

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2015
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>ANDOVER BANK EMPLOYEES STOCK PURCHASE PLAN</u>	1b Three-digit plan number (PN) ▶ <u>002</u> 1c Effective date of plan <u>01/01/1987</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>ANDOVER BANK</u> <u>PO BOX 1300</u> <u>600 EAST MAIN STREET</u> <u>ANDOVER, OH 44003-1300</u>	2b Employer Identification Number (EIN) <u>34-1436056</u> 2c Plan Sponsor's telephone number <u>440-293-7605</u> 2d Business code (see instructions) <u>522110</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/11/2016</u>	<u>NANCY COOK</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☐ Same as Plan Sponsor ANDOVER BANK PO BOX 1300 600 EAST MAIN STREET ANDOVER, OH 44003-1300	3b Administrator's EIN 34-1436056
	3c Administrator's telephone number 440-293-7605
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 132
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 97
a(2) Total number of active participants at the end of the plan year	6a(2) 96
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 36
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 132
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 132
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 132
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 14
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2H 2J 2K 2P 2T	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan ANDOVER BANK EMPLOYEES STOCK PURCHASE PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 ANDOVER BANK	D Employer Identification Number (EIN) 34-1436056	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
RELIANCE TRUST COMPANY	1100 ABERNATHY ROAD
	500 NORTHPARK BUILDING, SUITE 400
	ATLANTA, GA 30328
58-1428634	

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

AMERICAN PENSION BENEFITS

115 VIP DRIVE, SUITE 120
WEXFORD, PA 15090

25-1722805

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 13	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	11010	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN PENSION BENEFITS	63 60 64 59 55	10863

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MID ATLANTIC TRUST COMPANY 27-3169253 1251 WATERFRONT PLACE PITTSBURGH, PA 15222	12B-1 FEES, SHAREHOLDER SERVICES FEES/SUB T/A, COMMISSIONS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>ANDOVER BANK EMPLOYEES STOCK PURCHASE PLAN</u>	B Three-digit plan number (PN) ► <u>002</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>ANDOVER BANK</u>	D Employer Identification Number (EIN) <u>34-1436056</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: METLIFE GAC SERIES 25053

b Name of sponsor of entity listed in (a): RELIANCE TRUST COMPANY

c EIN-PN <u>46-6625485-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>337280</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>		
A Name of plan <u>ANDOVER BANK EMPLOYEES STOCK PURCHASE PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ANDOVER BANK</u>	D Employer Identification Number (EIN) <u>34-1436056</u>	

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	0	0
	(2) Participant contributions	1b(2)	0	0
	(3) Other	1b(3)	79318	88245
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	406898	415979
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	121234	91616
	(9) Value of interest in common/collective trusts	1c(9)	295722	337280
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1716553	1697954
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	5172885	6303200
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	7792610	8934274

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	536176	721503
k Total liabilities (add all amounts in lines 1g through 1j)	1k	536176	721503

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7256434	8212771
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	258686	
(B) Participants	2a(1)(B)	235128	
(C) Others (including rollovers)	2a(1)(C)	5257	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		499071
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	718	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	4686	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		5404
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	175229	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	27877	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		203106
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	630320	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		630320

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		4224
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-25135
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1316990

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	358500	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		358500
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		503
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	1650	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1650
j Total expenses. Add all expense amounts in column (b) and enter total	2j		360653

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		956337
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: COHEN & COMPANY, CPAS

(2) EIN: 34-1912961

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>ANDOVER BANK EMPLOYEES STOCK PURCHASE PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ANDOVER BANK</u>	D Employer Identification Number (EIN) <u>34-1436056</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>27-3169253</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
---	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2015
v. 150123

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
----------------	---

18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: <u>0.0</u> % Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

ANDOVER BANK
EMPLOYEE STOCK PURCHASE PLAN

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2015 AND 2014



ANDOVER BANK
EMPLOYEE STOCK PURCHASE PLAN

DECEMBER 31, 2015 AND 2014

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PLAN PARTICIPANTS AND
TRUSTEES
ANDOVER BANK
EMPLOYEE STOCK PURCHASE PLAN

Independent Auditors' Report

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Andover Bank Employee Stock Purchase Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Mid Atlantic Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2015 and 2014, and for the year ended December 31, 2015, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets held at end of year as of December 31, 2015, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

