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 01/01/2015 and ending 12/31/2015

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
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
HOME STATE BANCORP, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2007

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)
HOME STATE BANCORP, INC.

40 GRANT STREET
CRYSTAL LAKE, IL 60014

2b Employer Identification Number (EIN)
36-3282805

2c Plan Sponsor's telephone number
815-429-2000

2d Business code (see instructions)
532400

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	Filed with authorized/valid electronic signature.	10/17/2016	DANEAL KEANE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2016	DANEAL KEANE
	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 [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
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:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	213
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)**	177
a(2) Total number of active participants at the end of the plan year	**6a(2)**	183
b Retired or separated participants receiving benefits	**6b**	1
c Other retired or separated participants entitled to future benefits	**6c**	24
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	208
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	208
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	184
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
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 2G 2A 2J 2K 2T 3D

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)		**9b** Plan benefit arrangement (check all that apply)	
(1) [ ]	Insurance	**(1)** [ ]	Insurance
(2) [ ]	Code section 412(e)(3) insurance contracts	**(2)** [ ]	Code section 412(e)(3) insurance contracts
(3) [X]	Trust	**(3)** [X]	Trust
(4) [ ]	General assets of the sponsor	**(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) [X] **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) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] ___ **A** (Insurance Information)

(4) [X] **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)**

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

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan	B Three-digit plan number (PN) ▶	
HOME STATE BANCORP, INC. 401(K) PLAN		002
C Plan sponsor's name as shown on line 2a of Form 5500	D Employer Identification Number (EIN)	
HOME STATE BANCORP, INC.	36-3282805	

Part I Service Provider Information (see instructions)

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

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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)

PENSERV PLAN SERVICES, INC.

102 TRADE ZONE DRIVE
WEST COLUMBIA, SC 29170

(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 64	RECORDKEEPER	8420	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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
(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.	

(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

(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

(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

(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

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(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: CASSELL, INC.	**b** EIN: 46-2966358	
c Position:		
d Address: 1705 ESSEX COURT SAINT CHARLES, IL 60174	**e** Telephone: 630-886-7669	

Explanation: WE DECIDED TO UTILIZE A COMPANY THAT IS LOCALLY A BETTER FIR FOR THE 401K PLAN AUDIT.

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 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 01/01/2015 and ending 12/31/2015

A Name of plan
HOME STATE BANCORP, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HOME STATE BANCORP, INC.

D Employer Identification Number (EIN)
36-3282805

Part I Asset and Liability Statement

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) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	18723	27371
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		19
(2) Participant contributions	1b(2)	9269	0
(3) Other	1b(3)	7271693	2448
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		964744
(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)	67873	130506
(9) Value of interest in common/collective trusts	1c(9)		
(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)	2780348	8709629
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(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	10147906	9834717
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	18723	
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	18723	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	10129183	9834717

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)	212457	
	(B) Participants	2a(1)(B)	468261	
	(C) Others (including rollovers)	2a(1)(C)	7441	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		688159
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	212	
	(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)	4738	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		4950
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	193847	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		193847
	(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)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		-271802
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		615154
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	899815	
(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)		899815
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		1385
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)	8420	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		8420
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		909620
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-294466
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)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

(1) Name: THE HOBBS GROUP, P.A. **(2)** EIN: 57-0957419

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.)	4a		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.)	4b		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.)	4c		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.)	4d		X		
e	Was this plan covered by a fidelity bond?	4e	X			10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X		
l	Has the plan failed to provide any benefit when due under the plan?	4l		X		
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m	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.	4n	X			
o	Did the plan trust incur unrelated business taxable income?	4o				
p	Were in-service distributions made during the plan year?	4p				

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.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
HOME STATE BANCORP, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HOME STATE BANCORP, INC.

D Employer Identification Number (EIN)
36-3282805

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**

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): 75-3182674

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 of 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

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**

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: _____% 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

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

AUDITED FINANCIAL STATEMENTS
and
SUPPLEMENTAL SCHEDULE

HOME STATE BANCORP, INC.
401(K) PLAN

December 31, 2015

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HOME STATE BANCORP, INC. 401(K) PLAN
December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Home State Bancorp, Inc. 401(k) Plan

REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of the Home State Bancorp, Inc. 401(k) Plan (the "*Plan*"), which comprise the statements of net assets available for benefits as of December 31, 2015, and the related statements of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILIITY FOR THE FINANCIAL STATEMENTS

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.

