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FEDERAL RESERVE BANK
 OF CLEVELAND

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2016

Month / Day / Year

n/a

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

I, **Ray J. Kaltenbaugh**

Name of the Holding Company Director and Official

President & CEO

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Mercer County State Bancorp, Inc.

Legal Title of Holding Company

3279 S. Main St. P.O. Box 38

(Mailing Address of the Holding Company) Street / P.O. Box

Sandy Lake

PA

16145

City

State

Zip Code

Physical Location (if different from mailing address)

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Person to whom questions about this report should be directed:

Ray J. Kaltenbaugh

President & CEO

Name

Title

724-376-7015 4620

Area Code / Phone Number / Extension

724-376-3357

Area Code / FAX Number

r3kal@mcsbank.net

E-mail Address

www.mcsbank.net

Address (URL) for the Holding Company's web page

Ray J. Kaltenbaugh
 Signature of Holding Company Director and Official

3/30/17
 Date of Signature

For holding companies *not* registered with the SEC—
 Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID
 C.I.

1247183

Is confidential treatment requested for any portion
 of this report submission?.....

0=No
 1=Yes 0

In accordance with the General Instructions for this report
 (check only one),

- 1. a letter justifying this request is being provided along
 with the report
- 2. a letter justifying this request has been provided
 separately

NOTE: Information for which confidential treatment is being
 requested must be provided separately and labeled
 as "confidential."

For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

Legal Title of Subsidiary Holding Company

(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box

City State Zip Code

Physical Location (if different from mailing address)

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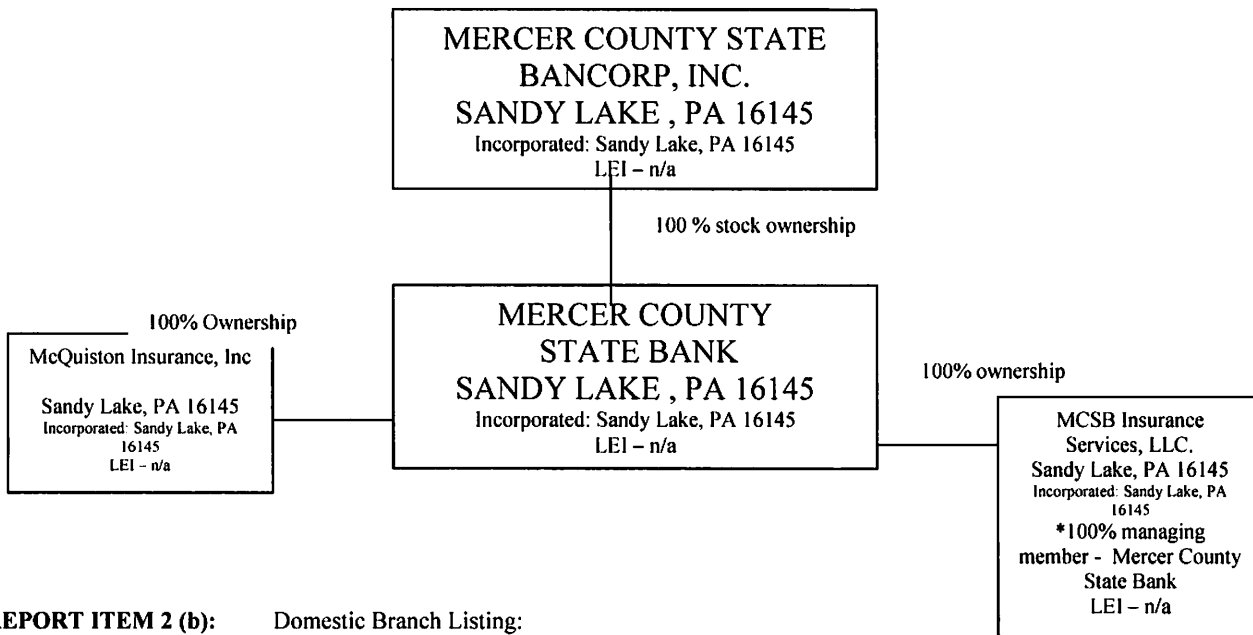
Physical Location (if different from mailing address)

MERCER COUNTY STATE BANCORP, INC.
FORM FR Y-6
2016

REPORT ITEM 1a: NONE - Mercer County State Bancorp, Inc. is not an SEC registrant.

