exchange Commission on April 13, 2021.