AUDITORS' 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 (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by MG Trust Company, the trustee 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 MG Trust Company held the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2015, that the information provided to the plan administrator by the trustee 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 on the 2015 financial statements. Accordingly, we do not express an opinion on the 2015 financial statements.

OTHER MATTER - SUPPLEMENTAL SCHEDULE

The supplemental schedule, Schedule H, line 4i-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 the supplemental schedule.

OTHER MATTER - 2014 FINANCIAL STATEMENTS

The financial statements of the plan as of December 31, 2014, were audited by predecessor auditors. 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 (ERISA), the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by Alerus Financial, N.A., the trustee. Their report dated October 7, 2015, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements (b) the form and content of the information included in the financial statements other than that derived from the information certified by the custodian, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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 trustee, 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.

Columbia, South Carolina
October 14, 2016

The Hobbs Group, P.A.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
HOME STATE BANCORP, INC. 401(k) PLAN

	December 31, 2015	December 31, 2014
ASSETS		
Investments at fair value	$ 9,674,373	$ 2,780,348
Cash	27,371	18,723
	9,701,744	2,799,071
Receivables:		
Notes receivable from participants	131,891	67,873
Participant contributions	0	9,269
Employer contributions	19	0
Due from related profit sharing plan	0	7,271,693
Pending dividend	2,448	0
	134,358	7,348,835
TOTAL ASSETS	9,836,102	10,147,906
LIABILITIES		
Due to broker	0	18,723
NET ASSETS AVAILABLE FOR BENEFITS	$ 9,836,102	$ 10,129,183

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
HOME STATE BANCORP, INC. 401(k) PLAN

	For the Years Ended December 31, 2015	2014
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ (271,802)	$ 6,724
Dividends	194,059	113,501
	(77,743)	120,225
Interest income on notes receivable from participants	4,738	2,136
Contributions:		
Employer, net	212,457	323,726
Participants	468,261	72,830
Rollovers	7,441	0
	688,159	396,556
TOTAL ADDITIONS	615,154	518,917
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	899,815	180,761
Administrative expenses	8,420	3,203
TOTAL DEDUCTIONS	908,235	183,964
NET INCREASE (DECREASE)	(293,081)	334,953
Due from related profit sharing plan	0	7,271,693
Net assets available for benefits at beginning of year	10,129,183	2,522,537
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 9,836,102	$ 10,129,183

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
HOME STATE BANCORP, INC. 401(k) PLAN
December 31, 2015

NOTE A -- GENERAL DESCRIPTION OF THE PLAN

The following brief description of the Home State Bancorp, Inc. 401(k) Plan, (the "*Plan*") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan that covers all employees of Home State Bank, N.A. and Home State Leasing Corporation (Collectively referred to as the "Company") who are age twenty-one or older; excluding those who are union employees, nonresident aliens who have no earned income from sources within the United States, and leased employees. Participants enter the Plan on the first day following their meeting the eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Investment Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Trustee's Board of Directors.

Contributions: Each year, participants may elect to contribute up to the maximum amount allowed by law of their compensation as pre-tax contributions or post-tax Roth contributions, as defined in the Plan. Participants who have attained the age of fifty 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 contribution plans (rollover). The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at two percent of eligible compensation and their contributions invested in a designated balanced fund until changed by the participant. The Companies may make matching employer contributions equal to a discretionary percentage of a participant's compensation or a discretionary dollar amount; the dollar amount to be determined by the Companies on a uniform basis for all participants. Employees must complete one year of service in order to participate in any Company contributions. Contributions are subject to certain IRS limitations.

Investment Options: Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options. Participants may change their investment options at any time.

Participant Accounts: Each participant's account is credited with the participant's contributions and an allocation of Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided for the participant's vested account.

Vesting: Participants are immediately vested in all Plan contributions plus actual earnings thereon.

Notes Receivable from Participants: Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their account balance. Loan terms range from 2 to 15 years. The loans are secured by the balance in the participant's account and bear interest at the prime rate plus 1 percent. Principal and interest are paid ratably through payroll deductions.