August 29, 2016
Cleveland, Ohio

Cohen & Company Ltd.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2015 AND 2014

	2015				2014			
	Participant-Directed Investments	Company Stock		Total	Participant-Directed Investments	Company Stock		Total
		Allocated	Unallocated			Allocated	Unallocated	
ASSETS								
CASH		\$ 75,768	\$ 340,211	\$ 415,979		\$ 69,237	\$ 337,661	\$ 406,898
INVESTMENTS - AT FAIR VALUE	\$ 2,035,234	5,490,437	812,763	8,338,434	\$ 2,012,275	4,581,880	591,005	7,185,160
RECEIVABLES								
Notes receivable from participants	91,616			91,616	121,234			121,234
Dividends		76,866	11,379	88,245		70,255	9,063	79,318
	<u>91,616</u>	<u>76,866</u>	<u>11,379</u>	<u>179,861</u>	<u>121,234</u>	<u>70,255</u>	<u>9,063</u>	<u>200,552</u>
	<u>2,126,850</u>	<u>5,643,071</u>	<u>1,164,353</u>	<u>8,934,274</u>	<u>2,133,509</u>	<u>4,721,372</u>	<u>937,729</u>	<u>7,792,610</u>
LIABILITY								
NOTE PAYABLE			721,503	721,503			536,176	536,176
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 2,126,850</u>	<u>\$ 5,643,071</u>	<u>\$ 442,850</u>	<u>\$ 8,212,771</u>	<u>\$ 2,133,509</u>	<u>\$ 4,721,372</u>	<u>\$ 401,553</u>	<u>\$ 7,256,434</u>

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31, 2015

	Participant-Directed Investments	Company Stock		Total
		Allocated	Unallocated	
ADDITIONS TO NET ASSETS				
ATTRIBUTABLE TO:				
Investment income:				
Dividends and interest	\$ 32,563	\$ 152,634	\$ 23,313	\$ 208,510
Net appreciation (depreciation) in fair value of investments	(20,911)	549,044	81,276	609,409
	<u>11,652</u>	<u>701,678</u>	<u>104,589</u>	<u>817,919</u>
Contributions:				
Employer	70,802		187,883	258,685
Participants	184,269		50,860	235,129
Rollover	5,257			5,257
	<u>260,328</u>		<u>238,743</u>	<u>499,071</u>
Transfer of forfeitures to suspense account	19,722			19,722
Transfer of cash from suspense to unallocated			17,327	17,327
Transfer of dividends for loan payments			132,381	132,381
Allocation of 19,987 shares of Company stock, at fair value		451,743		451,743
	<u>19,722</u>	<u>451,743</u>	<u>149,708</u>	<u>621,173</u>
Total additions	<u>291,702</u>	<u>1,153,421</u>	<u>493,040</u>	<u>1,938,163</u>
DEDUCTIONS FROM NET ASSETS				
ATTRIBUTABLE TO:				
Benefits paid to participants	281,034	79,619		360,653
Transfer of forfeitures to suspense account		19,722		19,722
Transfer of cash from suspense to unallocated	17,327			17,327
Transfer of dividends for loan payments		132,381		132,381
Allocation of 19,987 shares of Company stock, at fair value			451,743	451,743
	<u>298,361</u>	<u>231,722</u>	<u>451,743</u>	<u>981,826</u>
Total deductions	<u>298,361</u>	<u>231,722</u>	<u>451,743</u>	<u>981,826</u>
NET INCREASE (DECREASE) FOR THE YEAR	(6,659)	921,699	41,297	956,337
NET ASSETS AVAILABLE FOR BENEFITS:				
Beginning of year	<u>2,133,509</u>	<u>4,721,372</u>	<u>401,553</u>	<u>7,256,434</u>
End of year	<u>\$ 2,126,850</u>	<u>\$ 5,643,071</u>	<u>\$ 442,850</u>	<u>\$ 8,212,771</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

The following description of the Andover Bank (Company) Employee Stock Purchase Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Company established the Plan as a leveraged employee stock ownership plan (ESOP) with 401(k) provisions. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (Code), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Company is a subsidiary of Andover Bancorp, Inc.

