

Standard Financial Corp.
Form S-4/A
January 30, 2017

As filed with the Securities and Exchange Commission on January 30 , 2017

Registration No. 333-215069

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Pre-Effective Amendment No. 2
to the
FORM S-4**

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Standard Financial Corp.

(Exact name of registrant as specified in its charter)

Maryland	6712	27-3100949
(State or other jurisdiction of	(Primary Standard Industrial	I.R.S.
incorporation or organization)	Classification Code Number)	Employer
		Identification
		No.)

2640 Monroeville Boulevard

Monroeville, Pennsylvania 15146

(412) 856-0363

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Timothy K. Zimmerman

President and Chief Executive Officer

Standard Financial Corp.

2640 Monroeville Boulevard

Monroeville, Pennsylvania 15146

(412) 856-0363

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies of all communications to:

Marc Levy, Esquire	Andrew W. Hasley	Erik Gerhard, Esquire
Luse Gorman, PC	President and Chief Executive Officer	Bybel Rutledge LLP
5335 Wisconsin Avenue, N.W., Suite 780	Allegheny Valley Bancorp, Inc.	1017 Mumma Road, Suite 302
Washington, D.C. 20015	5137 Butler Street	Lemoyne, PA 17043
202-274-2000	Pittsburgh, PA 15201	717-731-1700
	412-781-1464	

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this Registration Statement and upon completion of the merger of Allegheny Valley Bancorp, Inc. with and into Standard Financial Corp.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 13e-4(i) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per unit (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee (3)
Common Stock, \$0.01 par value per share	2,241,155	N/A	\$ 54,065,282	\$ 6,267

(1)Based on the estimated number of shares of Standard Financial Corp. (“Standard” or “Registrant”) common stock that may be issued in connection with the proposed merger of Allegheny Valley Bancorp, Inc. (“Allegheny”) with and

into Standard pursuant to the Agreement and Plan of Merger (“Merger Agreement”) between Standard and Allegheny dated as of August 29, 2016 calculated by multiplying (i) 1,031,612 shares of Allegheny common stock outstanding, restricted common stock outstanding, and issued and outstanding stock options as of September 30, 2016 by (ii) 2.083, the exchange ratio under the Merger Agreement. In accordance with Rule 416, under the Securities Act of 1933, this registration statement shall also register any additional shares of Registrant’s common stock that may become issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions.

Estimated solely for purposes of calculating the registration fee. Computed in accordance with Rules 457(c) and 457(f), based on (i) the average of the bid and asked price of Allegheny common stock as of December 7, 2016 of \$50.25 as quoted on the OTCQX market place and (ii) 1,075,926 shares of Allegheny common stock outstanding, restricted stock, and stock options outstanding as of September 30, 2016 to be exchanged in the merger for (2) common stock of the Registrant. Under the Merger Agreement, in certain circumstances the Registrant may increase the exchange ratio pursuant to a formula in the Merger Agreement, and thus issue additional stock consideration to accommodate this increase, in order to prevent a termination of the Merger Agreement. In the event the Registrant increases the exchange ratio as described, the Registrant will file a registration statement pursuant to Rule 462(b) to cover the issuance of the additional shares of common stock.

(3) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective time until the Registrant shall file an amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. Standard may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This joint proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or the sale is not permitted.

Subject to completion, dated January 30 , 2017

**Joint Proxy Statement/Prospectus For 2,241,155 Shares of
Standard Financial Corp. Common Stock**

Merger Proposal—Your Vote Is Very Important

To the Shareholders of Standard Financial Corp. and Allegheny Valley Bancorp, Inc.:

The boards of directors of Standard Financial Corp. (“Standard”) and Allegheny Valley Bancorp, Inc. (“Allegheny”) have each unanimously approved a merger of equals through the merger of Allegheny with and into Standard. Pursuant to the terms of the Agreement and Plan of Merger (“merger agreement”), dated as of August 29, 2016, Allegheny will merge with and into Standard (the “merger”), and Allegheny Valley Bank of Pittsburgh, the wholly-owned subsidiary of Allegheny will merge with and into Standard Bank, PaSB (“Standard Bank”), the wholly-owned subsidiary of Standard. The resulting company will be named “Standard AVB Financial Corp.” and the resulting bank will be named “Standard Bank.”

Allegheny shareholders will receive 2.083 shares of Standard common stock for each share of Allegheny common stock they own at the effective time of the merger, subject to adjustment in accordance with the merger agreement. Specifically, if, as of the determination date, as defined in the merger agreement, (i) the Standard common stock declines to less than \$19.80, and (ii) also underperforms the KBW Nasdaq Bank Index by 20% or more, and Allegheny elects to exercise its termination right, then Standard may elect to increase the exchange ratio so that the revised value of Standard common stock to be received by Allegheny shareholders is equal to the value Allegheny shareholders would have received if the Standard common stock price was \$19.80. This increase to the exchange ratio would compensate Allegheny shareholders for the decrease in Standard’s common stock referenced above. The exchange ratio will also be appropriately adjusted if there is a stock dividend, stock split, reverse stock split, common

stock reclassification, or other similar event regarding Standard common stock before completion of the merger. Allegheny shareholders also will receive cash instead of any fractional shares they would have otherwise received in the merger. Standard estimates that it will issue approximately 2,241,155 shares of Standard common stock, \$0.01 par value per share, in the merger. Immediately following the merger, former Standard shareholders are expected to own approximately 54% of Standard common stock and former Allegheny shareholders are expected to own approximately 46% of Standard common stock.

Standard common stock is quoted on the OTCQX market place maintained by OTC Market Groups, Inc. under the symbol "STND." On January 13, 2017, the closing price of Standard common stock was \$25.65. The price of Standard common stock will fluctuate between now and the closing of the merger. Allegheny is quoted on the OTCQX market place maintained by OTC Market Groups, Inc. under the symbol "AVLY." On January 13, 2017, the closing price of Allegheny common stock was \$53.79. The price of Allegheny common stock will fluctuate between now and the closing of the merger. You are urged to obtain current market quotations for both Standard and Allegheny common stock.

Standard will hold a special meeting of its shareholders to vote on the approval and adoption of the merger agreement on March 24, 2017, at 10:00 a.m. at the Doubletree by Hilton Hotel Pittsburgh/Monroeville Convention Center, 101 Mall Blvd., Monroeville, Pennsylvania 15146. Allegheny will hold a special meeting of its shareholders to vote on the approval and adoption of the merger agreement on March 24, 2017, at 10:00 a.m. at Comfort Inn & Suites, R.I.D.C. Park, 180 Gamma Drive, Pittsburgh, Pennsylvania 15238. The merger cannot be completed unless the holders of at least a majority of the outstanding shares of Standard common stock entitled to vote at the Standard special meeting of shareholders approve and adopt the merger agreement and the merger agreement is approved and adopted by the affirmative vote of the holders of at least 70% of the outstanding shares of Allegheny common stock.

Allegheny shareholders have the right under Pennsylvania law to dissent from the merger and to demand and receive a cash payment of a statutorily determined "fair value" of their Allegheny common stock in the event that the merger is consummated. The statutorily determined "fair value" could be more or less than the value of the merger consideration. For more information regarding dissenters' rights, refer to "Q: Do I have the right to dissent from the merger?" on page 4 and "Proposal 1: The Merger—Rights of Dissenting Shareholders" beginning on page 89.

Each of the Standard and Allegheny board of directors unanimously recommends that you vote "**FOR**" the approval and adoption of the merger agreement. All shareholders of Standard and Allegheny are invited to attend their respective special meeting in person. However, whether or not you plan to attend the special meeting, please take the time to ensure your shares are voted by submitting a proxy, either by following the instructions for Internet or telephone submission or by mailing the enclosed proxy card.

Neither the Securities and Exchange Commission, nor any bank regulatory agency, nor any state securities commission has approved or disapproved of these securities or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of Standard common stock offered are not savings or deposit accounts or other obligations of either party or any of their banking or other subsidiaries, and they are not insured by any federal or state governmental agency.

Investing in Standard common stock involves risks that are described in “Risk Factors” beginning on page 21.

This joint proxy statement/prospectus is dated [•], and is first being mailed to shareholders of Standard and Allegheny on or about [•].

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Standard Financial Corp.

2640 Monroeville Boulevard

Monroeville, Pennsylvania 15146

Notice of Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Standard Financial Corp. will be held at 10:00 a.m., local time, on March 24, 2017 at the Doubletree by Hilton Hotel Pittsburgh/Monroeville Convention Center, 101 Mall Blvd., Monroeville, Pennsylvania 15146, for the following purposes:

To approve and adopt the Agreement and Plan of Merger, dated as of August 29, 2016, by and between Standard Financial Corp. and Allegheny Valley Bancorp, Inc., which provides, among other things, for the merger of

1. Allegheny with and into Standard, and the conversion of each share of Allegheny common stock immediately outstanding prior to the merger into 2.083 shares of Standard common stock, all as described in the accompanying documents, and the transactions in connection therewith;

2. To approve an amendment to revise Article 1 of Standard's Articles of Incorporation to state that the name of the surviving corporation will be "Standard AVB Financial Corp." ;

3. To approve an amendment to Standard's Articles of Incorporation to include Article 14, paragraph 1, which requires a supermajority vote of the surviving corporation's board of directors to approve a merger transaction. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve a merger transaction. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve a merger transaction ;

4. To approve an amendment to Standard's Articles of Incorporation to include Article 14, paragraph 2, which requires a supermajority vote of the surviving corporation's board of directors to approve the removal of a board member. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve the removal of a board member. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve the removal of a board member ;

5 To approve an amendment to Standard's Articles of Incorporation to include Article 14, paragraph 3, which requires a supermajority vote of the surviving corporation's board of directors to approve the repeal, alteration, or amendment of Article 14 of Standard's Articles of Incorporation. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve the repeal, alteration or amendment of Article 14 of Standard's Articles of Incorporation. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve the repeal, alteration or amendment of Article 14 of Standard's Articles of Incorporation. ;

6 To consider and vote upon a proposal to adjourn or postpone the special meeting of shareholders, if more time is needed, to allow Standard time to solicit additional votes in favor of the merger agreement and the amendment to the articles of incorporation; and

7 To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Standard board of directors unanimously recommends that you vote "FOR" the approval and adoption of the Agreement and Plan of Merger, "FOR" the approval and adoption of the amendments to the articles of incorporation, and "FOR" the approval of the proposal granting the Standard board of directors discretionary authority to adjourn or postpone the special meeting, if necessary, as described in detail in the accompanying joint proxy statement/prospectus.

The Standard board of directors has fixed the close of business on January 13, 2017, as the record date for determining shareholders entitled to notice of, and to vote at, the Standard special meeting of shareholders and any adjournment or postponement of the special meeting.

Your vote is important regardless of the number of shares you own. Standard cannot complete the merger unless the merger agreement is approved and adopted by the affirmative vote of the holders of at least a majority of the outstanding shares of Standard common stock entitled to vote on the merger agreement. If a Standard shareholder does not vote by proxy or by attending the Standard special meeting of shareholders and voting in person, it will have the same effect as voting against the merger.

Whether or not you plan to attend the special meeting, the Standard board of directors urges you to submit your proxy as soon as possible, either by following the internet and telephone instructions included in the attached materials or completing, signing, dating and returning the enclosed proxy in the enclosed postage-paid envelope. Submitting your proxy will not prevent you from voting in person at the special meeting, but it will assure that your vote is counted if you are unable to attend. If you are a shareholder whose shares are registered in street name, you will need to follow the instructions provided by your broker, and you will need additional documentation from your broker in order to vote in person at the special meeting.

By Order of the Board of Directors,

Timothy K. Zimmerman
President and Chief Executive Officer

Monroeville, Pennsylvania

February 3 , 2017

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Allegheny Valley Bancorp, Inc.

5137 Butler Street

Pittsburgh, Pennsylvania 15201

Notice of Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Allegheny Valley Bancorp, Inc. will be held at 10:00 a.m., local time, on March 24, 2017 at Comfort Inn & Suites, R.I.D.C. Park, 180 Gamma Drive, Pittsburgh, Pennsylvania 15238, for the following purposes:

To approve and adopt the Agreement and Plan of Merger, dated as of August 29, 2016, by and between Standard Financial Corp. and Allegheny Valley Bancorp, Inc., which provides, among other things, for the merger of

1. Allegheny with and into Standard, and the conversion of each share of Allegheny common stock immediately outstanding prior to the merger into 2.083 shares of Standard common stock, all as described in the accompanying documents, and the transactions in connection therewith;

2. To approve, on an advisory (non-binding) basis, the golden parachute compensation payable to the named executive officers of Allegheny that is based on or related to the proposed merger;

3. To consider and vote upon a proposal to adjourn or postpone the special meeting of shareholders, if more time is needed, to allow Allegheny to solicit additional votes in favor of the merger agreement;

4. To approve, on an advisory (non-binding) basis, an amendment to revise Article 1 of Standard's Articles of Incorporation to state that the name of the surviving corporation will be "Standard AVB Financial Corp.;"

5. To approve, on an advisory (non-binding) basis, an amendment to Standard's Articles of Incorporation to include Article 14, paragraph 1, which requires a supermajority vote of the surviving corporation's board of directors to approve a merger transaction. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve a merger transaction. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve a merger transaction ;

To approve, on an advisory (non-binding) basis, an amendment to Standard's Articles of Incorporation to include Article 14, paragraph 2, which requires a supermajority vote of the surviving corporation's board of directors to approve the removal of a board member. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve the removal of a board member. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve the removal of a board member ;

To approve, on an advisory (non-binding) basis, an amendment to Standard's Articles of Incorporation to include Article 14, paragraph 3, which requires a supermajority vote of the surviving corporation's board of directors to approve the repeal, alteration, or amendment of Article 14 of Standard's Articles of Incorporation. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve the repeal, alteration or amendment of Article 14 of Standard's Articles of Incorporation. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve the repeal, alteration or amendment of Article 14 of Standard's Articles of Incorporation; and

8. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The Allegheny board of directors unanimously recommends that you vote "**FOR**" the proposal to approve and adopt the Agreement and Plan of Merger, "**FOR**" the proposal to approve, on an advisory (non-binding) basis, the golden parachute compensation payable to the named executive officers of Allegheny that is based on or related to the proposed merger, "**FOR**" the proposals to approve, on an advisory (non-binding) basis, the amendments to Standard's articles of incorporation, and "**FOR**" the approval of the proposal to adjourn or postpone the special meeting, if necessary, as described in detail in the accompanying joint proxy statement/prospectus.

Shareholders of record of the Allegheny common stock of at the close of business on January 13, 2017 are entitled to vote at the Allegheny special meeting and any adjournment or postponement of the special meeting.