NOTE A -- GENERAL DESCRIPTION OF THE PLAN – Continued

Payment of Benefits: On termination of service a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account. Upon the death of a participant, a participant or their beneficiary may receive the value of the vested interest as a lump sum distribution. In-service distributions may be made to participants who have not separated from service provided the participant has attained age 59 ½. Participants, who have demonstrated incurring a hardship event, as defined in the Plan, may elect to receive a distribution of the lessor of the value of their vested interest or the amount necessary to satisfy the immediate and heavy financial need of the participant.

Forfeited Accounts: At December 31, 2015 and 2014, the Plan had no forfeited non-vested accounts.

Plan Termination: Although it has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition: Investments are reported at fair value. 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 Plan Committee determines the Plan's valuation policies utilizing information provided by the investment custodian. See Note D 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. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits: Benefits are recorded when paid.

Notes Receivable from Participants: Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent loans are treated as distributions based upon the terms of the plan document.

Reclassifications: Certain items in the financial statements as of December 31, 2014 have been reclassified to conform to current year presentation. The reclassifications had no effect on net assets or changes in net assets available for benefits.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Due from Related Profit Sharing Plan: On July 17, 2014, the Companies' Board of Directors approved a merger of the Home State Bank, N.A. Profit Sharing Plan into the 401(k) Plan effective December 31, 2014. Participant account balances from Home State Bank, N.A. Profit Sharing Plan were transferred to the Plan in January 2015 and are presented as a receivable to the Plan at December 31, 2014. Additionally, the transfers-in includes a $200,000 profit sharing contribution applicable to the 2014 plan year that was deposited into the Plan in February 2015.

Subsequent Events: The Plan has evaluated subsequent events through October 14, 2016, the date the financial statements were available to be issued.

NOTE C -- INFORMATION CERTIFIED OR PROVIDED BY THE PLAN TRUSTEE (UNAUDITED)

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by MG Trust Company, the trustee.

The fair value of assets as reported by the trustee is as follows at December 31:

	2015
Cash	$ 27,371
Government Money Market Fund	964,744
Institutional Global Realty Fund Class I	280,841
Columbia Acorn International Fund Class Z	110,590
Columbia Mid Cap Value Fund Class Z	277,269
Emerging Markets Value Portfolio	247,627
Income Fund	1,100,564
Global Bond Fund	156,856
International Fund Institutional Class	468,006
Odyssey Growth Fund	823,114
Pennsylvania Mutual Fund Investment Class	258,722
High Yield Fund	427,226
500 Index Admiral Shares	1,300,755
Developed Markets Index Fund Admiral Shares	160,502
Equity Income Fund	807,877
Inflation Protected Securities Fund Admiral Shares	477,463
Short-term Federal Fund Admiral Shares	144,114

NOTE C -- INFORMATION CERTIFIED OR PROVIDED BY THE PLAN TRUSTEE (UNAUDITED) – Continued

Short-term Federal Fund Admiral Shares	144,114
Retirement Income Fund	218,870
Target Retirement 2015	60,322
Target Retirement 2020	372,533
Target Retirement 2025	65,128
Target Retirement 2030	283,358
Target Retirement 2035	32,522
Target Retirement 2040	19,561
Target Retirement 2045	73,781
Target Retirement 2050	2,294
Target Retirement 2055	1,212
Target Retirement 2060	4,162
Wellesley Income Fund Admiral Shares	162,825
Wellington Fund Admiral Shares	371,535
	$ 9,701,744

Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2015, and net appreciation (depreciation) in fair value of investments, and investment earnings for the year then ended, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by MG Trust Company (the trustee of the Plan).

NOTE D -- 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 under FASB ASC 820 are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 — Inputs to the valuation methodology include

- 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; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE D -- FAIR VALUE MEASUREMENTS – Continued

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's 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 methodologies used at December 31, 2015 and 2014.

Money market funds: Valued based on quoted net asset values of the shares held by the Plan at year end.