The Plan purchased Andover Bancorp, Inc. common stock (Company Stock) using the proceeds of borrowings (Note 9) and holds the Company Stock in a trust established under the Plan. Additional borrowings have been made to pay benefits. The borrowings are to be repaid over a period of ten years by Company contributions. As the Plan makes each principal payment, an appropriate percentage of Company Stock will be allocated to eligible participants' accounts in accordance with applicable regulations under the Code.

The borrowings are collateralized by the unallocated shares of Company Stock. The lender has no rights against shares once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2015 and 2014, and for the year ended December 31, 2015, present separately the assets and liabilities and changes therein pertaining to:

- a) the accounts of participants with vested rights in allocated Company Stock (Allocated) and
- b) Company Stock not yet allocated to participants (Unallocated)

Eligibility

The Plan covers all employees of the Company who have one hour of service and are at least age 20½ as of January 1st or July 1st in the year following meeting the age and service requirements (the Plan entry dates).

The Plan was amended effective October 2015, to permit the employees of Community National Bank of Northwest Pennsylvania (CNB) to become eligible participants in the Plan as of November 1, 2015, the date CNB merged with the Company.

Notes Receivable from Participants

The Plan allows participants to borrow money within certain limits from their individual accounts. The loans are restricted to assets attributable to the 401(k) component of the participant's account. The loans are secured by the balance in the participant's account. Such loans bear interest at a reasonable rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money. Principal and interest are paid ratably through payroll deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN (Continued)

Contributions

Participants may contribute to the Plan up to 100% of their pre-tax annual compensation, as defined in the Plan, subject to the maximum permitted by the Internal Revenue Service (IRS). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). The Company may, at its discretion, make matching contributions. Matching contributions equal to 100% on the first 6% of compensation that a participant contributed to the Plan were made for the year ended December 31, 2015. The Company contributes a fully vested discretionary contribution of 3% of compensation ("Safe Harbor Contribution") to all eligible participants. Matching contributions are invested in Company Stock and the Safe Harbor Contributions are made to the Company Stock and other investment accounts as directed by the participant. Contributions are subject to certain IRS limitations.

The Company is obligated to make contributions to the Plan which, when aggregated with the Plan's dividend and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its notes payable. In addition, the Company may make additional discretionary employer contributions to the Plan.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company Stock into investments which are more diversified. Participants who are at least age 55 with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Early diversification is offered to participants reaching age 40 with ten years of participation, allowing them to diversify a maximum of 10% of shares per year up to a maximum of 50% of their account. The election to diversify is made subsequent to year-end based upon the shares of Company Stock in the participant's account at year-end.

Vesting

Participants are immediately vested in employee contributions, the employer Safe Harbor Contribution, and actual earnings thereon. Vesting in the remainder of the account balance of each participant is based on years of continuous service, which includes all years of service with CNB. A participant is 100% vested after six years of credited service.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN (Continued)

Participant Accounts

A separate account is maintained for each participant. Each participant's account is credited with the participant's contribution, rollover contributions, allocations of the Company's contributions, and Plan earnings or losses as defined by the Plan agreement. Each participant's account is credited with an allocation of shares of the Company Stock released from the unallocated account upon each loan payment. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account, as defined. Each participant directs the investment of their contributions, the Company's Safe Harbor Contributions and any diversification amounts to any of the investment options available under the Plan.

Forfeitures

Forfeitures of non-vested balances are temporarily held in a suspense account within the Plan. Forfeitures may be used to reduce employer matching contributions and Plan expenses or be reallocated to eligible participants, as defined, based on participants' wages. The balance in the suspense account was \$6,562 and \$4,069 at December 31, 2015 and 2014, respectively. During 2015, \$19,722 of forfeitures were transferred to the suspense account and \$17,327 was used to reduce employer matching contributions.

Voting Rights

The Trustees, at the direction of the advisory committee, vote on behalf of the Company Stock held in the Plan and are required to vote on behalf of the collective best interest of Plan participants and beneficiaries. Plan participants may vote directly on issues related to the sale or liquidation of the Company.