Your vote is important regardless of the number of shares you own. Allegheny cannot complete the merger unless the merger agreement is approved and adopted by the affirmative vote of the holders of at least 70% of the outstanding shares of Allegheny common stock. If an Allegheny shareholder does not vote by proxy or by attending the Allegheny special meeting of shareholders and voting in person, it will have the same effect as voting against the merger.

Whether or not you plan to attend the special meeting, the Allegheny board of directors urges you to submit your proxy as soon as possible, either by following the internet and telephone instructions included in the attached materials or by completing, signing, dating, and returning the enclosed proxy in the enclosed postage-paid envelope. Submitting your proxy will not prevent you from voting in person at the special meeting, but it will assure that your vote is counted if you are unable to attend. If you are a shareholder whose shares are registered in street name, you will need to follow the instructions provided by your broker, and you will need additional documentation from your broker in order to vote in person at the special meeting.

By Order of the Board of Directors,

Andrew W. Hasley
President and Chief Executive Officer

Pittsburgh, Pennsylvania

February 3 , 2017

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Questions and Answers about the Merger

Q: Why am I receiving this document?

A: You are receiving this document because the boards of directors of Standard and Allegheny have each unanimously approved a merger of equals through the merger of Allegheny with and into Standard. Standard and Allegheny signed an Agreement and Plan of Merger, dated as of August 29, 2016 which provides, among other things, for the merger of Allegheny with and into Standard, and the conversion of each share of Allegheny common stock outstanding immediately prior to the consummation of the merger into 2.083 shares of Standard common stock and cash instead of any fractional share an Allegheny shareholder would otherwise receive in the merger.

Q: What is the purpose of this document?

A: This document serves as both a proxy statement of Standard and Allegheny and a prospectus of Standard. This document serves as a proxy statement because the Standard and Allegheny boards of directors are soliciting your proxy for use at the Standard and Allegheny special meetings of shareholders called to consider and vote on the merger agreement. This document serves as a prospectus because Standard is offering shareholders of Allegheny to exchange their shares of Allegheny common stock for shares of Standard common stock in the merger.

Q: What items of business will Standard and Allegheny ask shareholders to consider at the special meetings?

A: At the Standard special meeting, shareholders are asked to vote in favor of approval and adoption of the merger agreement with Allegheny. In addition, shareholders will be asked to vote in favor of several amendments to the articles of incorporation and to vote in favor of a proposal to adjourn or postpone Standard's special meeting, if necessary, to solicit additional proxies if Standard has not received sufficient votes to approve and adopt the merger agreement at the time of the special meeting.

At the Allegheny special meeting, shareholders are asked to vote in favor of approval and adoption of the merger agreement with Standard. In addition, shareholders will be asked to cast an advisory (non-binding) vote on the "golden parachute" compensation, that is compensation based on or related to the proposed merger, payable to the named executive officers of Allegheny in connection with the merger, vote in favor of a proposal to adjourn or postpone Allegheny's special meeting, if necessary, to solicit additional proxies if Allegheny has not received sufficient votes to approve and adopt the merger agreement at the time of its special meeting and to cast an advisory (non-binding) vote on several amendments to the Standard articles of incorporation, as Allegheny shareholders will become Standard shareholders upon the completion of the merger.

Q: Why are Standard and Allegheny proposing to merge?

The boards of directors of Standard and Allegheny believe that a merger of equals of the two companies will create a stronger entity than either Standard or Allegheny is likely to be independently. Standard and Allegheny are each Pittsburgh area banking franchises that share a complimentary vision and mission statements. The merger is expected to leverage the strengths of each institution and result in economies of scale that will create shareholder value. Each board of directors believes that the merger will provide an opportunity for the combined company to capitalize on the combined resources in the short term and strengthen their prospects for continued growth over the long term. Furthermore, since the two companies serve markets that are geographically complementary to the other, the combined entity will have a more diverse market concentration than either of the two companies on their own. The merger also involves certain risks, which are described under “Risk Factors” beginning on page 20.

Q: WILL STANDARD AND ALLEGHENY CHANGE THEIR NAMES AFTER THE MERGER?

A: Following the effective time of the merger, Allegheny will merge with and into Standard. The resulting company will be named “Standard AVB Financial Corp.”

Q: Will Standard Bank and Allegheny Valley Bank of Pittsburgh change their names after the merger?

A: Following the effective time of the merger of Allegheny with and into Standard, Allegheny Valley Bank of Pittsburgh will merge with and into Standard Bank, and the resulting bank will be named Standard Bank.

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Q: What do the Standard and Allegheny boards of directors recommend?

The Standard and Allegheny boards of directors have approved the merger agreement and the merger, and each believes that the merger is in the best interests of Standard and Allegheny. Accordingly, the Standard board of directors unanimously recommends that their shareholders vote “**FOR**” the approval and adoption of the merger agreement and the merger, “**FOR**” the approval and adoption of each of the amendments to the articles of incorporation, and “**FOR**” the approval of the proposal to adjourn or postpone the special meeting, if necessary.

The Allegheny board of directors unanimously recommends that you vote “**FOR**” the proposal to approve and adopt the merger agreement, “**FOR**” the proposal to approve, on an advisory (non-binding) basis, the golden parachute compensation payable to the named executive officers of Allegheny that is based on or related to the proposed merger, “**FOR**” the approval of the proposal to adjourn or postpone the special meeting, if necessary, and “**FOR**” the proposal to approve, on an advisory (non-binding) basis, each of the amendments to Standard’s articles of incorporation.

Q: When do Standard and Allegheny expect to complete the merger?

Standard and Allegheny expect to complete the merger shortly after all of the conditions to the merger are fulfilled, including obtaining the approval of Standard shareholders, the approval of Allegheny shareholders, and the approval of the applicable regulatory agencies. Standard has received all requisite regulatory approvals. Standard and Allegheny anticipate the closing of the merger will occur early in the second quarter of 2017. Standard and Allegheny cannot assure you that they will obtain the necessary shareholder approvals or that the other conditions precedent to the merger can or will be satisfied.

Q: What will Allegheny shareholders receive in the merger?

Holdings of Allegheny common stock will receive 2.083 shares of Standard common stock for every share of Allegheny common stock they own at the effective time of the merger and will receive cash instead of any fractional share they would have otherwise received in the merger. The exchange ratio is subject to adjustment as discussed in greater detail under “Proposal 1: The Merger” beginning on page 33. Specifically, if, as of the determination date, as defined in the merger agreement, (i) the Standard common stock declines to less than \$19.80, and (ii) also underperforms the KBW Nasdaq Bank Index by 20% or more, and Allegheny elects to exercise its termination right, then Standard may elect to increase the exchange ratio so that the revised value of Standard common stock to be received by Allegheny shareholders is equal to the value Allegheny shareholders would have received if the Standard common stock price was \$19.80. This increase to the exchange ratio would compensate Allegheny shareholders for the decrease in Standard’s common stock referenced above. The exchange ratio will also be appropriately adjusted if there is a stock dividend, stock split, reverse stock split, common stock reclassification, or other similar event regarding Standard common stock before completion of the merger.

Q: Why is Standard proposing to amend its articles of incorporation?

A: As a required closing condition to the merger, Standard must amend its articles of incorporation to include Article 14 “Other Corporate Governance Matters”, which provides as follows:

Paragraph 1 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to engage in a merger transaction. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to engage in a merger transaction.

Paragraph 2 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to remove a director from the board. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to remove a director from the board.

Paragraph 3 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation.

In addition to the inclusion of new Article 14, Standard is proposing to amend Article 1 to the articles of incorporation so that the name of the surviving corporation will be “Standard AVB Financial Corp.”

Each of these amendments to the Standard articles of incorporation requires the approval of Standard’s shareholders. Approval of Proposals 2 through 5 by Standard’s shareholders is a condition that must be satisfied in order to require Allegheny to complete the merger. While Allegheny may also waive this condition to closing if all or some of Proposals 2 through 5 are not approved by Standard’s shareholders, it is not required to do so. Therefore, failure by Standard’s shareholders to approve Proposals 2 through 5 may lead to the termination of the merger agreement and merger. These amendments will become effective only upon the completion of the merger and the approval of such amendments by Standard’s shareholders is a condition to closing the merger.

Why ARE ALLEGHENY SHAREHOLDERS being asked to cast an advisory (non-binding) vote to approve Q: the golden parachute compensation payable to certain officers OF ALLEGHENY in connection with the merger?

The SEC, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, adopted A: rules that require the companies to seek an advisory (non-binding) vote with respect to certain payments that will or may be made to Allegheny's named executive officers in connection with the merger.

Currently, the only merger - related compensation Allegheny's named executive officers will receive in connection with the merger is the vesting of previously awarded restricted shares. The vesting is required under the Allegheny restricted stock plan that was previously approved by Allegheny's shareholders, since the merger constitutes a change in control under the restricted stock plan. In connection with the merger agreement, each of the named executive officers entered into an amendment to their employment and change in control agreements, as applicable. The amendments provide that the merger will not constitute a change in control and the executive will not be entitled to any payment under the agreement, except the executive will be entitled to a severance payment if the executive is terminated without cause (as defined in the agreement) within two years (three years for Mr. Hasley) following the merger date. The named executive officers entered into the amendments to waive any payments to which they would otherwise be entitled upon a change in control in order to facilitate the merger and based on their belief in the potential success of the future combined company. See " Allegheny Proposal 2: Advisory (Non-Binding) Vote on Golden Parachute Compensation," beginning on page 174.

Q: What will happen if ALLEGHENY'S shareholders do not approve the golden parachute compensation at allegheny's special meeting?

A: Approval of the golden parachute compensation payable in connection with the merger is not a condition for the completion of the merger. The votes with respect to the golden parachute compensation are advisory and will not be binding on Allegheny (or the combined company that results from the merger) regardless of whether the merger

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agreement is approved and adopted. Accordingly, as the compensation to be paid to certain of the executives in connection with the merger is contractual, such compensation will or may be payable if the merger is completed regardless of the outcome of the advisory votes. See “Allegheny Proposal 2: Advisory (Non-Binding) Vote on Golden Parachute Compensation,” beginning on page 177.

WHY ARE ALLEGHENY SHAREHOLDERS BEING ASKED TO CAST AN ADVISORY Q:(NON-BINDING) VOTE TO APPROVE THE AMENDMENTS TO STANDARD’S ARTICLES OF INCORPORATION?

A: As a required closing condition to the merger, Standard must amend its articles of incorporation to include Article 14 “Other Corporate Governance Matters”, which provides as follows:

Paragraph 1 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to engage in a merger transaction. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to engage in a merger transaction.

Paragraph 2 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to remove a director from the board. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to remove a director from the board.

Paragraph 3 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation.

The supermajority requirements of Article 14 with respect to material transactions, board member removal from the combined board and amendment of the articles of incorporation were introduced to ensure continuity and cohesiveness of the combined board and to foster cooperation in the years following the closing of the merger transaction. Article 14 was deemed by Allegheny to be an essential facet of the merger agreement and merger.

In addition to the inclusion of new Article 14, Standard is proposing to amend Article 1 to the articles of incorporation so that the name of the surviving corporation will be “Standard AVB Financial Corp.” The new name is intended to provide shareholders with a sense of continuity and familiarity while preserving part of the historical significance of each company.

As each shareholder of Allegheny will become a shareholder of Standard upon completion of the merger transaction, the Standard and Allegheny boards are seeking input from Allegheny’s shareholders on the several amendments to Standard’s articles of incorporation. See "Allegheny Proposal s 4 through 7 : Advisory (Non-Binding) Vote Regarding Certain Amendments to Standard’s Articles of Incorporation to Change the Corporate Name and Add New Article 14" beginning on page 17 5 .

For more information on the existing rights of Allegheny shareholders and their post-merger rights as shareholders of Standard, please see “Comparison of Shareholders Rights” beginning on page 168, and more specifically the effect of the proposed amendments to Article 14 of Standard’s articles of incorporation on those post-merger rights see “Comparison of Shareholders Rights — Removal of Directors”, “—Fundamental Changes to Corporation”, and “—Amendments to Articles of Incorporation”.

Q: WHAT WILL HAPPEN IF ALLEGHENY’S SHAREHOLDERS DO NOT APPROVE THE AMENDMENTS TO STANDARD’S ARTICLES OF INCORPORATION?

Approval by Allegheny’s shareholders of the amendments to Standard’s articles of incorporation is not a condition to completion of the merger. The votes by Allegheny shareholders with respect to the amendments to the articles of incorporation are advisory and will not be binding on Allegheny or Standard (or the combined company that results from the merger). If Standard’s shareholders approve the amendments to the articles of incorporation, such amendments will be effective upon completion of the merger transaction. See “Allegheny Proposal s 4 through 7 : Advisory (Non-Binding) Vote Regarding Certain Amendments to Standard’s Articles of Incorporation to Change the Corporate Name and Add New Article 14” beginning on page 17 5 .

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Q: Are there regulatory or other conditions to the merger occurring?

A: Yes. The merger must be approved by the Board of Governors of the Federal Reserve System (“Federal Reserve Board”), the Federal Deposit Insurance Corporation (“FDIC”) and the Pennsylvania Department of Banking and Securities (“Pennsylvania Department of Banking”). As of the date of this joint proxy statement/prospectus, Standard has received the requisite regulatory approvals with respect to the transaction.

Furthermore, the merger will only be completed if neither Standard nor Allegheny is in material breach of any of its representations, warranties, or obligations under the merger agreement. The merger is also subject to the condition that Standard and Allegheny each receive an opinion from their respective counsel that the merger will be treated as a tax free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (“the Code”). The merger is also subject to certain other specified conditions. See “Proposal 1: The Merger—Terms of the Merger—Conditions to Merger,” beginning at page 73.

Q: What vote is required to approve the merger?

A: Both Standard shareholders and Allegheny shareholders must approve and adopt the merger agreement in accordance with each of its articles of incorporation and bylaws. The affirmative vote of the holders of at least a majority of the outstanding shares of Standard common stock on the record date is necessary to approve and adopt the merger agreement. The affirmative vote of the holders of at least 70% of the outstanding shares of Allegheny common stock on the record date is necessary to approve and adopt the merger agreement.

Q: Do I have the right to dissent from the merger?

A: Only Allegheny shareholders have the right under Pennsylvania law to dissent from the merger and to demand and receive a cash payment of the statutorily determined “fair value” of their Allegheny common stock in the event that the merger is consummated. The statutorily determined “fair value” could be more or less than the value of the merger consideration. In order to assert dissenters’ rights, Allegheny shareholders must precisely follow the process described in “Proposal 1: The Merger—Rights of Dissenting Shareholders” beginning on page 86 and in **Annex D**.

Generally, Allegheny shareholders who wish to dissent must:

1. File with Allegheny a written notice of their intention to demand that they be paid the fair value for their shares of Allegheny common stock rather than receive shares of Standard common stock as described in the merger agreement prior to the vote of shareholders on the merger at the Allegheny special meeting called for such purpose.