Mutual funds: Valued at the daily closing price as reported by the fund. 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.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014:

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 964,744			$ 964,744
Mutual funds	8,709,629			8,709,629
TOTAL ASSETS AT FAIR VALUE	$ 9,674,373	$ 0	$ 0	$ 9,674,373

	Assets at Fair Value as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 475,891			$ 475,891
Mutual funds	2,304,457			2,304,457
TOTAL ASSETS AT FAIR VALUE	$ 2,780,348	$ 0	$ 0	$ 2,780,348

NOTE E -- RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan's investments are held by MG Trust Company, the trustee of the Plan. MG Trust Company is the trustee and PenServ Plan Services, Inc. is the record-keeper for the Plan year ending December 31, 2015. Alerus Financial N.A was the trustee and record keeper for the year ended December 31, 2014. Performing these custodial and recordkeeping services qualifies them as party-in-interest. Fees paid by the Plan to these entities amounted to $8,420 and $3,203 for the years ended December 31, 2015 and 2014, respectively.

Certain employees of the Company provide administrative services for the Plan and are not reimbursed for their services from the Plan.

NOTE F -- RISK AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to 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 participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE G -- TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended, the plan administrator and the Plan's tax counsel believe that the Plan is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

NOTE H -- RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements as of December 31, 2015 to Schedule H of Form 5500:

	2015
Net assets available for benefits per the financial statements	$ 9,836,102
Deemed distributions classified as loans	(1,385)
Net assets available for benefits per Schedule H of 5500	$ 9,834,717

The following is a reconciliation of deemed distributions per the financial statements as of December 31, 2015 to Schedule H of Form 5500:

	2015
Deemed distributions per financial statements	$ 0
Current year deemed distributions	1,385
Deemed distributions per Schedule H of 5500	$ 1,385

SUPPLEMENTAL SCHEDULE

Schedule H, Line 4i
HOME STATE BANCORP, INC. 401(k) PLAN
EIN: 36-3282805
Plan Number: 002
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
As of December 31, 2015

(a)	(b) Identity of Issue, Borrower Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Cash	Cash	**	$ 27,371
	Fidelity	Government Money Market Fund	**	964,744
	Cohen & Steers	Institutional Global Realty Fund Class I	**	280,841
	Columbia Management	Columbia Acorn International Fund Class Z	**	110,590
	Columbia Management	Columbia Mid Cap Value Fund Class Z	**	277,269
	Dimensional Fund Advisors	Emerging Markets Value Portfolio	**	247,627
	Dodge & Cox	Income Fund	**	1,100,564
	Franklin Templeton Investments	Global Bond Fund	**	156,856
	Harbor Funds	International Fund Institutional Class	**	468,006
	Primecap Odyssey Funds	Odyssey Growth Fund	**	823,114
	Royce Funds	Pennsylvania Mutual Fund Investment Class	**	258,722
	T Rowe Price	High Yield Fund	**	427,226
	Vanguard	500 Index Admiral Shares	**	1,300,755
	Vanguard	Developed Markets Index Fund Admiral Shares	**	160,502
	Vanguard	Equity Income Fund	**	807,877
	Vanguard	Inflation Protected Securities Fund Admiral Shares	**	477,463
	Vanguard	Short-term Federal Fund Admiral Shares	**	144,114
	Vanguard	Retirement Income Fund	**	218,870
	Vanguard	Target Retirement 2015	**	60,322
	Vanguard	Target Retirement 2020	**	372,533
	Vanguard	Target Retirement 2025	**	65,128
	Vanguard	Target Retirement 2030	**	283,358
	Vanguard	Target Retirement 2035	**	32,522
	Vanguard	Target Retirement 2040	**	19,561
	Vanguard	Target Retirement 2045	**	73,781
	Vanguard	Target Retirement 2050	**	2,294
	Vanguard	Target Retirement 2055	**	1,212
	Vanguard	Target Retirement 2060	**	4,162
	Vanguard	Wellesley Income Fund Admiral Shares	**	162,825
	Vanguard	Wellington Fund Admiral Shares	**	371,535
				9,701,744
*	Participant Notes Receivable	Interest rate - (4.25% - 5.25%)	$ 0	131,891
				$ 9,833,635

* Indicates party-in-interest to the Plan.
** Cost information has not been included in column (d) because all investments are participant directed.