Payment of Benefits

Upon termination of service, a participant may elect to receive a lump-sum distribution amount equal to the value of the participant's vested interest in his or her account. If the participant's account balance is between \$1,000 and \$5,000, the Plan may make an automatic rollover of the account balance to a qualified individual retirement account. If the participant's account balance is less than \$1,000, the Plan may make an automatic lump-sum distribution to the participant. If the participant's balance is over \$5,000, the participant may elect the distribution to be paid in installments over five years. A participant is entitled to 100% of his or her account balance upon retirement, death, or disability. Distributions are made in cash or, if a participant elects, in Company Stock. Company Stock (that has been distributed) cannot be resold unless it is first offered to the Company or the Plan. Distributions of a participant's vested account balance may be authorized, at any time, by the plan administrator under certain hardship conditions.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN (Continued)

Put Option

Under federal income tax regulations, the Company Stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the Company Stock. The put option permits the participant to sell Company Stock to the Company at any time during two option periods at the then fair market value as of the last valuation date, as specified in the Plan agreement. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of ASU 2015-12 and ASU 2015-07

The Plan has elected to early adopt Financial Accounting Standards Board ASU 2015-12 and ASU 2015-07 for 2015. As such, the Plan has eliminated certain disclosures related to investments. The statement of net assets available for benefits and certain related disclosures at December 31, 2014, have been retroactively adjusted to conform to the new standards.

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits and changes therein and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The current method of valuation of investments in Company Stock considers certain assumptions including the Company's current and historical operating performance. These factors are subject to change over time and are reviewed periodically. Further, because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the Company Stock existed, and the differences could be material.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition

Investments are reported at fair value by Mid Atlantic Trust Company (Mid Atlantic), the custodian of the Plan. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Trustees determine the Plan's valuation policies utilizing information provided by its investment advisers, custodian, and appraiser. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) in the fair value of investments includes the Plan's gains and losses on investments purchased and sold as well as held during the year.

Assets of the Plan are held in separate accounts of a trust administered by Mid Atlantic as of December 31, 2015 and 2014, representing investments in mutual funds and a common/collective trust fund. Company Stock is held by its transfer agent.

Investments of participant's contributions and the Company's contributions into these investments are at the direction of each participant.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded at December 31, 2015 and 2014. If a participant ceases to make loan repayments and the plan administrator deems that participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Plan Expenses

All Plan administrative costs are paid by either the Plan or the Company as provided by the Plan agreement. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and distributions are charged directly to the participant's account. Investment related expenses are included in net appreciation in fair value of investments.

Payment of Benefits

Benefits are recorded when paid.

Income Taxes

The Plan recognizes and discloses uncertain tax positions in accordance with GAAP. As of December 31, 2015 and 2014, and for the year ended December 31, 2015, the Plan did not have a liability for unrecognized tax benefits.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Plan management has evaluated subsequent events through August 29, 2016, the date the financial statements were available to be issued.

3. INFORMATION CERTIFIED BY CUSTODIAN

In accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator has elected to restrict the scope of the auditor's examination with regard to statements or information prepared and certified by Mid Atlantic, the custodian.

The following information included in the accompanying financial statements and supplemental schedule as of December 31, 2015 and 2014, and for the year ended December 31, 2015, was obtained from data that has been prepared and certified as complete and accurate by Mid Atlantic:

	<u>2015</u>	<u>2014</u>
Investments		
Mutual funds	\$ 1,697,954	\$ 1,716,553
Common/collective trust	\$ 337,280	\$ 295,722
Dividends and interest	\$ 27,877	
Net depreciation in fair value of investments	\$ (20,911)	

4. INVESTMENTS

The fair value of the Company Stock is determined semi-annually as of June 30 and December 31 by an independent third-party appraiser. The stock held as a Plan asset is valued using the most recent valuation approved by the Company's Board of Directors. As of December 31, 2015 and 2014, the Plan owned approximately 10.1% and 9.3% of the outstanding stock of Andover Bancorp, Inc., respectively.

Investment in Andover Bancorp, Inc. common stock was as follows:

	<u>December 31, 2015</u>	
	<u>Allocated</u>	<u>Unallocated</u>
219,617 and 32,511 shares, respectively, at estimated fair value	<u>\$ 5,490,437</u>	<u>\$ 812,763</u>
	<u>December 31, 2014</u>	
	<u>Allocated</u>	<u>Unallocated</u>
203,639 and 26,267 shares, respectively, at estimated fair value	<u>\$ 4,581,880</u>	<u>\$ 591,005</u>

NOTES TO THE FINANCIAL STATEMENTS

5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access
- Level 2 Other significant observable inputs including: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Level 3 Inputs are significant and unobservable (including the Plan's own assumptions used to determine value)

The assets' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies utilized at December 31, 2015 and 2014.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Stable value collective trust fund: A stable value fund that is composed primarily of fully benefit-responsive investment contracts that is valued at the NAV of units of the collective trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the Plan will sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the issuer reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner, otherwise redemptions are allowable daily with no notice.

