

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 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 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A	This return/report is for: ☐ a multiemployer plan ☒ a single-employer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ an amended return/report ☐ the final 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 ☐ special extension (enter description) ☐ automatic extension ☐ the DFVC program
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

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

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2022	NANCY COOK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

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v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 121
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 84 6a(2) 79 6b 0 6c 39 6d 118 6e 0 6f 118 6g 118 6h 8
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2H 2J 2K 2P 2T b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

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 2021 Form M-1 annual report. If the plan was not required to file the 2021 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 D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

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

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>METLIFE GAC SERIES 25053</u>		
b Name of sponsor of entity listed in (a): <u>RELIANCE TRUST COMPANY</u>		
c EIN-PN <u>46-6625485-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>132875</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BLACKROCK LIFEPATH INDEX 2025 FUND</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>		
c EIN-PN <u>26-3773730-154</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>257421</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BLACKROCK LIFEPATH INDEX 2030 FUND</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>		
c EIN-PN <u>26-3770302-153</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>638375</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BLACKROCK LIFEPATH INDEX 2035 FUND</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>		
c EIN-PN <u>26-3770263-152</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>164600</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BLACKROCK LIFEPATH INDEX 2040 FUND</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>		
c EIN-PN <u>26-3770208-151</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>166431</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BLACKROCK LIFEPATH INDEX 2045 FUND</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>		
c EIN-PN <u>26-3770058-150</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>141058</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BLACKROCK LIFEPATH INDEX 2050 FUND</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>		
c EIN-PN <u>26-3763061-149</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>240935</u>

a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK LIFEPATH INDEX 2055 FUND

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

c EIN-PN 46-3302432-178	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 42885
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a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK LIFEPATH INDEX 2060 FUND

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

c EIN-PN 47-2700166-158	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 22474
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a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK LIFEPATH INDEX 2065 FUND

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

c EIN-PN 38-4126295-598	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 62
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a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK LIFEPATH INDEX RETIREMENT

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

c EIN-PN 26-3773846-157	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 482763
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

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

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

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan ANDOVER BANK EMPLOYEES STOCK PURCHASE PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 ANDOVER BANK	D Employer Identification Number (EIN) 34-1436056	

Part I	Asset and Liability Statement
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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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	115
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)	110184	110184
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	429219	449405
(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)	87376	90728
(9) Value of interest in common/collective trusts	1c(9)	2071529	2289877
(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)	1605990	1933521
(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) 5807002	6104798
(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 10111300	10978628
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j 2883828	2589521
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 2883828	2589521
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l 7227472	8389107

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A) 281347	
	(B) Participants	2a(1)(B) 232356	
	(C) Others (including rollovers).....	2a(1)(C) 20031	
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)	533734
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 455	
	(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) 5008	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	5463
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B) 220368	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C) 10296	
	(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)	230664
(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)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B) 297795	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		158153
(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)		309517
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1535326
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	370868	
(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)		370868
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	1100	
(3) Investment advisory and management fees.....	2i(3)	1723	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2823
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		373691
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		1161635
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) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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:

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.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
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	
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?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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.)	X		
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			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

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 sections 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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

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

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

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

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

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

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): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Andover Bank Employees Stock Purchase Plan

**Financial Report
December 31, 2021**

Andover Bank Employees Stock Purchase Plan

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Independent Auditor's Report

To the Plan Administrator
Andover Bank Employees Stock Purchase Plan

Opinion

We have audited the financial statements of Andover Bank Employees Stock Purchase Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets (deficiency in net assets) available for benefits as of December 31, 2021 and 2020 and the related statement of changes in net assets (deficiency in net assets) available for benefits for the year ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the net assets (deficiency in net assets) available for benefits of the Plan as of December 31, 2021 and 2020 and the changes in net assets (deficiency in net assets) available for benefits for the year ended December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As explained in Note 5, the financial statements include investments valued at \$6,104,798 (72.8 percent of net assets) at December 31, 2021 and \$5,807,002 (80.3 percent of net assets) at December 31, 2020, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on independent appraisal, management projections, and guideline market data. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or that may become due to such participants.