REPORT ITEM 1b: Mercer County State Bancorp, Inc.'s annual report to shareholders is attached.

REPORT ITEM 2 (a): Organization chart of holding company:



REPORT ITEM 2 (b): Domestic Branch Listing:

There are 10 Reportable Branch listings for Mercer County State Bank:

- | | |
|---|--|
| <p>1. Mercer County State Bank
Main Office
Opened - 6/20/1911
Mercer County
3279 South Main St.
Sandy Lake, PA 16145 - USA
Full Service Branch</p> | <p>2. Mercer County State Bank
Sandy Lake Service Center
Opened - 12/5/1974
Mercer County
3309 North Main St.
Sandy Lake, PA 16145 - USA
Full Service Branch</p> |
| <p>3. Mercer County State Bank
Stoneboro Office
Opened - 2/8/1903
Mercer County
62 Lake St.
Stoneboro, PA 16153 - USA
Full Service Branch</p> | <p>4. Mercer County State Bank
Fredonia Office
Opened - 9/2/1961
Mercer County
71 Main St.
Fredonia, PA 16124 - USA
Full Service Branch</p> |
| <p>5. Mercer County State Bank
Jackson Township Office
Opened - 12/22/1997
Mercer County
811 Franklin Road
Mercer, PA 16137 - USA
Full Service Branch</p> | <p>6. Mercer County State Bank
Grove City Office
Opened - 10/01/2007
Mercer County
712 West Main St.
Grove City, PA 16127 - USA
Full Service Branch</p> |

7. Mercer County State Bank
 Cochranon Office
 Opened – 1/29/1997
 Crawford County
 110 N. Franklin St.
 Cochranon, PA 16314 - USA
 Full Service Branch

8. Mercer County State Bank
 Meadville Office
 Opened – 4/10/2000
 Crawford County
 16411 Conneaut Lake Rd.
 Meadville, PA 16335 – USA
 Full Service Branch

9. Mercer County State Bank
 Cambridge Springs Office
 Opened – 6/13/1966
 Crawford County
 144 Venango Ave.
 Cambridge Springs, PA 16403 – USA
 Full Service Branch

10. Mercer County State Bank
 Clintonville Office
 Opened – 10/15/1956
 Venango County
 101 Franklin St.
 Clintonville, PA 16372 – USA
 Full Service Branch

REPORT ITEM 3 (1): Shareholders 5% or greater

Name and Address Of Beneficial Owner (a) (b)	Number of Shares Beneficially Owned [1] (c)	Outstanding Common Stock Beneficially Owned
1. Mary Ann Craig [2] Owned individually Valencia, Pennsylvania [REDACTED] United States citizen	86,610	7.99%
2. Susan C. Cox [2] Owned individually Mars, Pennsylvania [REDACTED] United States citizen	72,670	6.71%
2a. Susan C. Cox / Mary Ann Craig Family [3] Pennsylvania All United States Citizens	177,300	16.37%
3. Lois Down Drums, PA [REDACTED] United States citizen	66,000	6.09%
4. Harold A. & Sally J. McQuiston Family [4] Sandy Lake, PA United States Citizens	136,550	12.60%
5. Robert A. & Jean W. Kaltenbaugh Family [5] Sandy Lake, PA United States Citizens	107,102	9.89%

[1] Includes shares held jointly with or individually by affiliates of the named individual.
 [2] Mary Ann Craig and Susan C. Cox are sisters.
 [3] In addition to shares held individually by Susan C. Cox (86,610) and her sister Mary Ann Craig (72,670), additional family members own 18,020 shares thereby a family held total of 177,300.
 [4] Includes shares held in trusts for Harold A. and Sally J. McQuiston, shares owned by Bruce L., (son), Cathie J. (daughter), Susan J. (daughter) and Ellen J Maloney (daughter). Neither Harold A. nor Sally J. McQuiston own shares totaling 5% or greater either individually or jointly.
 [5] Shares include all family members of Robert A. (deceased) and Jean W. Kaltenbaugh, Robert A. Kaltenbaugh Testamentary Trust, Jean W. individually owned shares, Charles & Joan Kaltenbaugh (brother), Ray & Susan Kaltenbaugh (son), Robert & Cathy Kaltenbaugh (son), Gary & Susan Auerbach (daughter), and Judith Walker (aunt).