Sponsor company common stock: Valued at fair value based upon an independent third-party appraisal. This appraisal was based on a combination of the price to earnings method and price to book value method consistent with prior years. The appraiser took into account historical and projected earnings and book value and comparable bank ratios.

NOTES TO THE FINANCIAL STATEMENTS

5. FAIR VALUE MEASUREMENTS (Continued)

Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which Plan management, along with the Board of Directors of the Company, reviews in detail, discusses and approves.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value by level, within the fair value hierarchy, are comprised of the following at December 31, 2015:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$1,697,954			\$1,697,954
Sponsor company common stock			\$ 6,303,200	6,303,200
Total assets in the fair value hierarchy	1,697,954		6,303,200	8,001,154
Investment measured at NAV				337,280
Investments at fair value	<u>\$1,697,954</u>	<u>\$</u>	<u>\$ 6,303,200</u>	<u>\$8,338,434</u>

Assets measured at fair value by level, within the fair value hierarchy, are comprised of the following at December 31, 2014:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$1,716,553			\$1,716,553
Sponsor company common stock			\$ 5,172,885	5,172,885
Total assets in the fair value hierarchy	1,716,553		5,172,885	6,889,438
Investment measured at NAV				295,722
Investments at fair value	<u>\$1,716,553</u>	<u>\$</u>	<u>\$ 5,172,885</u>	<u>\$7,185,160</u>

Following is a reconciliation of activity for 2015 for the sponsor company common stock measured at fair value based on significant unobservable (non-market) information (Level 3):

<u>Sponsor Company Common Stock</u>	
Balance, beginning of year	\$ 5,172,885
Purchases	499,995
Unrealized gains	630,320
Balance, end of year	<u>\$ 6,303,200</u>

There were no transfers between levels during 2015.

NOTES TO THE FINANCIAL STATEMENTS

6. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of Andover Bancorp, Inc. common stock. Andover Bancorp, Inc. is the parent company of Andover Bank, which is the Plan sponsor. Notes payable are owed to Andover Bancorp, Inc. These are related party and party-in-interest transactions.

American Pension Benefits (APB) provides certain administrative services to the Plan pursuant to a Master Plan Services Agreement (MSA) between the Company and APB. APB receives revenue from mutual fund and collective trust fund service providers for services APB provides to the funds. This revenue is used to offset certain amounts owed to APB for its administrative services to the Plan.

If the revenue received by APB from such mutual fund or collective trust fund service providers exceeds the amount owed under the MSA, APB remits the excess to the Plan's trust on a quarterly basis. Such amounts may be applied to pay Plan administrative expenses or allocated to the accounts of the participants. During 2015, there were no excess amounts. The Plan or the Company may make a payment to APB for administrative expenses not covered by revenue sharing.

7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts. Upon such termination of the Plan, each participant's account will be distributed at such time as described in the Plan agreement. Also, upon termination, all liabilities and expenses of the Plan will be paid and all shares of financed stock held by the Plan will be sold back to the Company, to the extent deemed necessary in order to repay outstanding notes payable.

8. TAX STATUS

The IRS has determined and informed the Company by letter dated September 23, 2013, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and that the Plan was qualified and the related trust was tax exempt as of the financial statement date.

9. NOTES PAYABLE

The Plan has term loan agreements with Andover Bancorp, Inc. bearing interest at the federal applicable rate (1.38% - 2015; 1.28% - 2014). Payments are due through June 2025. The principal balance of the loans amounted to \$721,503 and \$536,176 at December 31, 2015 and 2014, respectively. Interest due for 2015 of approximately \$8,700, was forgiven by Andover Bancorp, Inc. The unallocated outstanding common stock owned by the Plan is collateral for the loans.