To the Plan Administrator
Andover Bank Employees Stock Purchase Plan

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year as of December 31, 2021 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Plante & Moran, PLLC

Cleveland, Ohio
September 27, 2022

Andover Bank Employees Stock Purchase Plan

Statement of Net Assets (Deficiency in Net Assets) Available for Benefits

December 31, 2021 and 2020

	2021			2020		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Participant-directed investments at fair value:						
Mutual funds	\$ 1,933,521	\$ -	\$ 1,933,521	\$ 1,605,990	\$ -	\$ 1,605,990
Common collective trust funds	2,289,877	-	2,289,877	2,071,529	-	2,071,529
Total participant-directed investments at fair value	4,223,398	-	4,223,398	3,677,519	-	3,677,519
Non-participant-directed investments at fair value - Company stock	3,953,325	2,151,473	6,104,798	3,569,043	2,237,959	5,807,002
Total investments	8,176,723	2,151,473	10,328,196	7,246,562	2,237,959	9,484,521
Contributions receivable	115	-	115	-	-	-
Participant notes receivable	90,728	-	90,728	87,376	-	87,376
Accrued interest and dividends	71,353	38,831	110,184	67,720	42,464	110,184
Cash	449,405	-	449,405	429,219	-	429,219
Total assets	8,788,324	2,190,304	10,978,628	7,830,877	2,280,423	10,111,300
Liabilities						
Loan payable	-	2,588,722	2,588,722	-	2,874,472	2,874,472
Other payables	-	799	799	9,356	-	9,356
Net Assets (Deficiency in Net Assets) Available for Benefits	\$ 8,788,324	\$ (399,217)	\$ 8,389,107	\$ 7,821,521	\$ (594,049)	\$ 7,227,472

Andover Bank Employees Stock Purchase Plan

Statement of Changes in Net Assets (Deficiency in Net Assets) Available for Benefits

Year Ended December 31, 2021

	Allocated	Unallocated	Total
Additions			
Contributions:			
Employee	\$ 232,356	\$ -	\$ 232,356
Employer	281,347	-	281,347
Rollovers	20,031	-	20,031
Total contributions	533,734	-	533,734
Investment income (loss):			
Interest and dividends	149,369	81,295	230,664
Net realized and unrealized income (losses) on investments	1,353,543	(588,078)	765,465
Net investment income (loss)	1,502,912	(506,783)	996,129
Interest from participant notes receivable	5,008	-	5,008
Other income	455	-	455
Allocation of 17,175 shares of stock at fair value	334,906	-	334,906
Allocation of cash and other transfers for debt service requirements	(81,295)	1,036,521	955,226
Total additions	2,295,720	529,738	2,825,458
Deductions			
Benefits paid directly to participants or beneficiaries	370,868	-	370,868
Administrative expenses	2,823	-	2,823
Allocation of 17,175 shares of stock at fair value	-	334,906	334,906
Allocation of cash and other transfers for debt service requirements	955,226	-	955,226
Total deductions	1,328,917	334,906	1,663,823
Net Increase	966,803	194,832	1,161,635
Net Assets (Deficiency in Net Assets) Available for Benefits			
Beginning of year	7,821,521	(594,049)	7,227,472
End of year	<u>\$ 8,788,324</u>	<u>\$ (399,217)</u>	<u>\$ 8,389,107</u>

December 31, 2021 and 2020

Note 1 - Plan Description

The following description of Andover Bank Employees Stock Purchase 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

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

The Plan purchased Andover Bancorp, Inc. common stock (Company Stock) using the proceeds of borrowings (see Note 6) and holds the Company Stock in a trust established under the Plan. Additional borrowings have been made to repurchase shares. The borrowings are to be repaid over a period of 10 years by company contributions. As the Plan makes each principal payment, an appropriate percentage of Company Stock will be allocated to eligible participants' accounts in accordance with applicable regulations under the Code.

The borrowings are collateralized by the unallocated shares of Company Stock. The lender has no rights against the shares of Company Stock once they are allocated to participants under the provisions of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2021 and 2020 and for the year ended December 31, 2021 present separately the assets and liabilities and changes therein pertaining to the following:

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

Eligibility

The Plan covers all employees of the Company who have one hour of service and are at least 20½ years of age as of January 1 or July 1 of the plan year.

Contributions

The Plan provides for employee salary deferral contributions up to a maximum of 100 percent of annual compensation subject to maximum tax-deferred limitations established by the Internal Revenue Code. The Plan allows participants to contribute up to 100 percent of their compensation on an after-tax basis subject to maximum limitations established by the Internal Revenue Code. Participants may also make contributions to the Plan in the form of a rollover of funds from another qualified plan.