The dissenting shareholders must effect no change in the beneficial ownership of their Allegheny common stock

2. from the date of the filing of the intention to demand payment through the effective time of the merger if the shareholders approve and adopt the merger and the merger agreement.

3. Dissenting shareholders also must vote against the merger, abstain from voting for the merger or not vote their Allegheny common stock at the special meeting called for such purpose.

You also are encouraged to consult with your own legal advisor as to your dissenters' rights under Pennsylvania law. Failure to strictly comply with these procedures will result in the loss of these dissenters' rights and your ability to receive cash for the fair value of your common stock of Allegheny.

Q:

What do I need to do now?

After you have carefully read these materials, you can submit your proxy by following the internet or telephone instructions included in the following materials and on your proxy card. Alternatively, indicate on the enclosed A: proxy card how you want to vote your shares of either Standard or Allegheny. Then sign, date, and mail the proxy card in the enclosed postage-paid envelope as soon as possible so your shares will be represented and voted at either the Standard or Allegheny special meeting.

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Q: Should Allegheny shareholders send in their stock certificates now?

No. Allegheny shareholders should not send in their stock certificates at this time. Allegheny shareholders will receive instructions from the exchange agent in the future. Standard shareholders will not need to exchange their certificates. See “Proposal 1—The Merger—Terms of the Merger—Exchange Procedures” on page 68 .

Please do not send any stock certificates to Standard, Allegheny, or the exchange agent until you receive instructions.

Q: Can I change my vote after I have submitted my proxy?

A: Yes. There are three ways for you to revoke your proxy and change your vote:

1. You may submit a later dated proxy before Standard’s or Allegheny’s special meeting, as either relates to you.

You may revoke your proxy by written notice delivered at any time prior to the vote on the merger including
2. delivery at the special meeting of shareholders. Standard shareholders should deliver this notice to the Corporate Secretary, and Allegheny shareholders should deliver this notice to the Corporate Secretary.

3. You may attend the Standard or Allegheny special meeting and vote in person. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

Q: What are the material U.S. federal income tax consequences of the merger to Allegheny shareholders?

The merger is intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Code, and the holders of Allegheny common stock generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Allegheny common stock for shares of Standard common stock in the merger, except with respect to any cash received in lieu of fractional shares. This tax treatment may not apply to all Allegheny shareholders.

It is a condition to the closing of the merger that Standard receive the opinion of its special counsel, Luse Gorman, PC, and that Allegheny receive the opinion of its special counsel, Bybel Rutledge LLP, substantially to the effect that, on the basis of facts, representations, and assumptions set forth or referred to in that opinion (including factual representations contained in certificates of officers of Standard and Allegheny), the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. The condition is waivable, and in such case, Standard and Allegheny will undertake to recirculate and resolicit if the condition is waived by either party and the change in the tax consequences is material.

Standard and Allegheny urge you to consult your tax advisor for a full understanding of the tax consequences of the merger to you. Tax matters are very complicated and, in many cases, tax consequences of the merger will depend on your particular facts and circumstances. See “Proposal 1—The Merger—Material U.S. Federal Income Tax Consequences,” beginning at page 86.

Q: What happens if my stock certificates are held in “street name” by my broker, bank, or other nominee?

Your broker, bank, or other nominee will not vote your shares unless you provide instructions to your broker, bank, A: or other nominee on how to vote. You should fill out the voter instruction form sent to you by your broker, bank, or other nominee with this document.

Q: Whom should I call with questions or to obtain additional copies of this document?

A: If you have questions about your special meeting of shareholders or if you need additional copies of this document, you should contact:

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For Standard Shareholders:

You may contact either of the following:

Timothy K. Zimmerman

President and Chief Executive Officer; or

Susan A. Parente,

Senior Vice President and Chief Financial Officer

Standard Financial Corp.

2640 Monroeville Boulevard

Monroeville, Pennsylvania 15146

(412) 856-0363

For Allegheny Shareholders:

You may contact any one of the following:

Andrew W. Hasley

President and Chief Executive Officer; or

Jason W. Ross

Executive Vice President, Chief Financial Officer and Chief Operating Officer and Treasurer; or

Susan M. DeLuca

Senior Vice President, Risk Management

Allegheny Valley Bancorp, Inc.

5137 Butler Street

Pittsburgh, PA 15201

(412) 781-0318

In addition, you may also contact Laurel Hill Advisory Group, LLC, Standard's and Allegheny's proxy solicitor at the following address and telephone number:

2 Robbins Lane, Suite 201

Jericho, New York 11753

Banks and Brokers Call (516) 933-3100

All Others Call Toll-Free (888) 742-1305

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Summary

This summary highlights selected information from this document. It does not contain all of the information that may be important to you. You should carefully read this entire document and the other documents referred to in this document before you decide how to vote. Together these documents will give you a more complete description of the proposed transaction. Page references are included in this summary to direct you to more thorough descriptions of the topics provided elsewhere in these materials.

The Special Meetings of Shareholders

Standard special meeting of shareholders to be held March 24, 2017 (see page 2 9).

Standard will hold a special meeting of shareholders on March 24, 2017, at 10:00 a.m., local time, at the Doubletree by Hilton Hotel Pittsburgh/Monroeville Convention Center, 101 Mall Blvd., Monroeville, Pennsylvania 15146.

Allegheny special meeting of shareholders to be held March 24, 2017 (see page 3 1).

Allegheny will hold a special meeting of shareholders on March 24, 2017, at 10:00 a.m., local time, at Comfort Inn & Suites, R.I.D.C. Park, 180 Gamma Drive, Pittsburgh, Pennsylvania 15238.

Standard record date set at January 13, 2017; one vote per share of Standard common stock (see page 2 9).

If you owned shares of Standard common stock at the close of business on January 13, 2017, you are entitled to notice of, and to vote at, the special meeting of shareholders. You will have one vote at the special meeting for each share of Standard common stock you owned on January 13, 2017. On January 13, 2017, there were 2,606,725 shares of Standard common stock outstanding.

Allegheny record date set at January 13, 2017; one vote per share of Allegheny common stock (see page 3 1).

If you owned shares of Allegheny common stock at the close of business on January 13, 2017, you are entitled to notice of, and to vote at, the special meeting of shareholders. You will have one vote at the special meeting for each share of Allegheny common stock you owned on January 13, 2017. On January 13, 2017, there were 1,034,168 shares of Allegheny common stock outstanding.

The Companies

Standard Financial Corp.

2640 Monroeville Boulevard

Monroeville, Pennsylvania 15146

(412) 856-0363

Standard Financial Corp., with assets of \$495.2 million as of September 30, 2016, is the holding company for Standard Bank. Standard stock is quoted on the OTCQX market place under the symbol "STND." For more information, visit Standard Bank website at www.standardbankpa.com. The information on Standard's website is not incorporated into this joint proxy statement/prospectus.

Allegheny Valley Bancorp, Inc.

5137 Butler Street

Pittsburgh, PA 15201

(412) 781-0318

Allegheny Valley Bancorp, Inc., with assets of \$444.7 million as of September 30, 2016, is the holding company for Allegheny Valley Bank of Pittsburgh. Allegheny stock is quoted on the OTCQX market place under the symbol "AVLY." For more information, visit the Allegheny website at www.avbpg.com. The information on Allegheny's website is not incorporated into this joint proxy statement/prospectus.

Standard and Allegheny propose a merger of equals to be effected through the merger of Allegheny with and into Standard (see page 3 5).

The boards of directors of Standard and Allegheny have each unanimously approved a merger of equals through the merger of Allegheny with and into Standard. Under the terms of the merger agreement, Allegheny

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will merge with and into Standard, and will be renamed “Standard AVB Financial Corp.” Allegheny Valley Bank of Pittsburgh will merge with and into Standard Bank, and the resulting institution will be named “Standard Bank.” A copy of the merger agreement is attached to this document as **Annex A** and a copy of the plan of merger for the banks is attached as Exhibit 4 to the merger agreement.

The boards of directors of Standard and Allegheny are unanimously recommending a vote in favor of the merger and believe that a merger of the two companies will create a stronger and more efficient entity than either Standard or Allegheny is likely to be alone (see page 60).

Both boards of directors of Standard and Allegheny are unanimously recommending its respective shareholders vote in favor of the merger. The boards of directors of Standard and Allegheny believe that a merger of the two companies will create a stronger entity than either Standard or Allegheny is likely to be independently. Standard and Allegheny are each Pittsburgh area banking franchises that share a complimentary vision and mission statement. The merger is expected to leverage the strengths of each institution and result in economies of scale that will create shareholder value. Each board of directors believes that the merger will provide an opportunity for the combined company to capitalize on the combined resources in the short term and strengthen their prospects for the continued growth over the long term. Furthermore, since the two companies serve markets that are geographically complementary to the other, the combined entity will have a more diverse market concentration than either of the two companies on their own. The merger also involves certain risks, which are described under “Risk Factors” beginning on page 21 .

Allegheny shareholders will receive shares of Standard common stock (see page 34).

At the effective time of the merger, each outstanding share of Allegheny common stock will be converted into and become the right to receive 2.083 shares of Standard common stock, subject to adjustment in accordance with the merger agreement. Specifically, if, as of the determination date, as defined in the merger agreement, (i) Standard common stock declines to less than \$19.80, and (ii) also underperforms the KBW Nasdaq Bank Index by 20% or more, and Allegheny elects to exercise its termination right, then Standard may elect to increase the exchange ratio so that the revised value of Standard common stock to be received by Allegheny shareholders is equal to the value Allegheny shareholders would have received if the Standard common stock price was \$19.80. This increase to the exchange ratio would compensate Allegheny shareholders for the decrease in Standard’s common stock referenced above . The exchange ratio will also be appropriately adjusted if there is a stock dividend, stock split, reverse stock split, common stock reclassification, or other similar event regarding Standard common stock before completion of the merger. Standard will not issue fractional shares of its common stock as part of the merger and will instead pay cash for any fractional share of common stock a shareholder of Allegheny would have otherwise received in the merger.

The board of directors of Standard has received an opinion from Standard’s financial advisor regarding the exchange ratio (see page 45).

In connection with the merger, the board of directors of Standard received a written opinion, dated August 29, 2016, from Standard’s financial advisor, Keefe, Bruyette & Woods, Inc. (“KBW”), as to the fairness, from a financial point of view, and as of the date of such opinion, of the exchange ratio Standard. The full text of the opinion of KBW is included in this document as **Annex B**. Standard encourages you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered, and limitations of the review undertaken by KBW. The opinion of KBW is directed to Standard’s board of directors and does not constitute a recommendation to you or any other shareholder as to how to vote with respect to the merger or any other matter relating to the proposed merger.

The board of directors of Allegheny has received an opinion from Allegheny’s financial advisor regarding the exchange ratio (see page 60).

In connection with the merger, the board of directors of Allegheny received a written opinion from Allegheny’s financial advisor, Boenning & Scattergood, Inc. (“Boenning”), as to the fairness of the exchange ratio, from a financial point of view, to the shareholders of Allegheny. The full text of the opinion of Boenning, dated as of August 29, 2016, is included in this document as **Annex C**. Allegheny encourages you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered, and limitations of the review undertaken by Boenning. The opinion of Boenning is directed to Allegheny’s board of directors and does not constitute a recommendation to you or any other shareholder as to how to vote with respect to the merger, the form of consideration to be received in the merger, or any other matter relating to the proposed merger.

Standard Shareholder Vote Required (see page 32).

Approval and Adoption of the Merger Agreement. The affirmative vote, in person or by proxy, of at least a majority of the outstanding shares of Standard common stock on the record date is required to approve and adopt the merger agreement.

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Approval and Adoption of the Amendments to the Articles of Incorporation. The affirmative vote of a majority of the outstanding shares of Standard common stock is required to approve and adopt the amendments to Standard's articles of incorporation to include Article 14 "Other Corporate Governance Matters", which provides as follows:

Paragraph 1 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to engage in a merger transaction. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to engage in a merger transaction.

Paragraph 2 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to remove a director from the board. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to remove a director from the board.

Paragraph 3 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation.

In addition to the inclusion of new Article 14, Standard is proposing to amend Article 1 to the articles of incorporation so that the name of the surviving corporation will be "Standard AVB Financial Corp."

Each of these amendments to the Standard articles of incorporation requires the approval of Standard's shareholders. Approval of Proposals 2 through 5 by Standard's shareholders is a condition that must be satisfied in order to require Allegheny to complete the merger. While Allegheny may also waive this condition to closing if all or some of Proposals 2 through 5 are not approved by Standard's shareholders, it is not required to do so. Therefore, failure by Standard's shareholders to approve Proposals 2 through 5 may lead to the termination of the merger agreement and merger. These amendments will become effective only upon the completion of the merger and the approval of such amendments by Standard's shareholders is a condition to closing the merger.

Discretionary Authority to Postpone/Adjourn the Special Meeting. The affirmative vote of the holders of a majority of the votes cast by the holders of Standard common stock entitled to vote on the adjournment proposal is required to

approve the proposal to grant discretionary authority to the Standard board of directors to adjourn the special meeting if necessary to solicit additional proxies from Standard shareholders in the event a quorum is present at Standard's special meeting but there are insufficient votes to adopt the merger agreement.

Each holder of shares of Standard common stock outstanding on the record date will be entitled to one vote for each share held of record. The vote required for approval and adoption of the merger agreement is a percentage of all outstanding shares of Standard common stock. Therefore, abstentions will have the same effect as a vote against the merger agreement and the merger. Brokers who hold Standard common stock as nominees on your behalf will not have authority to vote your shares with respect to the merger agreement or the merger unless you provide voting instructions in accordance with the directions provided by your broker. Failure to provide your broker with voting instructions will have the same effect as a vote against the merger agreement.

Allegheny Shareholder Vote Required (see page 32).

Approval and Adoption of the Merger Agreement. Allegheny's articles of incorporation require the approval and adoption of the merger agreement and the merger by an affirmative vote of at least 70% of the shares of Allegheny common stock outstanding on the record date.

Advisory (Non-binding) Vote Regarding Golden Parachute Compensation. The affirmative vote of a majority of Allegheny shares represented, in person or by proxy, at the special meeting is required to approve, on an advisory (non-binding) basis, the golden parachute compensation payable to Allegheny's named executive officers that is based on or related to the proposed merger.

Discretionary Authority to Adjourn or Postpone the Special Meeting. In accordance with Allegheny's bylaws, the affirmative vote of a majority of Allegheny shares represented, in person or by proxy, at the special meeting is required to approve the proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve and adopt the merger agreement.

Advisory (Non-binding) Vote Regarding the Amendments to Standard's Articles of Incorporation. As a required closing condition to the merger, Standard must amend its articles of incorporation to include Article 14 "Other Corporate Governance Matters", which provides as follows:

Paragraph 1 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to engage in a merger transaction. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to engage in a

merger transaction.

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Paragraph 2 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to remove a director from the board. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to remove a director from the board.