Attachment to Form 5500
Schedule H, Line 4i - Schedule of Assets

Plan Name	HOME STATE BANCORP, INC. 401(k) PLAN	EIN	36-3282805
Sponsor	HOME STATE BANCORP, INC.	PN	002

(a)	(b) Identity of Issue, borrower, lessor or similar property	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) cost	(e) current value
	Cohen & Steers Institutional Global Realty Fund	Mutual Fund	0	$280,841
	Columbia Acorn International Fund R5	Mutual Fund	0	$110,590
	Columbia Mid Cap Value Fund R5	Mutual Fund	0	$277,269
	DFA Emerging Markets Value Portfolio I	Mutual Fund	0	$247,627
	Dodge & Cox Income Fund	Mutual Fund	0	$1,100,564
	Harbor International Fund Institutional	Mutual Fund	0	$468,006
	PRIMECAP Odyssey Growth Fund	Mutual Fund	0	$823,114
	Royce Pennsylvania Mutual Fund	Mutual Fund	0	$258,722
	T. Rowe Price High Yield Fund Investor	Mutual Fund	0	$427,225
	Templeton Global Bond Fund - Advisor	Mutual Fund	0	$156,856
	Vanguard 500 Index Fund Admiral	Mutual Fund	0	$1,300,755
	Vanguard Developed Markets Index Fund	Mutual Fund	0	$160,502
	Vanguard Equity-Income Admiral	Mutual Fund	0	$807,877
	Vanguard Retirement Income Fund	Mutual Fund	0	$218,870
	Vanguard Short-Term Federal Fund Admiral	Mutual Fund	0	$477,463
	Vanguard Short-Term Inflation Protected Sec Inx Inv	Mutual Fund	0	$144,114
	Vanguard Target Retirement 2015 Fund	Mutual Fund	0	$60,322
	Vanguard Target Retirement 2020 Fund	Mutual Fund	0	$372,533
	Vanguard Target Retirement 2025 Fund	Mutual Fund	0	$65,128
	Vanguard Target Retirement 2030 Fund	Mutual Fund	0	$283,358
	Vanguard Target Retirement 2035 Fund	Mutual Fund	0	$32,522
	Vanguard Target Retirement 2040 Fund	Mutual Fund	0	$19,561
	Vanguard Target Retirement 2045 Fund	Mutual Fund	0	$73,781
	Vanguard Target Retirement 2050 Fund	Mutual Fund	0	$2,294
	Vanguard Target Retirement 2055 Fund	Mutual Fund	0	$1,212
	Vanguard Target Retirement 2060 Fund	Mutual Fund	0	$4,162
	Vanguard Wellesley Income Fund Admiral	Mutual Fund	0	$162,825
	Vanguard Wellington Fund Admiral	Mutual Fund	0	$371,535
	Fidelity Government Money Market Retail	Money Market	0	$964,744
*	Participant Loans	4.25% to 5.25% Interest	0	$130,506
	Cash	Cash	0	$27,371

* Denotes a Party-in-Interest as defined by ERISA.

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 01/01/2015 and ending 12/31/2015

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
Home State Bancorp, Inc. 401(k) Plan

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2007

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)
Home State Bancorp, Inc.

40 Grant Street

Crystal lake IL 60014

2b Employer Identification Number (EIN) 36-3282805

2c Plan Sponsor's telephone number (815)429-2000

2d Business code (see instructions) 532400

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	DaNeal Keany	10/14/16	DaNeal Keane
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	DaNeal Keany	10/14/16	DaNeal Keane
	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 [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
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:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	213
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)**	177
a(2) Total number of active participants at the end of the plan year	**6a(2)**	183
b Retired or separated participants receiving benefits	**6b**	1
c Other retired or separated participants entitled to future benefits	**6c**	24
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	208
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	208
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	184
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
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 2G 2A 2J 2K 2T 3D

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)	**9b** Plan benefit arrangement (check all that apply)
(1) [ ] Insurance	(1) [ ] Insurance
(2) [ ] Code section 412(e)(3) insurance contracts	(2) [ ] Code section 412(e)(3) insurance contracts
(3) [ ] Trust	(3) [ ] Trust
(4) [ ] General assets of the sponsor	(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	**b General Schedules**
(1) [X] **R** (Retirement Plan Information)	(1) [X] **H** (Financial Information)
(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) [ ] **I** (Financial Information -- Small Plan)
	(3) [ ] **A** (Insurance Information)
	(4) [X] **C** (Service Provider Information)
(3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(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)**

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_____

AUDITED FINANCIAL STATEMENTS
and
SUPPLEMENTAL SCHEDULE

HOME STATE BANCORP, INC.
401(K) PLAN

December 31, 2015

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December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Home State Bancorp, Inc. 401(k) Plan

REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of the Home State Bancorp, Inc. 401(k) Plan (the "*Plan*"), which comprise the statements of net assets available for benefits as of December 31, 2015, and the related statements of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILIITY FOR THE FINANCIAL STATEMENTS

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.