The Company may, at its discretion, make matching contributions equal to 100 percent of the participant's pretax contributions up to the first 6 percent of compensation deferred. Matching company contributions are paid in the form of Andover Bancorp, Inc. common stock through the employee stock ownership feature of the Plan. The Company may also make a supplemental contribution of common stock if the value of the stock released by the Plan is less than the Company's minimum required matching contribution. The Company contributes a fully vested discretionary contribution of 3 percent of compensation (Safe Harbor Contribution) to all eligible participants. Safe Harbor Contributions are made in the form of Andover Bancorp, Inc. common stock or to other investment accounts, as directed by the participant.

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

December 31, 2021 and 2020

Note 1 - Plan Description (Continued)

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited with the participant's contributions and allocations of the Company's contributions and plan earnings and charged with an allocation of administrative expenses. Allocations are based on participants' compensation or account balances, as defined. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the trustees from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation of Company Stock. Allocations to participants are based on a proration of the participant's stock cash fund balance to the Plan's total stock cash fund balance. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants may direct the investments of their account balances, excluding their investment in Company Stock, into various investment options offered by the Plan.

Voting Rights

The trustees vote on behalf of the Company Stock held in the Plan and are required to vote on behalf of the collective best interest of plan participants and beneficiaries. Plan participants may vote directly based on issues related to the sale, merger, or liquidation of the Company.

Diversification

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

Participant Notes Receivable

Participants may borrow from their accounts subject to certain maximum and minimum amounts prescribed in the Plan and in the Internal Revenue Code. Participant loans are restricted to the balances attributable to the 401(k) component of the Plan. Notes receivable are collateralized by the participant's account balance and bear interest at a market rate.

Vesting

Participants are immediately 100 percent vested in employee contributions and safe harbor contributions and any income or loss thereon. Vesting in the other company contributions portion of their accounts, plus actual earnings thereon, is based on years of service. Participants vest in contributions made by the Company 20 percent after two years of service and another 20 percent per year each year of service until they become fully vested after six years of service.

Forfeitures

If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. Forfeitures are used to reduce future company contributions or are reallocated to eligible participants, as defined. At December 31, 2021 and 2020, forfeited account balances totaled \$1 and \$5,923, respectively.

December 31, 2021 and 2020

Note 1 - Plan Description (Continued)

Benefit Payments

Distributions are payable upon retirement, death, disability, or termination of employment in the form of a lump-sum amount equal to the vested balance of a participant's account. If the participant's account balance is between \$1,000 and \$5,000, the Plan may make an automatic rollover of the account balance to a qualified individual retirement account. If the participant's account balance is less than \$1,000, the Plan may make an automatic lump-sum distribution to the participant. If the participant's balance is over \$5,000, the participant may elect the distribution to be paid in installments over five years. Distributions are made in cash or, if a participant elects, in Company Stock. Company Stock that has been distributed cannot be resold unless it is first offered to the Company or the Plan.

Participants may request that all or a portion of their vested account balances be distributed in the case of financial hardship, as defined in the plan document. The plan administrator must approve any such hardship withdrawals.

Put Option

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

Termination

While it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in the plan document and ERISA. Upon termination of the Plan, participants become 100 percent vested in their account balances.

Administration

The Plan's assets, which principally consist of Company Stock, are held by the trustees of the Plan.

All contributions are held and managed by the trustees, who invest cash received, interest, and dividend income and make distributions to participants. The trustees also administer the payment of interest and principal on the loan, which is reimbursed to the trust through contributions, as determined by the Company.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Other administrative expenses are paid directly by the Plan, reimbursed through the trust through contributions or allocations of cash, as determined by the Company.

Party-in-interest Transactions

Certain plan assets are in Company Stock, and the Plan has notes payable with the Company. Other plan assets are managed by Axios Advisory Group, Ltd. The Company is the sponsor of the Plan, and Axios Advisory Group, Ltd. is the parent of American Pension Benefits, the Plan's third-party administrator; therefore, these transactions qualify as party-in-interest transactions, as defined under ERISA guidelines.

December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as 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. See Note 5 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date.

Participant Notes Receivable

Participant notes receivable are recorded at their unpaid principal balances plus any accrued interest. Participant notes receivable are written off when deemed uncollectible.