Paragraph 3 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation.

In addition to the inclusion of new Article 14, Standard is proposing to amend Article 1 to the articles of incorporation so that the name of the surviving corporation will be “Standard AVB Financial Corp.”

As each shareholder of Allegheny will become a shareholder of Standard upon completion of the merger transaction, the Standard and Allegheny boards are seeking input from Allegheny’s shareholders on the several amendments to Standard’s articles of incorporation. The affirmative vote of a majority of Allegheny shares represented, in person or by proxy, at the special meeting is required to approve, on an advisory (non-binding) basis, the amendments to Standard’s articles of incorporation.

Each holder of shares of Allegheny common stock outstanding on the record date will be entitled to one vote for each share held of record. The vote required for approval and adoption of the merger agreement is a percentage of all outstanding shares of Allegheny common stock. Therefore, abstentions will have the same effect as a vote against the merger agreement and the merger. Brokers who hold Allegheny common stock as nominees on your behalf will not have authority to vote your shares with respect to the merger agreement or the merger unless you provide voting instructions in accordance with the directions provided by your broker. Failure to provide your broker with voting instructions will have the same effect as a vote against the merger agreement.

Standard directors and executive officers have agreed to vote in favor of the merger (see page 8 5).

On January 13, 2017, the directors and executive officers of Standard had sole or shared voting power over 387,220 shares, or 14.85%, of the outstanding shares of Standard common stock. These directors and officers of Standard have agreed to vote these shares of Standard common stock in favor of approving and adopting of the merger agreement.

Allegheny directors and executive officers have agreed to vote in favor of the merger (see page 8 5).

On January 13, 2017, the directors and executive officers of Allegheny had sole or shared voting power over 90,398 shares, or 8.74%, of the outstanding shares of Allegheny common stock. These directors and officers of Allegheny have agreed with Standard to vote these shares of Allegheny common stock in favor of approving and adopting the merger agreement.

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Standard and Allegheny directors and executive officers may have interests in the merger that differ from your interests (see page 81).

In considering the information contained in this joint proxy statement/prospectus, you should be aware that Allegheny's and Standard's directors and executive officers have financial interests in the merger that are different from, or in addition to, the interests of Allegheny and Standard shareholders generally. These interests include, among other things:

- the accelerated vesting of the outstanding Allegheny restricted stock awards;
- the rollover of the outstanding Allegheny stock options into Standard stock options;
- the right to receive cash severance under Allegheny's amended employment and change in control agreements if their employment is involuntarily terminated without cause;
- the right to continued indemnification and liability insurance coverage for Allegheny's and Standard's current directors by Standard after the merger for acts or omissions occurring before the merger; and
- the right to six Allegheny board seats and seven Standard board seats on the combined company's board of directors, and any related compensation for such services.

None of Standard's executives and employees will receive change in control related payments or benefits since the merger does not constitute a "change in control" for purposes of Standard's employment agreements, change in control agreements, equity incentive plan and employee stock ownership plan.

Each of Standard's and Allegheny's board of directors was aware of these interests and considered them in approving and recommending the merger agreement. These and certain other additional interests of Standard's and Allegheny's directors and executive officers are described in detail in "Proposal 1—The Merger—Interests of Directors and Executive Officers in the Merger," found elsewhere in this document. These circumstances may cause some of Standard's and Allegheny's directors and executive officers to view the proposed merger differently than you view it.

Standard and Allegheny must obtain regulatory approval and satisfy other conditions before the merger is complete (see page 78).

Standard's and Allegheny's obligations to complete the merger and the bank merger are subject to various conditions that are usual and customary for this kind of transaction. These conditions include obtaining approval from the Federal Reserve Board, the FDIC and the Pennsylvania Department of Banking. As of the date of this document, appropriate applications for approval have been filed and Standard has received Federal Reserve Board, FDIC and Pennsylvania Department of Banking approvals with respect to the transaction. In addition to the required regulatory approvals, the merger will only be completed if certain conditions are met. See "Proposal 1—The Merger—Terms of the Merger—Conditions to Merger."

Amendment or termination of the merger agreement is possible (see page 77).

Standard and Allegheny can agree to amend the merger agreement in any way, except that, after approval by Standard and Allegheny shareholders at their special meetings, Standard and Allegheny cannot change the amount of Standard common stock Allegheny shareholders will receive in the transaction from what is provided in the merger agreement.

Standard and Allegheny may agree to terminate the merger agreement and not complete the merger at any time before the merger is completed. Each company also may unilaterally terminate the merger agreement in certain circumstances. These include the failure to complete the merger by August 31, 2017, unless the terminating company's breach is the reason the merger has not been completed. See "Proposal 1 – the Merger – Terms of the Merger – Termination."

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Rights of Allegheny shareholders differ from those of Standard shareholders (see page 88).

When the merger is complete, Allegheny shareholders will become Standard shareholders by operation of law. The rights of Allegheny shareholders differ from the rights of Standard shareholders in certain important ways. Many of these differences have to do with provisions in Allegheny's articles of incorporation and bylaws that differ from those of Standard. See "Comparison of Shareholders' Rights."

Material U.S. federal income tax consequences of the merger (see page 86).

The merger is intended to qualify as a tax free "reorganization" within the meaning of Section 368(a) of the Code. Accordingly, Allegheny shareholders generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Allegheny common stock for shares of Standard common stock in the merger, except with respect to any cash received in lieu of fractional shares. This tax treatment may not apply to all Allegheny shareholders.

It is a condition to the closing of the merger that Standard receive the opinion of its special counsel, Luse Gorman, PC, and that Allegheny receive the opinion of its special counsel, Bybel Rutledge LLP, substantially to the effect that, on the basis of facts, representations, and assumptions set forth or referred to in that opinion (including factual representations contained in certificates of officers of Standard and Allegheny), the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. The condition is waivable, and in such case, Standard and Allegheny will undertake to recirculate and resolicit if the condition is waived by either party and the change in the tax consequences is material.

Standard urges you to consult your tax advisor for a full understanding of the specific tax consequences of the merger to you. Tax matters are very complicated and, in many cases, tax consequences of the merger will depend on your particular facts and circumstances. See "Proposal 1—The Merger—Material U.S. Federal Income Tax Consequences," beginning at page 86.

Allegheny shareholders are entitled to dissenters' rights (see page 88).

Only an Allegheny shareholder has the right under Pennsylvania law to dissent from the merger and to demand and receive a cash payment for the statutorily determined "fair value" of his or her common stock in the event that the merger is completed. The statutorily determined "fair value" could be more or less than the value of the merger

consideration. In order to assert dissenters' rights, Allegheny shareholders must precisely follow the process described in "Proposal 1—The Merger—Rights of Dissenting Shareholders" and in **Annex D**. These sources describe provisions of Pennsylvania law related to dissenters' rights. Allegheny shareholders also are encouraged to consult with their own legal advisor as to their dissenters' rights under Pennsylvania law. Failure to strictly comply with these procedures will result in the loss of these dissenters' rights and an Allegheny shareholder's ability to receive cash for the statutorily determined "fair value" of his or her common stock of Allegheny.

Standard and Allegheny will maintain a significant presence in their communities (see page 74).

After the effective time of the merger, the administrative headquarters of the combined company and bank will be located in Monroeville, Pennsylvania, and certain operational functions of the combined company and bank will be located in Lawrenceville, Pennsylvania.

Market Price and Dividend Information

Standard

As of January 13, 2017, there were 2,606,725 shares of Standard common stock outstanding, which were held by approximately 362 holders of record. The number of shareholders does not reflect the number of individuals or institutional investors holding stock in nominee name through banks, brokerage firms, and others.

Additionally, a substantial source of Standard's income from which it can pay dividends is the receipt of dividends from Standard Bank. The availability of dividends from Standard Bank is limited by various statutes and regulations. It also is possible, depending on the financial condition of Standard Bank, and other factors, that the applicable regulatory authorities could assert that payment of dividends or other payments is an unsafe

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or unsound banking practice. In the event that Standard Bank is unable to pay dividends to Standard, Standard may not be able to pay dividends on its common stock. As of the date of this joint proxy statement/prospectus, Standard has no such restrictions.

Standard common stock is listed on the OTCQX market place under the symbol "STND." There is a limited public trading market for Standard common stock. The following table shows, for the indicated periods, the high and low sales prices per share for Standard common stock as reported on the OTCQX market place and dividends declared per share of Standard common stock. These prices may include retail markups, markdowns, or commissions.

	High	Low	Dividend Declared
2017			
First Quarter (through January 13, 2017)	\$25.65	\$25.15	N/A
2016			
First Quarter	\$26.50	\$23.45	\$ 0.110
Second Quarter	24.50	23.18	0.110
Third Quarter	25.95	22.75	0.110
Fourth Quarter	25.50	22.70	0.110
2015			
First Quarter	\$21.80	\$20.75	\$ 0.060
Second Quarter	22.46	20.75	0.060
Third Quarter	23.50	21.10	0.060
Fourth Quarter	26.95	23.41	0.085
2014			
First Quarter	\$18.79	\$18.05	\$ 0.045
Second Quarter	20.00	18.50	0.045
Third Quarter	22.00	19.00	0.060
Fourth Quarter	22.89	20.55	0.060

On August 26, 2016, the last trading day before the public announcement of the execution of the merger agreement, and on January 13, 2017, the record date for determining Standard shareholders entitled to vote at the Standard special meeting, the high, low and closing sales prices for Standard common stock were as follows:

	August 26, 2016			January 13, 2017		
	High	Low	Closing	High	Low	Closing
Standard Common Stock	\$24.75	\$24.75	\$ 24.75	\$25.65	\$25.60	\$ 25.65

Allegheny

As of January 13, 2017, there were 1,034,168 shares of Allegheny common stock outstanding which were held by approximately 294 holders of record. The number of shareholders does not reflect the number of individuals or institutional investors holding stock in nominee name through banks, brokerage firms, and others.

Allegheny common stock is listed on the OTCQX market place under the symbol "AVLY." There is a limited public trading market for Allegheny common stock. The following table shows, for the indicated periods, the high and low sales prices per share for Allegheny common stock as reported on the OTCQX market place and dividends declared per share of Allegheny common stock. These prices may include retail markups, markdowns, or commissions.

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	High	Low	Dividend Declared ⁽¹⁾
2017			
First Quarter (through January 13, 2017)	\$53.79	\$50.35	N/A
2016			
First Quarter	\$42.56	\$37.80	\$ 0.4575
Second Quarter	41.77	37.91	0.4588
Third Quarter	51.12	39.32	0.4600
Fourth Quarter	56.87	47.49	0.4600
2015			
First Quarter	\$42.31	\$40.34	\$ 0.4526
Second Quarter	43.41	40.10	0.4538
Third Quarter	40.10	37.49	0.4551
Fourth Quarter	44.64	38.44	0.4563
2014			
First Quarter	\$41.86	\$38.59	\$ 0.4478
Second Quarter	41.86	38.56	0.4490
Third Quarter	40.02	37.44	0.4503
Fourth Quarter	43.07	37.44	0.4514

In each quarter, Allegheny's board of directors declared a \$0.46 per share cash dividend. However, the dividends (1) have been adjusted to reflect stock dividends declared by the board of directors following payment of the quarterly cash dividend.

On August 26, 2016, the last trading day before the public announcement of the execution of the merger agreement, and on January 13, 2017, the record date for determining Allegheny shareholders entitled to vote at the Allegheny special meeting, the high, low and closing sales prices for Allegheny common stock were as follows:

	August 26, 2016			January 13, 2017		
	High	Low	Closing	High	Low	Closing
Allegheny Common Stock	\$41.95	\$41.95	\$41.95	\$53.79	\$53.79	\$53.79

Pursuant to the merger agreement, Standard and Allegheny have agreed to coordinate with one another with respect to regular quarterly dividends to ensure that holders of Allegheny common stock do not receive two dividends, or fail to receive one dividend, for any quarter with respect to their shares of Allegheny common stock and any shares of Standard common stock received in the merger. In addition, Standard and Allegheny have agreed that for at least five years after the merger, Standard will pay a quarterly cash dividend in an amount no less than \$0.221 per share, provided that sufficient funds are legally available for payment of dividends and that Standard and the combined bank remains "well-capitalized" in accordance with applicable regulatory guidelines. The post-merger quarterly dividend may only be reduced below \$0.221 per share upon the approval of 75% of the board of directors for the first two years

following the closing of the merger and 66 ²/₃% of the board of directors for the three years thereafter.

Comparative Market Value

Currently, neither the common stock of Standard nor the common stock of Allegheny is traded on a national securities exchange, but both are quoted on the OTCQX, and there is a limited public trading market for common stock of both Standard and Allegheny. For more information regarding the share price information of Standard and Allegheny common stock, please see “Market Price and Dividend Information.”

The following table sets forth the market value per share of Standard and Allegheny common stock and the equivalent market value per share of Allegheny common stock on August 26, 2016 (the last trading date prior to the date of the public announcement of the execution of the merger agreement) and January 13, 2017 (the latest practicable trading day prior to the date of this document). The equivalent market value is based upon an assumed exchange ratio of 2.083 shares of Standard common stock multiplied by the closing sales price of Standard common stock on the specified date.

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	Standard Historical	Allegheny Historical	Allegheny Equivalent Market Value
August 26, 2016	\$ 24.75	\$ 41.95	\$ 51.55
January 13, 2017	\$ 25.65	\$ 53.79	\$ 53.43

As a comparison, for the 60 trading days ending on August 26, 2016 (the last trading date prior to the date of the public announcement of the execution of the merger agreement), Standard's average stock price was \$24.10 and Allegheny's average stock price was \$41.09. Therefore, based upon Standard's 60 trading day average stock price and using the exchange ratio of 2.083 shares, the equivalent market value of Allegheny was \$50.20.

Advisory (Non-binding) Vote on Golden Parachute Compensation (Page 17 6)

In accordance with SEC rules, Allegheny is providing its shareholders with the opportunity to vote to approve on an advisory (non-binding) basis, certain payments that will or may be made to certain named executive officers of Allegheny in connection with the merger, as reported under "Proposal 1: The Merger - Merger-Related Executive Compensation for Allegheny's Named Executive Officers" on page ___.

Advisory (Non-binding) Vote Regarding the Amendments to Standard's Articles of Incorporation (Page 17 6)

As a required closing condition to the merger, Standard must amend its articles of incorporation to include new Article 14 "Other Corporate Governance Matters", which provides as follows:

Paragraph 1 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to engage in a merger transaction. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to engage in a merger transaction.

Paragraph 2 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to remove a director from the board. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to remove a director from the board.

Paragraph 3 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation.

The supermajority requirements of Article 14 with respect to material transactions, board member removal from the combined board and amendment of the articles of incorporation were introduced to ensure continuity and cohesiveness of the combined board and to foster cooperation in the years following the closing of the merger transaction. Article 14 was deemed by Allegheny to be an essential facet of the merger agreement and merger.