AUDITORS' 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 (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by MG Trust Company, the trustee 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 MG Trust Company held the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2015, that the information provided to the plan administrator by the trustee 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 on the 2015 financial statements. Accordingly, we do not express an opinion on the 2015 financial statements.

OTHER MATTER - SUPPLEMENTAL SCHEDULE

The supplemental schedule, Schedule H, line 4i-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 the supplemental schedule.

OTHER MATTER - 2014 FINANCIAL STATEMENTS

The financial statements of the plan as of December 31, 2014, were audited by predecessor auditors. 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 (ERISA), the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by Alerus Financial, N.A., the trustee. Their report dated October 7, 2015, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements (b) the form and content of the information included in the financial statements other than that derived from the information certified by the custodian, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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 trustee, 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.

Columbia, South Carolina
October 14, 2016

The Hobbs Group, P.A.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
HOME STATE BANCORP, INC. 401(k) PLAN

	December 31, 2015	December 31, 2014
ASSETS		
Investments at fair value	$ 9,674,373	$ 2,780,348
Cash	27,371	18,723
	9,701,744	2,799,071
Receivables:		
Notes receivable from participants	131,891	67,873
Participant contributions	0	9,269
Employer contributions	19	0
Due from related profit sharing plan	0	7,271,693
Pending dividend	2,448	0
	134,358	7,348,835
TOTAL ASSETS	9,836,102	10,147,906
LIABILITIES		
Due to broker	0	18,723
NET ASSETS AVAILABLE FOR BENEFITS	$ 9,836,102	$ 10,129,183

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
HOME STATE BANCORP, INC. 401(k) PLAN

	For the Years Ended December 31, 2015	2014
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ (271,802)	$ 6,724
Dividends	194,059	113,501
	(77,743)	120,225
Interest income on notes receivable from participants	4,738	2,136
Contributions:		
Employer, net	212,457	323,726
Participants	468,261	72,830
Rollovers	7,441	0
	688,159	396,556
TOTAL ADDITIONS	615,154	518,917
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	899,815	180,761
Administrative expenses	8,420	3,203
TOTAL DEDUCTIONS	908,235	183,964
NET INCREASE (DECREASE)	(293,081)	334,953
Due from related profit sharing plan	0	7,271,693
Net assets available for benefits at beginning of year	10,129,183	2,522,537
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 9,836,102	$ 10,129,183

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
HOME STATE BANCORP, INC. 401(k) PLAN
December 31, 2015

NOTE A -- GENERAL DESCRIPTION OF THE PLAN

The following brief description of the Home State Bancorp, Inc. 401(k) Plan, (the "*Plan*") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan that covers all employees of Home State Bank, N.A. and Home State Leasing Corporation (Collectively referred to as the "Company") who are age twenty-one or older; excluding those who are union employees, nonresident aliens who have no earned income from sources within the United States, and leased employees. Participants enter the Plan on the first day following their meeting the eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Investment Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Trustee's Board of Directors.

Contributions: Each year, participants may elect to contribute up to the maximum amount allowed by law of their compensation as pre-tax contributions or post-tax Roth contributions, as defined in the Plan. Participants who have attained the age of fifty 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 contribution plans (rollover). The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at two percent of eligible compensation and their contributions invested in a designated balanced fund until changed by the participant. The Companies may make matching employer contributions equal to a discretionary percentage of a participant's compensation or a discretionary dollar amount; the dollar amount to be determined by the Companies on a uniform basis for all participants. Employees must complete one year of service in order to participate in any Company contributions. Contributions are subject to certain IRS limitations.

Investment Options: Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options. Participants may change their investment options at any time.

Participant Accounts: Each participant's account is credited with the participant's contributions and an allocation of Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided for the participant's vested account.

Vesting: Participants are immediately vested in all Plan contributions plus actual earnings thereon.