NOTES TO THE FINANCIAL STATEMENTS

9. NOTES PAYABLE (Continued)

The maturity of the notes payable is as follows:

2016	\$ 112,840
2017	109,573
2018	62,838
2019	62,838
2020	62,838
Thereafter	<u>310,576</u>
	<u>\$ 721,503</u>

In accordance with the Plan agreement and loan agreements, contributions made or allocated to Company Stock as well as dividends paid on unallocated shares are to be used to pay down debt in the subsequent year. Any amounts in excess of the required payments are to be applied to the oldest loans first. Expected repayments in 2016 are approximately \$407,000.

The investment in unallocated Company Stock is restricted to the extent that it is security for the notes payable. Shares of the unallocated Company Stock become available for allocation to participants based on a ratio of principal paid in the Plan year to the total principal to be paid on the notes.

During 2015, repayments were \$406,898 and additional loans for distributions and purchase of shares of \$592,225 were taken.

10. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Because of the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' balances and the amounts reported in the statement of net assets available for benefits.

11. SUBSEQUENT EVENT

Subsequent to the year end, the Trustees of the Plan amended the Plan to provide participants the option to make after-tax contributions (Roth contributions) to the Plan.

ANDOVER BANK EMPLOYEE STOCK PURCHASE PLAN

FORM 5500

EIN: 34-1436056

PLAN NUMBER: 002

YEAR END: DECEMBER 31, 2015

PLAN SPONSOR: ANDOVER BANK

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS HELD AT END OF YEAR

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost	Current Value
	Reliance Trust Company Stable Value Fund	Collective Investment Trust MetLife GAC Series	**	\$ 337,280
	American Century Investment Heritage Investor Fund	Mutual Fund	**	29,712
	American Funds EuroPacific Growth R4 Fund	Mutual Fund	**	91,802
	American Funds New Perspective R4 Fund	Mutual Fund	**	44,146
	Dreyfus Small Cap Stock Index Fund	Mutual Fund	**	60,001
	Fidelity Low-Priced Stock Fund	Mutual Fund	**	45,242
	Janus Flexible Bond Fund	Mutual Fund	**	62,246
	JP Morgan Small Cap Value Fund	Mutual Fund	**	31,781
	JP Morgan Smart Retirement 2015 R2 Fund	Mutual Fund	**	12,893
	JP Morgan Smart Retirement 2020 R2 Fund	Mutual Fund	**	334,282
	JP Morgan Smart Retirement 2025 R2 Fund	Mutual Fund	**	171,005
	JP Morgan Smart Retirement 2030 R2 Fund	Mutual Fund	**	146,889
	JP Morgan Smart Retirement 2035 R2 Fund	Mutual Fund	**	63,124
	JP Morgan Smart Retirement 2040 R2 Fund	Mutual Fund	**	9,306
	JP Morgan Smart Retirement 2045 R2 Fund	Mutual Fund	**	63,849
	JP Morgan Smart Retirement 2050 R2 Fund	Mutual Fund	**	131,500
	JP Morgan Smart Retirement 2055 R2 Fund	Mutual Fund	**	58
	JP Morgan Smart Retirement Income R2 Fund	Mutual Fund	**	22,866
	BMO Small-Cap Growth Fund	Mutual Fund	**	22,496
	Main Stay Large-Cap Growth Fund	Mutual Fund	**	97,072
	MFS Mid-Cap Value R4 Fund	Mutual Fund	**	36,652
	MFS Value R4 Fund	Mutual Fund	**	101,254
	Neuberger Berman Strategic Income Fund	Mutual Fund	**	16,905
	T. Rowe Price Dividend Growth Fund	Mutual Fund	**	74,948
	Vanguard GNMA Investor Fund	Mutual Fund	**	27,925
*	Andover Bancorp, Inc. Common Stock	252,128 Shares of Common Stock	\$ 1,297,590	6,303,200
*	Participant loans	Term: Up to 5 years Interest rate: 4.25%	\$ 0	91,616
				<u>\$ 8,430,050</u>

* A party-in-interest as defined by ERISA.

** Cost omitted for participant-directed investments.

ANDOVER BANK EMPLOYEE STOCK PURCHASE PLAN

FORM 5500

EIN: 34-1436056

PLAN NUMBER: 002

YEAR END: DECEMBER 31, 2015

PLAN SPONSOR: ANDOVER BANK

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	JP Morgan Smart Retirement 2050 R2 Fund	Mutual Fund	**	131,500
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*	Andover Bancorp, Inc. Common Stock	Stock	\$ 1,297,590	6,303,200
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