In addition to the inclusion of new Article 14, Standard is proposing to amend Article 1 to the articles of incorporation so that the name of the surviving corporation will be “Standard AVB Financial Corp.” The new name is intended to provide shareholders with a sense of continuity and familiarity while preserving part of the historical significance of each company.

As each shareholder of Allegheny will become a shareholder of Standard upon completion of the merger transaction, the Standard and Allegheny boards are seeking input from Allegheny’s shareholders on the several amendments to Standard’s articles of incorporation.

For more information on the existing rights of Allegheny shareholders and their post-merger rights as shareholders of Standard, please see “Comparison of Shareholders Rights” beginning on page 168, and more specifically the effect of the proposed amendments to Article 14 of Standard’s articles of incorporation on those post-merger rights see “Comparison of Shareholders Rights — Removal of Directors”, “—Fundamental Changes to Corporation”, and “—Amendment Articles of Incorporation”.

Adjournment or Postponement Proposals (Page 17 6)

You are being asked to approve a proposal to grant the Standard and Allegheny boards of directors discretionary authority to adjourn or postpone the special meetings, if necessary, to solicit additional proxies from their shareholders for the merger proposal in the event a quorum is present at the special meeting but there are insufficient votes to approve and adopt the merger agreement.

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Selected Unaudited *Pro Forma* Combined Financial Data

The following tables show information about the combined company's financial condition and results of operations, after giving effect to the merger. This information is called unaudited *pro forma* financial information in this document. The information under "Combined Income Statement" in the table below gives effect to the *pro forma* results for the twelve months ended September 30, 2016. The information under "Combined Balance Sheet" in the table below assumes the merger was completed on September 30, 2016. This *pro forma* financial information assumes that the merger is accounted for using the purchase method of accounting and represents a current estimate of the financial information based on available financial information of Standard and Allegheny. See "Proposal 1—The Merger—Accounting Treatment" on page 83.

The unaudited *pro forma* combined financial information includes adjustments to reflect the assets and liabilities of Allegheny at their estimated fair values at or near September 30, 2016. The unaudited *pro forma* data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions and share repurchases, among other factors, nor the impact of possible business model changes. As a result, unaudited *pro forma* data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results.

The information presented below should be read together with the historical consolidated financial statements of Standard and Allegheny, including the related notes, and together with the consolidated historical financial data for Standard and Allegheny appearing elsewhere in the joint proxy statement/prospectus. In addition, as explained in more detail in the accompanying notes to the unaudited *pro forma* financial information found elsewhere in this joint proxy statement/prospectus, the allocation of the purchase price reflected in the Selected Unaudited *Pro Forma* Combined Financial Data is subject to adjustment and will vary from the actual purchase price allocation that will be recorded upon completion of the merger based upon changes in the balance sheet including fair value estimates.

Table of Contents**Unaudited Pro Forma Combined Condensed Balance Sheet****As of September 30, 2016****(\$ In Thousands, Except Per Share Data)**

	Standard Historical⁽¹⁾	Allegheny Historical⁽¹⁾	Pro Forma Merger Adjustments		Standard/ Allegheny Combined Pro Forma
Assets					
Cash and cash equivalents	\$ 18,661	\$ 9,617	\$ (3,707) ⁽²⁾	\$ 24,571
Securities	63,903	105,067	—	⁽³⁾	168,970
Loans receivable, net	378,314	302,792	(2,325) ⁽⁴⁾	678,781
Banked owned life insurance	14,946	6,401	—		21,347
Other assets	19,395	20,776	6,385	⁽⁵⁾	46,556
Total Assets	\$ 495,219	\$ 444,653	\$ 353		\$ 940,225
Liabilities and Shareholders' Equity					
Liabilities					
Deposits	\$ 368,634	\$ 320,895	\$ 1,211	⁽⁶⁾	\$ 690,740
Borrowed funds	50,820	69,760	—	⁽⁷⁾	120,580
Other liabilities	2,753	2,753	—		5,506
Total liabilities	422,207	393,408	1,211		816,826
Total stockholders' equity	73,012	51,245	(858) ⁽⁸⁾	123,399
Total liabilities and shareholders' equity	\$ 495,219	\$ 444,653	\$ 353		\$ 940,225

(1) From Standard's audited financial statements as of September 30, 2016 and Allegheny's internal financial statements as of September 30, 2016.

(2) Reflects \$2,793 of after-tax deal costs plus restructuring costs for Standard and \$914 of merger costs for Allegheny. Merger consideration is all common stock, thus no cash is required.

(3) No adjustment to carrying value of securities as all securities are held as "available for sale".

(4) Consists of \$140 yield discount and \$5,931 credit discount on the acquired loan portfolio, offset in part by elimination of Allegheny's existing allowance for loan losses of \$3,746.

(5) Includes goodwill created from the merger of \$11,070, core deposit intangible of \$3,418 and a deferred tax asset of \$41, offset in part by elimination of Allegheny's historical goodwill of \$8,144. Goodwill is calculated as follows:

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	Fair Value of Net Assets Acquired (In thousands, except per share data)	Calculation of Goodwill	Merger Consideration (Cash/Stock)	
Purchase price per share (\$)**		\$ 51.55		
Number of AVLY shares acquired Issued and outstanding as of September 30, 2016		1,031,612	100	%
Stock portion of merger consideration		\$ 53,180	0	%
Cash portion of merger consideration		—		
Purchase price, total		\$ 53,180		
Acquired common equity	\$ 51,245			
Less: AVLY deal costs	(914)			
Less: Existing goodwill	(8,144)			
Acquired tangible common equity	\$ 42,186			
Taxable fair value accounting adjustments:				
Loan yield discount	(140)			
New loan credit discount	(5,931)			
Elimination of existing loan ALL	3,746			
Certificates of Deposit yield premium	(1,211)			
Core deposit intangible	3,418			
Net taxable fair value accounting adjustments	\$ (118)			
Deferred Tax Asset from FV Adjusts at 35%	41			
Net Assets Acquired		\$ 42,110		
Goodwill		\$ 11,070		

**Assumes Standard common stock price of \$24.75, as of August 26, 2016, last closing price before public announcement.

(6) Reflects fair value adjustment for yield adjustment on acquired certificate of deposit portfolio.

(7) Assumes immaterial yield adjustment from Allegheny borrowings, all of which are overnight borrowings from the Federal Home Loan Bank of Pittsburgh (“FHLB”).

(8) Adjustments include:

Elimination of Allegheny’s investment in common stock (par value)	\$(1,170)
Elimination of Allegheny’s historical paid-in-capital	(2,595)
Elimination of Allegheny’s historical retained earnings	(44,961)
Elimination of Allegheny’s AOCI adjustment	(2,519)
Total Elimination of Allegheny’s equity	\$(51,245)

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Plus: par value of Standard common stock issued as merger consideration	\$21
Plus: additional paid in capital of Standard common stock issued as merger consideration	53,159
Less: Merger and restructuring expenses incurred by Standard	(2,793)
Net adjustments to equity	\$(858)

Table of Contents**Unaudited Pro Forma Combined Condensed Income Statement****As of September 30, 2016****(\$ In Thousands, Except Per Share Data)**

	Standard Historical⁽¹⁾	Allegheny Historical⁽¹⁾	Pro Forma Merger Adjustments		Standard/ Allegheny Pro Forma Combined
Interest Income:					
Loans	\$ 14,430	\$ 12,522	\$ 552	(2)	\$ 27,504
Investment Securities	1,647	2,963	—	(3)	4,610
Total Interest Income	16,077	15,485	552		32,114
Interest Expense:					
Deposits	2,604	1,119	(389)) ⁽⁴⁾	3,334
Borrowings	844	299	—	(5)	1,143
Total Interest Expense	3,448	1,418	(389))	4,477
Net Interest Income	12,629	14,067	941		27,637
Provision (recapture) for Loan and Lease Losses	105	387	—		492
Net Interest Income After Provision	12,524	13,680	941		27,145
Noninterest Income:					
Service Charges	1,632	1,163	—		2,795
Earnings on Bank Owned Life Insurance	491	—	—		491
Other Noninterest Income	586	1,486	—		2,072
Total Noninterest income	2,709	2,649	—		5,358
Noninterest Expense:					
Compensation and Employee Benefits	6,520	6,031	—		12,551
Premises and Occupancy Costs	1,248	2,144	—		3,392
Other Noninterest Expense	3,238	4,077	(429)) ⁽⁶⁾	6,816
Total Noninterest Expense	11,006	12,182	(429))	22,759
Income Before Income Taxes	4,227	4,147	1,370		9,744
Income Tax Provision	1,193	1,036	480	(7)	2,709
Net Income	\$ 3,034	\$ 3,111	\$ 891		\$ 7,036
Earnings per common share					
Basic	\$ 1.26	\$ 3.04	—		\$ 1.54
Diluted	\$ 1.22	\$ 3.04	—		\$ 1.51
Weighted average common shares outstanding					
Basic	2,414,449	1,021,824	2,148,671	(8)	4,563,120
Diluted	2,493,256	1,023,395	2,156,500	(9)	4,649,756

- (1) Based on Standard's audited financial statements for the year ended September 30, 2016 and Allegheny's internal financial statements for the twelve months ended September 30, 2016.
- (2) Year one accretion of yield and credit discounts on acquired loans; assumes level yield amortization method, beginning yield discount of \$140 and accretable credit discount of \$3,069.
 - (3) No adjustment to carrying value of securities as all securities are held as "available for sale".
- (4) Year one deposit premium amortization on certificate of deposit fair value adjustment, based on maturity profile of CD portfolio.
- (5) Assumes immaterial yield adjustment from Allegheny borrowings, all of which are overnight borrowings from the FHLB.
- (6) Reflects year one amortization cost of the core deposit intangible of \$684 and eliminates the non-recurring merger expenses for the 12 months ended September 30, 2016 of \$709 for Standard and \$404 for Allegheny.
 - (7) Marginal tax rate of 35.0%.
- (8) Reflects common shares issued as part of the merger consideration.
- (9) Reflects common shares issued as part of the merger consideration (2,148,671) plus additional diluted shares from the exchange of outstanding Allegheny stock options to Standard stock options.

Table of ContentsComparative *Pro Forma* Per Share Data

Presented below is the Allegheny and Standard historical per share financial data, the unaudited *pro forma* combined per share financial data, and the Allegheny *pro forma* equivalent per share financial data for the twelve months ended September 30, 2016. This information should be considered together with the financial statements and related notes of Allegheny and Standard and with the unaudited *pro forma* combined financial data included under “Unaudited *Pro Forma* Combined Financial Information” found elsewhere in this joint proxy statement/prospectus.

Unaudited Pro Forma Per Share Data**For The Twelve Months Ended September 30, 2016****(\$ In Thousands, Except Per Share Data)**

	Standard Historical⁽¹⁾	Allegheny Historical⁽¹⁾	Pro Forma Standard Combined	Pro Forma Equivalent Allegheny Share ⁽⁵⁾
Earnings per share:				
For the twelve months ended September 30, 2016				
Net income per share (Basic)	\$ 1.26	\$ 3.04	\$ 1.54	(1)(2) \$ 3.21
Net income per share (Diluted)	\$ 1.22	\$ 3.04	\$ 1.51	(1)(2) \$ 3.15
Dividends Declared:				
For the twelve months ended September 30, 2016				
	\$ 0.42	\$ 1.84	(6) \$ 0.88	(3) \$ 1.84
Book Value:				
As of September 30, 2016				
	\$ 28.24	\$ 49.67	\$ 26.07	(1)(4) \$ 54.30
Tangible Book Value:				
As of September 30, 2016				
	\$ 24.85	\$ 41.78	\$ 21.15	(1)(4) \$ 44.07

(1) The pro forma combined basic earnings and diluted earnings per share of Standard common stock is based on the pro forma combined net income for Standard and Allegheny divided by the pro forma common shares or diluted common shares of the combined entities. The pro forma information for net income per share (basic) and net income per share (diluted) includes the impact of the amortization or accretion of the fair value adjustments of the

financial assets and liabilities of Allegheny that were subject to adjustment. The pro forma information for book value per share and tangible book value per share includes the impact of adjustments related to the fair values of assets and liabilities of Allegheny that were subject to adjustment, and is subject to further adjustment as additional information becomes available and as additional analysis are performed.

The pro forma earnings per share information does not include anticipated cost savings or revenue enhancements, nor does it include one-time merger and integration expenses which will be expensed against income. Standard and

- (2) Allegheny currently anticipate that potential annual pre-tax cost savings following the merger will be approximately \$3.6 million pre-tax, a majority of which are expected to be realized after the first full twelve months subsequent to the merger. There is no assurance that the anticipated cost savings will be realized on the anticipated time schedule or at all.

Pursuant to the merger agreement, Standard and Allegheny have agreed that for at least five years after the merger, Standard will pay a quarterly cash dividend in an amount no less than \$0.221 per share, provided that sufficient funds are legally available for payment of dividends and that Standard and the combined bank remains

- (3) “well-capitalized” in accordance with applicable regulatory guidelines. The post-merger quarterly dividend may only be changed upon the approval of 75% of the board of directors for the two years following the closing of the merger and 66 ²/₃% of the board of directors for the three years thereafter. Accordingly, the pro forma Standard dividend is illustrated at \$0.221 per quarter, or \$0.884 annually.

The pro forma combined book value and tangible book value per share data includes the impact of merger expenses on the balance sheet, with Standard’s after tax charges currently estimated at \$2.8 million illustrated as a pro forma adjustment to retained earnings and Allegheny’s after-tax estimated charges of \$0.9 million illustrated as

- (4) a pro forma adjustment to the goodwill balance. The pro forma combined book value and tangible book value per share of Standard common stock is based on the pro forma combined common stockholders’ equity and tangible common stockholders’ equity of Standard and Allegheny divided by total pro forma common shares of the combined entities.

- (5) Pro forma equivalent Allegheny per share amount is calculated by multiplying the pro forma combined per share amount by the exchange ratio of 2.083.

- (6) Reflects actual cash dividends paid per share prior to the issuance of quarterly stock dividends.

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Risk Factors

In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in “A Warning About Forward-Looking Information,” on page 28, Standard and Allegheny shareholders should carefully consider the matters described below to determine whether to approve and adopt the merger agreement.

Risks Relating to the Merger

Because the market price of Standard common stock will fluctuate, Allegheny shareholders cannot be sure of the trading price of the merger consideration they will receive.