Notes Receivable from Participants: Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their account balance. Loan terms range from 2 to 15 years. The loans are secured by the balance in the participant's account and bear interest at the prime rate plus 1 percent. Principal and interest are paid ratably through payroll deductions.

NOTE A -- GENERAL DESCRIPTION OF THE PLAN – Continued

Payment of Benefits: On termination of service a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account. Upon the death of a participant, a participant or their beneficiary may receive the value of the vested interest as a lump sum distribution. In-service distributions may be made to participants who have not separated from service provided the participant has attained age 59 ½. Participants, who have demonstrated incurring a hardship event, as defined in the Plan, may elect to receive a distribution of the lessor of the value of their vested interest or the amount necessary to satisfy the immediate and heavy financial need of the participant.

Forfeited Accounts: At December 31, 2015 and 2014, the Plan had no forfeited non-vested accounts.

Plan Termination: Although it has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition: Investments are reported at fair value. 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 Plan Committee determines the Plan's valuation policies utilizing information provided by the investment custodian. See Note D 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. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits: Benefits are recorded when paid.

Notes Receivable from Participants: Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent loans are treated as distributions based upon the terms of the plan document.

Reclassifications: Certain items in the financial statements as of December 31, 2014 have been reclassified to conform to current year presentation. The reclassifications had no effect on net assets or changes in net assets available for benefits.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Due from Related Profit Sharing Plan: On July 17, 2014, the Companies' Board of Directors approved a merger of the Home State Bank, N.A. Profit Sharing Plan into the 401(k) Plan effective December 31, 2014. Participant account balances from Home State Bank, N.A. Profit Sharing Plan were transferred to the Plan in January 2015 and are presented as a receivable to the Plan at December 31, 2014. Additionally, the transfers-in includes a $200,000 profit sharing contribution applicable to the 2014 plan year that was deposited into the Plan in February 2015.

Subsequent Events: The Plan has evaluated subsequent events through October 14, 2016, the date the financial statements were available to be issued.

NOTE C -- INFORMATION CERTIFIED OR PROVIDED BY THE PLAN TRUSTEE (UNAUDITED)

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by MG Trust Company, the trustee.

The fair value of assets as reported by the trustee is as follows at December 31:

	2015
Cash	$ 27,371
Government Money Market Fund	964,744
Institutional Global Realty Fund Class I	280,841
Columbia Acorn International Fund Class Z	110,590
Columbia Mid Cap Value Fund Class Z	277,269
Emerging Markets Value Portfolio	247,627
Income Fund	1,100,564
Global Bond Fund	156,856
International Fund Institutional Class	468,006
Odyssey Growth Fund	823,114
Pennsylvania Mutual Fund Investment Class	258,722
High Yield Fund	427,226
500 Index Admiral Shares	1,300,755
Developed Markets Index Fund Admiral Shares	160,502
Equity Income Fund	807,877
Inflation Protected Securities Fund Admiral Shares	477,463
Short-term Federal Fund Admiral Shares	144,114

NOTE C -- INFORMATION CERTIFIED OR PROVIDED BY THE PLAN TRUSTEE (UNAUDITED) – Continued

Short-term Federal Fund Admiral Shares	144,114
Retirement Income Fund	218,870
Target Retirement 2015	60,322
Target Retirement 2020	372,533
Target Retirement 2025	65,128
Target Retirement 2030	283,358
Target Retirement 2035	32,522
Target Retirement 2040	19,561
Target Retirement 2045	73,781
Target Retirement 2050	2,294
Target Retirement 2055	1,212
Target Retirement 2060	4,162
Wellesley Income Fund Admiral Shares	162,825
Wellington Fund Admiral Shares	371,535
	$ 9,701,744

Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2015, and net appreciation (depreciation) in fair value of investments, and investment earnings for the year then ended, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by MG Trust Company (the trustee of the Plan).

NOTE D -- 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 under FASB ASC 820 are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 — Inputs to the valuation methodology include

- 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; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE D -- FAIR VALUE MEASUREMENTS – Continued

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's 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 methodologies used at December 31, 2015 and 2014.

Money market funds: Valued based on quoted net asset values of the shares held by the Plan at year end.