REPORT ITEM 3 (2): NONE

MERCER COUNTY STATE BANCORP, INC.
FORM FRY- 6 2016

REPORT ITEM 4: **Insiders**

Name and Address (1)	Principal Occupation & Other Business Interests (2),(3c)	Mercer County State Bancorp, Inc. (3a)	Mercer County State Bank (3b)	Mercer County State Bancorp, Inc % Ownership (4a)	% Ownership In subsidiaries (4b)	% Ownership In Other Co.'s Over 25% (4c)
Susan Cyphert Grove City, PA	Partner McGill, Power, Bell & Assoc.	Director	Director	0.01%	None	Member - Bedrock Apartments
David M. Eakin Conneaut Lake, PA	EVP & CFO Mercer County State Bank (Retired as of 1/1/2017)	Director, Secretary	Director & EVP/CFO, Sec./Treasurer	0.18%	None	None
Michelle Gerwick Grove City, PA	CFO George Junior Republic	Director	Director	0.05%	None	None
Ray J. Kaltenbaugh Sandy Lake, PA	President & CEO Mercer County State Bank	Director, President & CEO	Director & President /CEO	0.51%	None	None
Stephen K. Miller West Middlesex, PA	SVP & CFO Mercer County State Bank	CFO, Treasurer	SVP	0.01%	None	None
Scott Patton Sandy Lake, PA	SVP Mercer County State Bank		SVP	0.03%	None	None
Brian J. Raymond Sandy Lake, PA	President/Owner Sandy Lake Mills, Inc.	Director	Director	1.16%	None	50% Sandy Lake Mills, Inc.
John O. Smith Townville, PA	President/Owner Hazlett Tree Service Inc.	Director	Director	0.05%	None	100% Hazlett Tree Service Inc. 100% Hazlett Sales & Service Inc. 100% Hazlett/Smith Partnership
Kevin E. Watts Sandy Lake, PA	Vice President Laubscher Cheese Inc.	Director	Director	0.18%	None	None
Susan C. Cox Mars, PA [REDACTED] U.S. citizen	Retired	n/a	n/a		n/a	None
Mary Ann Craig Valencia, PA [REDACTED] U.S. citizen	Retired	n/a	n/a	[1] 16.37%	n/a	None
Harold A. McQuiston Sally J. McQuiston Sandy Lake, PA [REDACTED] U.S. citizens	Retired Retired	n/a n/a	n/a n/a	[2] 12.60%	n/a n/a	None None

MERCER COUNTY STATE BANCORP, INC.
FORM FRY- 6 2016

REPORT ITEM 4: Insiders

[1] Susan C. Cox and Mary Ann Craig are sisters and considered 'principal securities holders' when considering all shares owned individually and all shares owned by family members as defined by regulation. In addition to shares held individually by Susan C. Cox and her sister Mary Ann Craig, additional family members own 18,020 shares: Carla Cox (daughter-in-law) 750, Dr. Michael Cox (son) 8,860, Steven Cox (son) 8,110 and 3 minors (grandchildren) 300. Thereby a family held total of 177,300 or 16.37%.

[2] Harold A. and Sally J. McQuiston are considered 'principal securities holders' when considering shares they own and all shares owned by family members as defined by regulation. Includes shares held in trusts for Harold A. and Sally J. McQuiston, shares owned by Bruce L. (son), Cathie J. (daughter), Susan J. (daughter) and Ellen J Maloney (daughter). Neither Harold A. nor Sally J. McQuiston own shares totaling 5% or greater either individually or jointly