Upon completion of the merger, each share of Allegheny common stock will be converted into the right to receive merger consideration consisting of shares of Standard common stock. The exchange ratio in the merger agreement will not be adjusted in the event of any change in the stock prices of Standard or Allegheny prior to the merger. However, in the event that a significant decline in Standard’s stock price occurs that is greater than the relative decline in the KBW Nasdaq Bank Index, and Standard has not increased the exchange ratio to provide the same economic value to Allegheny shareholders, Allegheny may determine to terminate the merger agreement. There also will be a period of time between the date when shareholders of each of Standard and Allegheny vote on the merger agreement and the date when the merger is completed. The relative prices of Standard and Allegheny common stock may vary between the date of this joint proxy statement/prospectus, the dates of the special meetings, and the date of completion of the merger. The market price of Standard and Allegheny common stock may change as a result of a variety of factors, including general market and economic conditions, changes in its business, operations and prospects, and regulatory considerations. Many of these factors are beyond the control of Standard or Allegheny and are not necessarily related to a change in the financial performance or condition of Standard or Allegheny. As Standard and Allegheny market share prices fluctuate, based on numerous factors, the value of the shares of Standard common stock that an Allegheny shareholder will receive will correspondingly fluctuate. In addition, Standard is not listed and does not trade on a national exchange. It is impossible to predict accurately the market price of Standard common stock after completion of the merger. Accordingly, the prices of Standard and Allegheny common stock on the dates of the special meetings may not be indicative of their prices immediately prior to completion of the merger and the price of Standard common stock after the merger is completed.

See “Summary—Market Price and Dividend Information.” Standard urges you to obtain current market quotations for Standard common stock.

The combined company will incur significant transaction and merger-related costs in connection with the merger.

Standard and Allegheny expect to incur costs associated with combining the operations of the two companies. Standard and Allegheny have begun collecting information in order to formulate detailed integration plans to deliver planned synergies. Additional unanticipated costs may be incurred in the integration of the businesses of Standard and Allegheny. Whether or not the merger is consummated, Standard and Allegheny will incur substantial expenses, such as legal, accounting, printing and financial advisory fees, in pursuing the merger. Although Standard and Allegheny expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction and merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

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The merger may distract Standard's and Allegheny's management teams from their other responsibilities.

The merger could cause the management of the companies to focus their time and energies on matters related to the merger that otherwise would be directed to the companies' business and operations. Any such distraction on the part of management, if significant, could affect management's ability to service existing business and develop new business and adversely affect the combined company's business and earnings following the merger.

Standard and Allegheny directors and executive officers may have interests in the merger that differ from your interests.

In considering the information contained in this joint proxy statement/prospectus, you should be aware that Allegheny's and Standard's directors and executive officers have financial and other interests in the merger that are different from, or in addition to, the interests of Allegheny and Standard shareholders generally. These interests include, among other things:

·the accelerated vesting of the outstanding Allegheny restricted stock awards;

·the rollover of the outstanding Allegheny stock options into Standard stock options;

·the right to receive cash severance under Allegheny's amended employment and change in control agreements if their employment is involuntarily terminated without cause;

·the right to continued indemnification and liability insurance coverage for Allegheny's and Standard's directors by Standard after the merger for acts or omissions occurring before the merger; and

·the right to six Allegheny board seats and seven Standard board seats on the combined company's board of directors, and any related compensation for such services.

None of Standard's executives and employees will receive change in control related payments or benefits since the merger does not constitute a "change in control" for purposes of Standard's employment agreements, change in control agreements, equity incentive plan and employee stock ownership plan ("ESOP").

Each of Standard's and Allegheny's board of directors was aware of these interests and considered them in approving and recommending the merger agreement. These circumstances may cause some of Standard's and Allegheny's directors and executive officers to view the proposed merger differently than you view it.

These and certain other additional interests of Standard's and Allegheny's directors and executive officers are described in detail in "Proposal 1—The Merger—Interests of Directors and Executive Officers in the Merger," found elsewhere in this document.

The fairness opinions received by the respective boards of directors of Standard and Allegheny from the parties' respective financial advisors prior to the execution of the merger agreement will not reflect changes in circumstances after the date of the fairness opinions.

KBW, Standard's financial advisor in connection with the merger, and Boenning, Allegheny's financial advisor in connection with the merger, delivered to the boards of directors of Standard and Allegheny, respectively, their fairness opinions on August 29, 2016. Standard and Allegheny shareholders should be aware that the opinions do not speak as of any date other than as of August 29, 2016. The opinions do not reflect changes that may occur or may have occurred after the date of such opinions, including changes to the operations and prospects of Standard or Allegheny, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors beyond the control of Standard and Allegheny, may materially alter or affect the value of Standard or Allegheny or the sale price of shares of Standard common stock and Allegheny common stock.

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The unaudited *pro forma* financial data included in this joint proxy statement/prospectus are preliminary and Standard's actual financial position and results of operations after the merger may differ materially from the unaudited *pro forma* financial data included in this joint proxy statement/prospectus.

The unaudited *pro forma* financial data in this joint proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the dates indicated. The *pro forma* financial data reflect adjustments, which are based upon preliminary estimates, to record Standard's identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Allegheny as of the date of the completion of the merger. Accordingly, the final purchase accounting adjustments may differ materially from the *pro forma* adjustments reflected in this document.

After the merger is complete, Allegheny shareholders will become Standard shareholders and will have different rights than their current rights.

Upon completion of the merger, Allegheny shareholders will become Standard shareholders. Allegheny is incorporated in Pennsylvania and Standard is incorporated in Maryland. Differences in state law as well as Allegheny's articles of incorporation and bylaws and Standard's articles of incorporation and bylaws will result in changes to the rights of Allegheny shareholders who become Standard shareholders. For more information, see "Comparison of Shareholders' Rights," beginning on page 165 of this document. Shareholders of Allegheny may conclude that their current rights under Allegheny's articles of incorporation and bylaws are more advantageous than the rights they may have as a Standard shareholder under Standard's articles of incorporation and bylaws.

Upon completion of the merger, Standard shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Standard shareholders currently have the right to vote in the election of the board of directors of Standard and on other matters affecting Standard. When the merger occurs, the shares of Standard common stock held by the current Standard shareholders will represent a percentage ownership of the combined company that is much smaller than the shareholders' current percentage ownership of Standard. It is expected that the current shareholders of Standard as a group will own only approximately 54% of the outstanding shares of Standard immediately after the merger. Because of this, Standard's shareholders will have less influence on the management and policies of the combined company than they now have on the management and policies of Standard. In addition, the initial board of directors of the combined company will include 13 members, seven of whom are the current members of the Standard board of directors and six of whom are current members of the Allegheny board of directors.

If the merger is not completed, Standard and Allegheny will have incurred substantial expenses without realizing the expected benefits.

Standard and Allegheny will incur substantial expenses in connection with the merger. The completion of the merger depends on the satisfaction of specified conditions and the receipt of regulatory approvals. Allegheny and Standard cannot guarantee that these conditions will be met. If the merger is not completed, these expenses could have a material adverse impact on the financial condition of Standard and Allegheny because they would not have realized the expected benefits from the merger.

In addition, if the merger is not completed, Standard and/or Allegheny may experience negative reactions from the financial markets and from their respective customers and employees. Standard and/or Allegheny also could be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against Standard or Allegheny to perform their respective obligations under the merger agreement. If the merger is not completed, Standard and Allegheny cannot assure their shareholders that the risks described above will not materialize and will not materially affect the business, financial results and stock prices of Standard and/or Allegheny.

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The merger agreement limits the ability of Standard and Allegheny to pursue alternatives to the merger.

The merger agreement contains “no shop” provisions that, subject to specified exceptions, limit the ability of Standard and Allegheny to solicit, encourage, discuss, recommend or commit to alternative acquisition proposals, as well as a termination fee that is payable by Standard and Allegheny under certain circumstances. These provisions might discourage potential competing transaction partners that might have an interest in acquiring all or a significant part of Standard or Allegheny from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger, or might result in a potential competing transaction partner proposing to pay a lower per share price to acquire Standard or Allegheny than it might otherwise have proposed to pay.

Failure to complete the merger in certain circumstances could require Standard or Allegheny to pay a termination fee.

If the merger should fail to occur in certain circumstances that relate to a possible combination of Standard or Allegheny with another acquirer, Standard or Allegheny may be obligated to pay the other \$2.2 million as a termination fee. Additionally, if Allegheny or Standard fail to obtain shareholder approval of the merger agreement, such party owes the other party reimbursement of actual expenses not to exceed \$550,000. See “Proposal 1—The Merger—Terms of the Merger—Termination Fee.”

Risks Relating to Standard and Its Business

Standard’s ability to pay dividends is subject to limitations.

The merger agreement contemplates that, unless 75% of the board of directors determines otherwise for the two years following the closing of the merger and 66 ²/₃% of the board of directors for the three years thereafter, the combined company will pay a quarterly cash dividend in an amount no less than \$0.221 per share for five years after the effective time of the merger, provided that sufficient funds are legally available, and that Standard and Standard Bank remain “well-capitalized” in accordance with applicable regulatory guidelines.

After the merger, Standard will continue to be a bank holding company and its operations will continue to be conducted by direct and indirect subsidiaries, each of which is a separate and distinct legal entity. Substantially all of Standard’s assets are and will be held by its direct and indirect subsidiaries.

Standard's ability to pay dividends depends on its receipt of dividends from its direct and indirect subsidiaries. After the merger, its principal banking subsidiary, Standard Bank, will be its primary source of dividends. As a state chartered bank, Standard Bank will be subject to regulatory restrictions on the payment and amounts of dividends under the Pennsylvania Banking Code.

Further, the ability of banking subsidiaries to pay dividends is also subject to their profitability, financial condition, capital expenditures and other cash flow requirements. There is no assurance that Standard's subsidiaries will be able to pay the dividends contemplated by the merger agreement or other dividends in the future or that Standard will generate adequate cash flow to pay dividends in the future. Standard's failure to pay dividends on its common stock could have a material adverse effect on the market price of its common stock.

Changes in interest rates could adversely impact Standard's financial condition and results of operations.

Standard's ability to make a profit, like that of most financial institutions, substantially depends upon its net interest income, which is the difference between the interest income earned on interest earning assets, such as loans and investment securities, and the interest expense paid on interest-bearing liabilities, such as deposits and borrowings. However, certain assets and liabilities may react differently to changes in market interest rates. Further, interest rates on some types of assets and liabilities may fluctuate prior to changes in broader market interest rates, while rates on other types of assets may lag behind. Additionally, some assets such as adjustable-rate mortgages have features, and rate caps, which restrict changes in their interest rates.

Factors such as inflation, recession, unemployment, money supply, global disorder, instability in domestic and foreign financial markets, and other factors beyond Standard's control, may affect interest rates. Changes in market interest rates will also affect the level of voluntary prepayments on loans and the receipt of payments on

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mortgage-backed securities, resulting in the receipt of proceeds that may have to be reinvested at a lower rate than the loan or mortgage-backed security being prepaid. Although Standard pursues an asset-liability management strategy designed to control its risk from changes in market interest rates, changes in interest rates can still have a material adverse effect on Standard's profitability.

If Standard has higher loan losses than it has allowed for, Standard's earnings could materially decrease.

Standard's loan customers may not repay loans according to their terms, and the collateral securing the payment of loans may be insufficient to assure repayment. Standard may therefore experience significant credit losses which could have a material adverse effect on its operating results. Standard makes various assumptions and judgments about the collectability of its loan portfolio, including the creditworthiness of borrowers and the value of the real estate and other assets serving as collateral for the repayment of loans. In determining the size of the allowance for loan losses, Standard relies on its experience and its evaluation of economic conditions. If Standard's assumptions prove to be incorrect, its current allowance for loan losses may not be sufficient to cover losses inherent in its loan portfolio and adjustment may be necessary to allow for different economic conditions or adverse developments in its loan portfolio. Consequently, a problem with one or more loans could require Standard to significantly increase its provision for loan losses. In addition, federal and state regulators periodically review Standard's allowance for loan losses and may require Standard to increase its provision for loan losses or recognize further loan charge-offs. A material increase in the provision for loan losses would materially decrease Standard's net income.

Standard's results of operations may be materially and adversely affected by other-than-temporary impairment charges relating to its investment portfolio.

Numerous factors, including the lack of liquidity for re-sales of certain investment securities, the absence of reliable pricing information for investment securities, adverse changes in the business climate, adverse regulatory actions or unanticipated changes in the competitive environment, could have a negative effect on Standard's investment portfolio in future periods. Investments are evaluated periodically to determine whether a decline in their value is other than temporary. Management utilizes criteria such as the magnitude and duration of the decline, in addition to the reasons underlying the decline, to determine whether the loss in value is other than temporary. The term "other than temporary" indicates that the prospects for a near term recovery of value are not necessarily favorable, or that there is a lack of evidence to support fair values equal to, or greater than, the carrying value of the investment.

Once a decline in value is determined to be other than temporary, the value of the security is reduced and a corresponding charge to earnings is recognized. If an impairment charge is significant enough, it could affect Standard Bank's ability to pay dividends, which could materially adversely affect Standard and its ability to pay dividends to shareholders. Significant impairment charges could also negatively impact Standard's and Standard Bank's regulatory capital ratios and result in Standard not being classified as "well-capitalized" for regulatory purposes.

Post-merger integration and change of Standard's historical business model may fail to achieve expected results.

The success of the transaction depends heavily on a smooth integration and post-merger operations of the combined Standard Bank. Benefits of the transaction to shareholders may not be realized if the post-merger integration is not well executed or well received by each company's historical customers.

Standard may fail to realize the cost savings it expects to achieve from the merger.

The success of the merger will depend, in part, on Standard's ability to realize the estimated cost savings from combining the businesses of Standard and Allegheny. While Standard believes that the cost savings estimates are achievable, it is possible that the potential cost savings could be more difficult to achieve than Standard anticipates. Standard's cost savings estimates also depend on its ability to combine the businesses of Standard and Allegheny in a manner that permits those cost savings to be realized. If Standard's estimates are incorrect or it is unable to combine the two companies successfully, the anticipated cost savings may not be realized fully or at all, or may take longer to realize than expected.

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Combining Standard and Allegheny may be more difficult, costly or time-consuming than expected.

Standard and Allegheny have operated, and, until the completion of the merger, will continue to operate, independently. The integration process could result in the loss of key employees, the disruption of each company's ongoing business, inconsistencies in standards, controls, procedures and policies that adversely affect either company's ability to maintain relationships with clients and employees or achieve the anticipated benefits of the merger. As with any merger of financial institutions, there also may be disruptions that cause Standard and Allegheny to lose customers or cause customers to withdraw their deposits from Standard or Allegheny, or other unintended consequences that could have a material adverse effect on Standard's results of operations or financial condition.

Standard may incur significant costs to ensure compliance with corporate governance and accounting requirements.

Standard expects to incur significant costs associated with its public company reporting requirements, costs associated with applicable corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the SEC. Standard expects all of these applicable rules and regulations will increase its legal and financial compliance costs and to make some activities more time-consuming and costly.

Standard will be subject to more stringent capital and liquidity requirements in the future, which may adversely affect Standard's net income and future growth.