Mutual funds: Valued at the daily closing price as reported by the fund. 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.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014:

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 964,744			$ 964,744
Mutual funds	8,709,629			8,709,629
TOTAL ASSETS AT FAIR VALUE	$ 9,674,373	$ 0	$ 0	$ 9,674,373

	Assets at Fair Value as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 475,891			$ 475,891
Mutual funds	2,304,457			2,304,457
TOTAL ASSETS AT FAIR VALUE	$ 2,780,348	$ 0	$ 0	$ 2,780,348

NOTE E -- RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan's investments are held by MG Trust Company, the trustee of the Plan. MG Trust Company is the trustee and PenServ Plan Services, Inc. is the record-keeper for the Plan year ending December 31, 2015. Alerus Financial N.A was the trustee and record keeper for the year ended December 31, 2014. Performing these custodial and recordkeeping services qualifies them as party-in-interest. Fees paid by the Plan to these entities amounted to $8,420 and $3,203 for the years ended December 31, 2015 and 2014, respectively.

Certain employees of the Company provide administrative services for the Plan and are not reimbursed for their services from the Plan.

NOTE F -- RISK AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to 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 participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE G -- TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended, the plan administrator and the Plan's tax counsel believe that the Plan is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

NOTE H -- RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements as of December 31, 2015 to Schedule H of Form 5500:

	2015
Net assets available for benefits per the financial statements	$ 9,836,102
Deemed distributions classified as loans	(1,385)
Net assets available for benefits per Schedule H of 5500	$ 9,834,717

The following is a reconciliation of deemed distributions per the financial statements as of December 31, 2015 to Schedule H of Form 5500:

	2015
Deemed distributions per financial statements	$ 0
Current year deemed distributions	1,385
Deemed distributions per Schedule H of 5500	$ 1,385

SUPPLEMENTAL SCHEDULE

Schedule H, Line 4i
HOME STATE BANCORP, INC. 401(k) PLAN
EIN: 36-3282805
Plan Number: 002
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
As of December 31, 2015

(a)	(b) Identity of Issue, Borrower Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Cash	Cash	**	$ 27,371
	Fidelity	Government Money Market Fund	**	964,744
	Cohen & Steers	Institutional Global Realty Fund Class I	**	280,841
	Columbia Management	Columbia Acorn International Fund Class Z	**	110,590
	Columbia Management	Columbia Mid Cap Value Fund Class Z	**	277,269
	Dimensional Fund Advisors	Emerging Markets Value Portfolio	**	247,627
	Dodge & Cox	Income Fund	**	1,100,564
	Franklin Templeton Investments	Global Bond Fund	**	156,856
	Harbor Funds	International Fund Institutional Class	**	468,006
	Primecap Odyssey Funds	Odyssey Growth Fund	**	823,114
	Royce Funds	Pennsylvania Mutual Fund Investment Class	**	258,722
	T Rowe Price	High Yield Fund	**	427,226
	Vanguard	500 Index Admiral Shares	**	1,300,755
	Vanguard	Developed Markets Index Fund Admiral Shares	**	160,502
	Vanguard	Equity Income Fund	**	807,877
	Vanguard	Inflation Protected Securities Fund Admiral Shares	**	477,463
	Vanguard	Short-term Federal Fund Admiral Shares	**	144,114
	Vanguard	Retirement Income Fund	**	218,870
	Vanguard	Target Retirement 2015	**	60,322
	Vanguard	Target Retirement 2020	**	372,533
	Vanguard	Target Retirement 2025	**	65,128
	Vanguard	Target Retirement 2030	**	283,358
	Vanguard	Target Retirement 2035	**	32,522
	Vanguard	Target Retirement 2040	**	19,561
	Vanguard	Target Retirement 2045	**	73,781
	Vanguard	Target Retirement 2050	**	2,294
	Vanguard	Target Retirement 2055	**	1,212
	Vanguard	Target Retirement 2060	**	4,162
	Vanguard	Wellesley Income Fund Admiral Shares	**	162,825
	Vanguard	Wellington Fund Admiral Shares	**	371,535
				9,701,744
*	Participant Notes Receivable	Interest rate - (4.25% - 5.25%)	$ 0	131,891
				$ 9,833,635

* Indicates party-in-interest to the Plan.
** Cost information has not been included in column (d) because all investments are participant directed.