Benefit Payments

Benefits are recorded when paid.

Administrative Expenses

Administrative expenses of \$21,647 for the year ended December 31, 2021 were paid by the Company.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. The most significant assumptions and estimates relate to the valuation of company common stock. Application of these assumptions requires the exercise of judgment as to future uncertainties, and, as a result, actual results could differ from those estimates.

Included in the accompanying financial statements is an investment in Company Stock reported at fair value of \$6,104,798 and \$5,807,002 as of December 31, 2021 and 2020, respectively. This asset is valued based upon a third-party appraiser's estimation of the current market value of the common stock and is supported by the Company's financial statements. Due to estimates and assumptions made in developing such appraisals, it is at least reasonably possible that the market value of the investments may be different than reported.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. 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 financial statements.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 27, 2022, which is the date the financial statements were available to be issued.

Note 3 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Code. Although the Plan has been amended since receiving the determination letter, management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

Andover Bank Employees Stock Purchase Plan

Notes to Financial Statements

December 31, 2021 and 2020

Note 4 - Investments in Common Stock

The Plan's investments in Company Stock at December 31, 2021 and 2020 are presented in the following table:

	2021		2020	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	192,845	104,950	183,028	114,767
Cost	\$ 3,854,133	\$ 2,588,724	\$ 3,969,575	\$ 2,489,107
Fair value	\$ 3,953,325	\$ 2,151,473	\$ 3,569,043	\$ 2,237,959

Note 5 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value.

Level 1

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable for the asset.

Level 3

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. The valuation methodologies were the price-to-earnings method and price-to-book-value method. Significant Level 3 inputs include historical and projected earnings and book value and comparable bank ratios, as well as a discount for lack of marketability. These Level 3 fair value measurements are based primarily on independent appraisal, management projections, and guideline market data.

In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following valuation methodologies have been used to value the Plan's investment. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Mutual Funds

Mutual funds are valued at quoted prices reported in active markets.

Company Stock

Company Stock is valued at fair value based upon an independent third-party appraisal.

Common Collective Trust Funds (CCT)

The common collective trust funds are valued at net asset value (NAV) per share or its equivalent of the funds, which is based on the fair value of the funds' underlying assets. There were no unfunded commitments or redemption restrictions.

Andover Bank Employees Stock Purchase Plan

Notes to Financial Statements

December 31, 2021 and 2020

Note 5 - Fair Value Measurements (Continued)

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2021 and 2020:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2021				
	Investments (at Fair Value)	Level 1	Level 2	Level 3
Mutual funds	\$ 1,933,521	\$ 1,933,521	\$ -	\$ -
Company Stock	6,104,798	-	-	6,104,798
Total	8,038,319	<u>\$ 1,933,521</u>	<u>\$ -</u>	<u>\$ 6,104,798</u>
Investments measured at NAV:				
CCT - Stable value fund	132,875			
CCT - Retirement year based	<u>2,157,002</u>			
Total investments	<u>\$ 10,328,196</u>			

Assets Measured at Fair Value on a Recurring Basis at December 31, 2020				
	Investments (at Fair Value)	Level 1	Level 2	Level 3
Mutual funds	\$ 1,605,990	\$ 1,605,990	\$ -	\$ -
Company Stock	5,807,002	-	-	5,807,002
Total	7,412,992	<u>\$ 1,605,990</u>	<u>\$ -</u>	<u>\$ 5,807,002</u>
Investments measured at NAV:				
CCT - Stable value fund	208,928			
CCT - Retirement year based	<u>1,862,601</u>			
Total investments	<u>\$ 9,484,521</u>			

Purchases of the Plan's Level 3 assets for the year ended December 31, 2021 total \$143,470.

Note 6 - Notes Payable

The Plan has term loan agreements with the Company. The proceeds of the loans were used to repurchase shares of Company Stock from participants receiving distributions.

In 2021, the Plan obtained three additional loans from the Company for the purchase of 7,357 shares of Company Stock. The notes were in the amount of \$143,470 and do not bear interest. Principal payments are due annually, with the last payment scheduled in 2031.