In January 2015, the federal banking agencies made effective final rules to implement the Basel III regulatory capital reforms and changes required by the Dodd-Frank Act. These final rules increased regulatory capital requirements over those previously in place.

Future increases in minimum capital requirements could adversely affect Standard's net income. Furthermore, Standard's failure to comply with the minimum capital requirements could result in its regulators taking formal or informal actions against Standard which could restrict its future growth or operations.

Standard may elect or need to seek additional capital in the future, but that capital may not be available when needed.

Standard is required by federal and state regulatory authorities to maintain adequate levels of capital to support its operations. In the future, Standard may elect or need to raise additional capital. Standard's ability to raise additional capital, if needed, will depend on conditions in the capital markets at that time, which are outside its control, and on its financial performance. Accordingly, Standard cannot assure you of its ability to raise additional capital if needed on acceptable terms. If Standard cannot raise additional capital when needed, its ability to expand its operations through internal growth or acquisitions could be materially impaired.

Standard's success will depend upon the ability of management to adapt to the consolidated company structure.

The business success of Standard and Standard Bank depends to a great extent upon the services of their directors and executive officers. Management's ability to operate Standard profitably will require the acquisition of new knowledge and skills. In particular, if Standard expands geographically or expands to provide non-banking services through the acquisition or formation of additional subsidiaries, current management may not have the necessary experience for successful operation in these new areas. There is no guarantee that management would be able to meet these new challenges or that Standard would be able to retain new directors or personnel with the appropriate background and expertise.

Standard's financial performance may suffer if its information technology is unable to keep pace with growth or industry developments.

Effective and competitive delivery of Standard's products and services is increasingly dependent upon information technology resources and processes, both those provided internally as well as those provided through third party vendors. In addition to better serving customers, the effective use of technology increases efficiency and enables Standard to reduce costs. Standard's future success will depend, in part, upon its ability to address the needs

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of its customers by using technology to provide products and services to enhance customer convenience, as well as to create additional efficiencies in its operations. Many of Standard's competitors have greater resources to invest in technological improvements. Additionally, as technology in the financial services industry changes and evolves, keeping pace becomes increasingly complex and expensive for Standard. There can be no assurance that Standard will be able to effectively implement new technology-driven products and services, which could reduce its ability to compete effectively.

A failure in or a breach of Standard's information systems or infrastructure, including as a result of cyber attacks, could disrupt Standard's business, damage its reputation, and could have a material adverse effect on its business, financial condition and results of operations.

In the ordinary course of Standard's business activities, including the ongoing maintenance of deposits, loan and other account relationships for Standard's customers, receiving instructions and effecting transactions for those customers and other users of Standard's products and services, Standard regularly collects, processes, transmits and stores significant amounts of confidential information regarding its customers, employees and others. In addition to confidential information regarding Standard's customers, employees and others, Standard and in some cases a third party, compiles, processes, transmits and stores proprietary, non-public information concerning its own business, operations, plans and strategies.

Information security risks for Standard and other financial institutions have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties. Standard relies on digital technologies, computer and email systems, software, and networks to conduct secure processing, transmission and storage of confidential information. In addition, to access Standard's products and services, its customers may use personal smart phones, tablet PCs and other mobile devices that are beyond its control systems. Standard's technologies, systems, networks and its customers' devices have been subject to, and are likely to continue to be the target of, cyber attacks, computer viruses, malicious code, phishing attacks or information security breaches that could result in the unauthorized use, loss or destruction of Standard's or its customers' confidential information, or otherwise disrupt Standard's or its customers' or other third parties' business operations. Standard believes that it is more likely than not that such attempted attacks may continue.

Although Standard uses a variety of physical, procedural and technological safeguards to protect confidential information from mishandling, misuse or loss, these safeguards do not provide absolute assurance that mishandling, misuse or loss of the information will not occur, and that if mishandling, misuse or loss of the information did occur, those events will be promptly detected and addressed. A failure in or breach of Standard's operational or information security system, or those of a third-party service provider, as a result of cyber-attacks or information security breaches could have a material adverse effect on Standard's business, damage its reputation, increase its costs and/or cause significant losses. Although Standard believes that it currently has adequate information security procedures and other safeguards in place and it will continue to make it a priority to develop and enhance controls and processes designed

to safeguard Standard's information systems from attacks, damage or unauthorized access, as information security risks and cyber threats continue to evolve, Standard may be required to expend substantial resources to further enhance its information security measures and/or to investigate and remediate any information security vulnerabilities.

Standard common stock will not be listed on a national securities exchange, and the market for Standard common stock may not be more active than the market for either Standard or Allegheny common stock.

Although the Standard common stock offered in the merger will be freely transferable once you receive your Standard stock certificate, Standard's common stock will not be listed on a national securities exchange. Instead, Standard common stock will be traded in over-the-counter markets and through privately negotiated transactions. Although the common stock is quoted on the OTCQX marketplace, there is very limited trading in Standard's shares. In addition, although the combined company will result in a significantly larger shareholder base, there is no assurance that an active public trading market for Standard common stock will develop. Further, Standard cannot assure you that significant trading in Standard common stock will take place for several years, if ever. Investors should consider their shares of Standard common stock as a long-term investment because, among other

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things, they may not be able to promptly liquidate their investment at a reasonable price in the event of a personal financial emergency or otherwise.

Future acquisitions by Standard could dilute your ownership of Standard and may cause Standard to become more susceptible to adverse economic events.

Standard may issue shares of its common stock in connection with future acquisitions and other investments, which would dilute your ownership interest in Standard. While there is no assurance that these transactions will occur, or that they will occur on terms favorable to Standard, future business acquisitions could be material to Standard, and the degree of success achieved in acquiring and integrating these businesses into Standard could have a material effect on the value of Standard common stock. In addition, these acquisitions could require Standard to expend substantial cash or other liquid assets or to incur debt, which could cause Standard to become more susceptible to economic downturns and competitive pressures.

An economic downturn in Pennsylvania or a general decline in economic conditions could adversely affect Standard's financial results.

Presently, and after the merger, Standard's operations will be concentrated in Pennsylvania. As a result of this geographic concentration, Standard's financial results may correlate to the economic conditions in this area. Deterioration in economic conditions in this market area, particularly in the industries on which this geographic areas depend, or a general decline in economic conditions may adversely affect the quality of the loan portfolio (including the level of non-performing assets, charge offs and provision expense) and the demand for products and services, and, accordingly, Standard's results of operations. Inflation has some impact on Standard's and Standard Bank's operating costs. Standard's future acquisitions could cause Standard to become more susceptible to adverse economic events.

Strong competition within Standard's market area may limit its growth and profitability.

Competition in the banking and financial services industry is intense. Standard will compete actively with other financial institutions, many larger than Standard, as well as with financial and non-financial institutions headquartered elsewhere. Commercial banks, savings banks, savings and loan associations, credit unions, and money market funds and online financial service providers actively compete for deposits and loans. Such institutions, as well as consumer finance, insurance companies and brokerage firms, may be considered competitors with respect to one or more services they render. Standard will likely be generally competitive with all institutions in its service areas with respect to interest rates paid on time and savings deposits, service charges on deposit accounts, interest rates charged on loans and fees for investment advisory services. Many of the institutions with which Standard competes have substantially

greater resources and lending limits and may offer certain services that Standard does not or cannot provide. Standard's profitability depends upon Standard's ability to successfully compete in its market area.

Standard operates in a highly regulated environment and may be adversely affected by changes in laws and regulations.

Standard and Standard Bank are subject to extensive regulation, supervision and examination by certain state and federal agencies including the FDIC, as insurer of Standard Bank's deposits, the Federal Reserve Board, as regulator of the holding company, and the Pennsylvania Department of Banking, as regulator of Pennsylvania chartered banks. Such regulation and supervision govern the activities in which an institution and its holding company may engage and are intended primarily to ensure the safety and soundness of financial institutions. Regulatory authorities have extensive discretion in their supervisory and enforcement activities, including the imposition of restrictions on operations, the classification of assets and determination of the level of the allowance for loan losses. Any change in such regulation and oversight, whether in the form of regulatory policy, regulations, legislation or supervisory action, may have a material impact on Standard Bank's and Standard's operations. There also are several federal and state statutes which regulate the obligation and liabilities of financial institutions pertaining to environmental issues. In addition to the potential for attachment of liability resulting from its own actions, a bank may be held liable under certain circumstances for the actions of its borrowers, or third parties, when such actions result in environmental problems on properties that collateralize loans held by the bank. Further, the liability has the potential to far exceed the original amount of a loan issued by the bank.

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A Warning About Forward-Looking Information

This document, including information incorporated by reference in this document, contains forward-looking statements within the meaning of Section 27A of the Securities Act, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, (“Exchange Act”) with respect to the financial condition, results of operations, and business of each of Standard, Standard Bank, Allegheny, and Allegheny Valley Bank of Pittsburgh. These include statements relating to revenues, cost savings, and anticipated benefits resulting from the merger. You can find many of these statements by looking for words such as “believes,” “expects,” “anticipates,” “estimates,” “projects” or similar words or expressions.

These forward-looking statements involve substantial risks and uncertainties. There are many factors that may cause actual results to differ materially from those contemplated by these forward-looking statements. See “Risk Factors,” beginning on page 20 of this document.

Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by these statements. Standard cautions Standard and Allegheny shareholders not to place undue reliance on these statements. These statements speak only as of the date of this document or, if made in any document incorporated by reference, as of the date of that document.

All written or oral forward-looking statements attributable to Standard or Allegheny or any person acting on their behalf made after the date of this document are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Neither Standard nor Allegheny undertakes any obligation to release publicly any revisions to forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

The Standard Special Meeting of Shareholders

General

The Standard special meeting of shareholders will be held at the Doubletree by Hilton Hotel Pittsburgh/Monroeville Convention Center, 101 Mall Blvd., Monroeville, Pennsylvania 15146, at 10:00 a.m., local time, on March 24, 2017.

Record Date and Shares Outstanding and Entitled to Vote

The record date for the Standard special meeting of shareholders is January 13, 2017. On the record date, there were 2,606,725 shares issued and outstanding. Only shareholders of record at the close of business on the Standard record date will be entitled to receive notice of and to vote at the special meeting.

Matters to be Considered at the Special Meeting

Holders of Standard common stock will consider and vote upon:

Proposal 1—a proposal to approve and adopt the merger agreement which is attached as **Annex A** to this joint proxy statement/prospectus and incorporated herein by reference;

Proposal 2—a proposal to approve an amendment to revise Article 1 of Standard's articles of incorporation to state that the name of the surviving corporation will be "Standard AVB Financial Corp.";

Proposal 3—a proposal to approve an amendment to Standard's articles of incorporation to include Article 14, paragraph 1, which requires a supermajority vote of the surviving corporation's board of directors to approve a merger transaction. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve a merger transaction. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve a merger transaction;

Proposal 4—a proposal to approve an amendment to Standard's articles of incorporation to include Article 14, paragraph 2, which requires a supermajority vote of the surviving corporation's board of directors to approve the removal of a board member. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve the removal of a board member. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve the removal of a board member;

Proposal 5—a proposal to approve an amendment to Standard's articles of incorporation to include Article 14, paragraph 3, which requires a supermajority vote of the surviving corporation's board of directors to approve the repeal, alteration, or amendment of Article 14 of Standard's articles of incorporation. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve the repeal, alteration or amendment of Article 14 of Standard's articles of incorporation. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve the repeal, alteration or amendment of Article 14 of Standard's articles of incorporation;

Proposal 6—a proposal to adjourn or postpone the Standard special meeting of shareholders, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the special meeting of shareholders to approve the merger agreement; and

any other matter that may properly come before the special meeting.

Quorum

Standard shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast on the record date must be represented in person or by proxy at the Standard special meeting of shareholders for a quorum to be present for purposes of voting on the merger agreement, the amendments to the articles of incorporation, and the adjournment or postponement proposal, and any other matter to be considered at Standard's special meeting of shareholders.

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Votes Required

Approve and Adopt the Merger Agreement. The approval and adoption of the merger agreement requires the affirmative vote, in person or by proxy, of the holders of at least a majority of the outstanding shares of Standard common stock on the record date.

Approval of the Amendment to Article 1 of Standard's Articles of Incorporation. The affirmative vote of a majority of the outstanding shares of Standard common stock is required to approve and adopt an amendment to Standard's articles of incorporation. The amendment to Article 1 of Standard's articles of incorporation will change the name of the surviving corporation to "Standard AVB Financial Corp." upon the completion of the merger.

Approval of the Amendment to Article 14, Paragraph 1 of Standard's Articles of Incorporation. The affirmative vote of a majority of the outstanding shares of Standard common stock is required to approve and adopt an amendment to Standard's articles of incorporation. Article 14, Paragraph 1 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to engage in a merger transaction. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to engage in a merger transaction.

Approval of the Amendment to Article 14, Paragraph 2 of Standard's Articles of Incorporation. The affirmative vote of a majority of the outstanding shares of Standard common stock is required to approve and adopt an amendment to Standard's articles of incorporation. Paragraph 2 of Article 14 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to remove a director from the board. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to remove a director from the board.

Approval of the Amendment to Article 14, Paragraph 3 of Standard's Articles of Incorporation. The affirmative vote of a majority of the outstanding shares of Standard common stock is required to approve and adopt an amendment to Standard's articles of incorporation. Paragraph 3 of Article 14 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation.

Discretionary Authority to Adjourn or Postpone the Special Meeting. The affirmative vote of a majority of the shares voted at the Standard special meeting of shareholders is required to approve the adjournment or postponement of the special meeting to solicit additional proxies.

Each shareholder of Standard on the record date will be entitled to one vote for each share held of record at the Standard special meeting of shareholders. The directors and executive officers of Standard have agreed to vote all shares of Standard common stock that they own on the record date in favor of the approval and adoption of the merger agreement. On the record date, directors and executive officers of Standard owned approximately 387,220 shares of Standard common stock, or approximately 14.85% of the then outstanding shares of Standard common stock.

Voting

The Standard board of directors is soliciting proxies to request that you allow your shares of Standard common stock to be represented at the special meeting by the persons named on the enclosed Standard proxy card. All shares of Standard common stock represented at the special meeting by properly executed and dated proxy cards will be voted according to the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by Standard's board of directors.

The Standard board of directors recommends that you vote:

FOR the proposal to approve and adopt the merger agreement;

FOR the proposal in 2 to approve the amendment to Article 1 of Standard's articles of incorporation to change the name of the surviving corporation to "Standard AVB Financial Corp.";

FOR the proposal in 3 to approve the amendment to Article 14, paragraph 1 of Standard's articles of incorporation to add a supermajority vote requirement of the board of directors of the surviving corporation for a period of time with respect to merger transactions;

FOR the proposal in 4 to approve the amendment to Article 14, paragraph 2 of Standard's articles of incorporation to add a supermajority vote requirement of the board of directors of the surviving corporation for a period of time with respect to the removal of directors;

FOR the proposal in 5 to approve the amendment to Article 14, paragraph 3 of Standard's articles of incorporation to add a supermajority vote requirement of the board of directors of the surviving corporation for a period of time with respect to the repeal, alteration or amendment of Article 14 of the articles of incorporation; and

- FOR the proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies.