In 2020, the Plan obtained two additional loans from the Company for the purchase of 8,605 shares of Company Stock. The notes were in the amount of \$176,394 and do not bear interest. Principal payments are due annually, with the last payment scheduled in 2030. The Plan has an additional seven loans outstanding from the Company for the purchase of 149,822 shares of Company Stock prior to 2020. The notes were in the amount of \$3,796,112 and do not bear interest. Principal payments are due annually, with the last payments varying from 2025 through 2029.

Andover Bank Employees Stock Purchase Plan

Notes to Financial Statements

December 31, 2021 and 2020

Note 6 - Notes Payable (Continued)

Minimum principal payments on this loan to maturity are as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 411,598
2023	411,598
2024	411,598
2025	411,598
2026	411,598
Thereafter	<u>530,732</u>
Total	<u>\$ 2,588,722</u>

Note 7 - Non-participant-directed Investments

The significant components of net assets (deficiency in net assets) relating to non-participant-directed investments at December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Non-participant-directed investments - Company Stock	\$ 6,104,798	\$ 5,807,002

The significant components of the changes in net assets (deficiency in net assets) relating to the non-participant-directed investments for the year ended December 31, 2021 are as follows:

Purchases of stock	\$ 143,470
Net realized and unrealized gains	<u>154,326</u>
Net increase	<u>\$ 297,796</u>

Andover Bank Employees Stock Purchase Plan

Schedule of Assets Held at End of Year

Form 5500, Schedule H, Line 4i
 EIN 34-1436056, Plan No. 002
 December 31, 2021

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Andover Bancorp, Inc.**	Company Stock - Andover Bank Stock	\$6,442,857	\$ 6,104,798
	Mutual funds:		
Dreyfus Corporation	Dreyfus Small Cap Stock Index Fund	*	116,015
Fidelity Investments Inc.	Fidelity Low-Priced Stock	*	50,810
Hartford Funds	Hartford Small Cap Growth Fund	*	23,403
JPMorgan Funds	JPMorgan Small Cap Value Fund	*	76,904
MFS Investment	MFS Value	*	160,262
MFS Investment	MFS Mid Cap Value	*	61,914
American Funds	American Funds New Perspectives Fund	*	182,342
T. Rowe Price Group Inc.	T. Rowe Price Dividend Growth Fund	*	242,444
The Vanguard Group	Vanguard Growth Index Fund	*	231,248
American Funds	American Funds EuroPacific Growth Fund	*	64,715
Neuberger Berman Group	Neuberger Berman Strategic Income Fund	*	20,477
The Vanguard Group	Vanguard GNMA Fund	*	10,544
Axios Advisory Group, Ltd.**	Axios Conservative Allocation Strategy	*	44,550
Axios Advisory Group, Ltd.**	Axios Moderately Conservative Allocation Strategy	*	73,065
Axios Advisory Group, Ltd.**	Axios Moderate Allocation Strategy	*	363,534
Axios Advisory Group, Ltd.**	Axios Moderately Aggressive Allocation	*	191,424
Lord, Abnett & Co. LLC	Lord Abnett Total Return Fund	*	6,895
BlackRock	Mid Cap Growth Fund	*	12,975
	Common collective trust funds:		
Reliance Trust	Reliance Trust Stable Value Fund - MetLife Series 25052 Class 0	*	132,875
BlackRock	BlackRock LifePath Index Retirement Fund	*	482,763
BlackRock	BlackRock LifePath Index 2060 Fund	*	22,474
BlackRock	BlackRock LifePath Index 2055 Fund	*	42,885
BlackRock	BlackRock LifePath Index 2050 Fund	*	240,935
BlackRock	BlackRock LifePath Index 2045 Fund	*	141,058
BlackRock	BlackRock LifePath Index 2040 Fund	*	166,431
BlackRock	BlackRock LifePath Index 2035 Fund	*	164,600
BlackRock	BlackRock LifePath Index 2030 Fund	*	638,375
BlackRock	BlackRock LifePath Index 2025 Fund	*	257,421
BlackRock	BlackRock LifePath Index 2065 Fund	*	60
Participants**	Participant notes receivable with interest rates ranging from 4.25 to 6.50 percent	-	90,728
	Total		<u><u>\$ 10,418,924</u></u>

*Cost information not required

**Represents party in interest

Andover Bank Employees Stock Purchase Plan

Schedule of Assets Held at End of Year

Form 5500, Schedule H, Line 4i
 EIN 34-1436056, Plan No. 002
 December 31, 2021

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