If any matters incident to the conduct of the meeting and not described in this proxy statement are properly presented at the special meeting, the persons named on the proxy card will use their judgment to determine how to vote your shares.

If you hold your shares in street name, it is critical that you instruct your bank or broker how to vote. If you hold your shares in street name and you do not instruct your bank or broker how to vote, your bank or broker will not be permitted to vote your shares on any matter related to the merger or executive compensation or on other non-discretionary matters, and may elect not to vote your shares on other matters. A “broker non-vote” occurs when a broker submits a proxy that does not indicate a vote for some of the proposals because the beneficial owners have not instructed the broker on how to vote on such proposals.

Broker non-votes are considered “present,” and as a result, will have the same effect as a vote against the merger proposal and each proposal for which the affirmative vote of a majority of shares represented at the special meeting is required.

If you return a valid proxy or attend the meeting in person, Standard will count your shares for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes, if any, also will be counted for purposes of determining the existence of a quorum.

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Abstentions are considered to be present and, as a result, will have the same effect as a vote against the merger proposal and each proposal for which the affirmative vote of a majority of shares represented at the special meeting is required.

Revocation of Proxies

Any Standard shareholder may revoke a proxy at any time before or at the Standard special meeting in one or more of the following ways:

1. Delivering a written notice of revocation bearing a later date than the proxy at any time prior to the vote at the special meeting of shareholders to the Corporate Secretary of Standard;
2. Submitting a later-dated proxy prior to the vote at the special meeting of shareholders; or
3. Attending the special meeting of shareholders and voting in person after giving written notice to the Corporate Secretary of Standard.

A Standard shareholder should send any written notice of revocation or subsequent proxy to:

Standard Financial Corp.

Attention: Corporate Secretary

2640 Monroeville Boulevard

Monroeville, Pennsylvania 15146

You also may hand deliver the notice of revocation or subsequent proxy to the Corporate Secretary, before the taking of the vote at the special meeting of shareholders. Attendance at the special meeting of shareholders will not by itself constitute a revocation or proxy.

Dissenters' Rights

Under Maryland law, Standard's shareholders do not have dissenters' rights.

Solicitation of Proxies

Standard will bear the cost of the solicitation of proxies from its own shareholders, but Standard and Allegheny will equally share the cost of printing and mailing this joint proxy statement/prospectus. In addition to solicitation by mail, the directors, officers and employees of Standard and its subsidiaries may solicit proxies from Standard shareholders by telephone, electronically, or in person without compensation other than reimbursement for their actual expenses. Standard also will make arrangements with brokerage houses and other custodians, nominees, and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons. Standard will reimburse those custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses in connection with forwarding solicitation materials. In addition, Standard has also made arrangements with Laurel Hill Advisory Group, LLC, to assist in soliciting proxies and has agreed to pay them \$6,000 plus expenses for these services.

The Allegheny Special Meeting of Shareholders

General

The Allegheny special meeting of shareholders will be held at Comfort Inn & Suites, R.I.D.C. Park, 180 Gamma Drive, Pittsburgh, Pennsylvania 15238, at 10:00 a.m., local time, on March 24, 2017.

Record Date and Shares Outstanding and Entitled to Vote

The record date for the Allegheny special meeting of shareholders is January 13, 2017. On the record date, there were 1,034,168 shares issued and outstanding. Only shareholders of record at the close of business on the Allegheny record date will be entitled to receive notice of and to vote at the special meeting.

Matters to be Considered at the Special Meeting

Holders of Allegheny common stock will consider and vote upon:

- Proposal 1—a proposal to approve and adopt the merger agreement which is attached as **Annex A** to

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this joint proxy statement/prospectus and incorporated herein by reference;

Proposal 2—a proposal to approve, on an advisory (non-binding) basis, the golden parachute compensation payable to Allegheny’s named executive officers that is based on or related to the proposed merger;

Proposal 3—a proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve and adopt the merger agreement;

Proposal 4—an advisory (non-binding) proposal to approve an amendment to revise Article 1 of Standard’s articles of incorporation to state that the name of the surviving corporation will be “Standard AVB Financial Corp”;

Proposal 5—an advisory (non-binding) proposal to approve an amendment to Standard’s articles of incorporation to include Article 14, paragraph 1, which requires a supermajority vote of the surviving corporation’s board of directors to approve a merger transaction. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve a merger transaction. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve a merger transaction;

Proposal 6—an advisory (non-binding) proposal to approve an amendment to Standard’s articles of incorporation to include Article 14, paragraph 2, which requires a supermajority vote of the surviving corporation’s board of directors to approve the removal of a board member. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve the removal of a board member. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve the removal of a board member; and

Proposal 7—an advisory (non-binding) proposal to approve an amendment to Standard’s articles of incorporation to include Article 14, paragraph 3, which requires a supermajority vote of the surviving corporation’s board of directors to approve the repeal, alteration, or amendment of Article 14 of Standard’s articles of incorporation. Specifically, from the closing date of the merger and for the two years following the closing of the merger, 75% of the full board of directors would be required to approve the repeal, alteration or amendment of Article 14 of Standard’s articles of incorporation. For the three years following the second anniversary of the closing of the merger, 66 2/3% of the full board of directors would be required to approve the repeal, alteration or amendment of Article 14 of Standard’s articles of incorporation.

Quorum

The holders of a majority of the shares of Allegheny common stock outstanding and entitled to vote as of the record date must be present at the Allegheny special meeting, either in person or by proxy, for a quorum to be present for purposes of voting on the merger agreement, the advisory (non-binding) golden parachute proposal, the adjournment or postponement proposal, and any other matter to be considered at the Allegheny special meeting.

Votes Required

Approve and Adopt the Merger Agreement. In accordance with Allegheny's articles of incorporation, the approval and adoption of the merger agreement requires the affirmative vote of the holders of at least 70% of the shares of Allegheny common stock outstanding on the record date.

Advisory (Non-binding) Vote Regarding Golden Parachute Compensation. In accordance with Allegheny's bylaws, the affirmative vote of a majority of Allegheny shares represented, in person or by proxy, at the special meeting is required to approve, on an advisory basis, the compensation of Allegheny's named executive officers that is based on or related to the proposed merger.

Discretionary Authority to Adjourn or Postpone the Special Meeting. The affirmative vote of a majority of Allegheny shares represented, in person or by proxy, at the special meeting is required to approve the proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies.

Advisory (Non-binding) Vote Regarding the Amendment to Article 1 of Standard's Articles of Incorporation. In accordance with Allegheny's bylaws, the affirmative vote of a majority of Allegheny's shares represented, in person or by proxy, at the special meeting is required to approve, on an advisory basis, the proposal to amend Article 1 of Standard's articles of incorporation. The amendment to Article 1 of Standard's articles of incorporation will change the name of the surviving corporation to "Standard AVB Financial Corp." upon the completion of the merger.

Advisory (Non-binding) Vote Regarding the Amendment to Article 14, Paragraph 1 of Standard's Articles of Incorporation. In accordance with Allegheny's bylaws, the affirmative vote of a majority of Allegheny's shares represented, in person or by proxy, at the special meeting is required to approve, on an advisory basis, the proposal to amend Article 14, Paragraph 1 of Standard's articles of incorporation. Article 14, Paragraph 1 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to engage in a merger transaction. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to engage in a merger transaction.

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Advisory (Non-binding) Vote Regarding the Amendment to Article 14, Paragraph 2 of Standard's Articles of Incorporation. In accordance with Allegheny's bylaws, the affirmative vote of a majority of Allegheny's shares represented, in person or by proxy, at the special meeting is required to approve, on an advisory basis, the proposal to amend Article 14, Paragraph 2 of Standard's articles of incorporation. Paragraph 2 of Article 14 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to remove a director from the board. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to remove a director from the board.

Advisory (Non-binding) Vote Regarding the Amendment to Article 14, Paragraph 3 of Standard's Articles of Incorporation. In accordance with Allegheny's bylaws, the affirmative vote of a majority of Allegheny's shares represented, in person or by proxy, at the special meeting is required to approve, on an advisory basis, the proposal to amend Article 14, Paragraph 3 of Standard's Articles of Incorporation. Paragraph 3 of Article 14 provides that, for a period of two years following the completion of the merger, the board of directors of the surviving corporation must have at least 75% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation. Thereafter, from the second anniversary of the Standard and Allegheny merger and for a period of three years, the board of directors of the surviving corporation must have at least 66 2/3% approval of the full board to repeal, alter or amend Article 14 of the articles of incorporation.

Each holder of shares of Allegheny common stock outstanding on the record date will be entitled to one vote for each share held of record at the Allegheny special meeting of shareholders. The directors and executive officers of Allegheny have agreed to vote all shares of Allegheny common stock that they own on the record date in favor of the approval and adoption of the merger agreement. On the record date, directors and executive officers of Allegheny owned approximately 90,398 shares of Allegheny common stock, or approximately 8.74% of the outstanding shares of Allegheny common stock.

Voting

The Allegheny board of directors is soliciting proxies to request that you allow your shares of Allegheny common stock to be represented at the special meeting by the persons named on the enclosed Allegheny proxy card. All shares of Allegheny common stock represented at the special meeting by properly executed and dated proxy cards will be voted according to the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by Allegheny's board of directors.

The Allegheny board of directors recommends that you vote:

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FOR the proposal to approve and adopt the merger agreement;

FOR, on an advisory basis, the compensation of the named executive officers of Allegheny that is based on or related to the proposed merger;

FOR the proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies;

FOR the proposal in 4 to approve, on an advisory (non-binding) basis, the amendment to Article 1 of Standard's articles of incorporation to change the name of the surviving corporation to "Standard AVB Financial Corp.";

FOR the proposal in 5 to approve, on an advisory (non-binding) basis, the amendment to Article 14, Paragraph 1 of Standard's articles of incorporation to add a supermajority vote requirement of the board of directors of the surviving corporation for a period of time with respect to merger transactions;

FOR the proposal in 6 to approve, on an advisory (non-binding) basis, the amendment to Article 14, Paragraph 2 of Standard's articles of incorporation to add a supermajority vote requirement of the board of directors of the surviving corporation for a period of time with respect to the removal of directors; and

FOR the proposal in 7 to approve, on an advisory (non-binding) basis, the amendment to Article 14, Paragraph 3 of Standard's articles of incorporation to add a supermajority vote requirement of the board of directors of the surviving corporation for a period of time with respect to the repeal, alteration or amendment of Article 14 of the articles of incorporation.

If any matters incident to the conduct of the meeting and not described in this proxy statement are properly presented at the special meeting, the persons named on the proxy card will use their judgment to determine how to vote your shares.

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If you hold your shares in street name, it is critical that you instruct your bank or broker how to vote. If you hold your shares in street name and you do not instruct your bank or broker how to vote, your bank or broker will not be permitted to vote your shares on any matter related to the merger or executive compensation or on other non-discretionary matters, and may elect not to vote your shares on other matters. A “broker non-vote” occurs when a broker submits a proxy that does not indicate a vote for some of the proposals because the beneficial owners have not instructed the broker on how to vote on such proposals.

Broker non-votes are considered “present,” and as a result, will have the same effect as a vote against the merger proposal and each proposal for which the affirmative vote of a majority of shares represented at the special meeting is required.

If you return a valid proxy or attend the meeting in person, Allegheny will count your shares for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes, if any, also will be counted for purposes of determining the existence of a quorum.

Abstentions are considered to be present and, as a result, will have the same effect as a vote against the merger proposal and each proposal for which the affirmative vote of a majority of shares represented at the special meeting is required.

Revocation of Proxies

Any Allegheny shareholder may revoke a proxy at any time before or at the Allegheny special meeting in one or more of the following ways:

1. Delivering a written notice of revocation bearing a later date than the proxy at any time prior to the vote at the special meeting of shareholders to the Corporate Secretary of Allegheny;
2. Submitting a later-dated proxy prior to the vote at the special meeting of shareholders; or
3. Attending the special meeting of shareholders and voting in person after giving written notice to the Corporate Secretary of Allegheny.

An Allegheny shareholder should send any written notice of revocation or subsequent proxy to:

Allegheny Valley Bancorp, Inc.

Attention: Corporate Secretary

5137 Butler Street

Pittsburgh, PA 15201

You also may hand deliver the notice of revocation or subsequent proxy to the Corporate Secretary before the taking of the vote at the special meeting of shareholders. Attendance at the special meeting of shareholders will not by itself constitute a revocation or proxy.

Dissenters' Rights

Under Section 1930 and Chapter 15, Subchapter D of the Pennsylvania Business Corporation Law of 1988, as amended, holders of Allegheny common stock who properly file with Allegheny a written notice of intention to dissent will have the right to obtain a cash payment for the statutorily determined "fair value" of their shares (excluding any element of value arising in anticipation of the merger) in the event that the merger is completed. In order to exercise those rights, Allegheny shareholders must comply with the procedural requirements of Chapter 15, Subchapter D of the Pennsylvania Business Corporation Law. The statutorily determined "fair value" cannot be predicted and could be more or less than the value of the merger consideration. Failure to take any of the steps required under Chapter 15, Subchapter D of the Pennsylvania Business Corporation Law on a timely basis may result in the loss of dissenters' rights. The provisions relating to dissenters' rights under Pennsylvania Business Corporation Law are attached to this joint proxy statement/prospectus as **Annex D**. See "Proposal 1—The Merger—Rights of Dissenting Shareholders."

Solicitation of Proxies

Allegheny will bear the cost of the solicitation of proxies from its own shareholders, but Standard and Allegheny will equally share the cost of printing and mailing this joint proxy statement/prospectus. In addition to solicitation by mail, the directors, officers, and employees of Allegheny and Standard and their subsidiaries may

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solicit proxies from Allegheny shareholders by telephone, electronically, or in person without compensation other than reimbursement for their actual expenses. Allegheny also will make arrangements with brokerage houses and other custodians, nominees, and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons. Allegheny will reimburse those custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses in connection with forwarding solicitation materials. In addition, Allegheny has also made arrangements with Laurel Hill Advisory Group, LLC, to assist in soliciting proxies and has agreed to pay them \$6,000 plus expenses for these services.

Proposal 1:
The Merger

The following information describes the material terms and provisions of the merger. This description is not complete. Standard and Allegheny qualify this discussion in its entirety by reference to the merger agreement which is incorporated by reference in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this document as **Annex A** to provide information regarding the terms of the proposed merger. Except for its status as the contractual document between the parties with respect to the merger described in the merger agreement, it is not intended to provide factual information about the parties. The representations and warranties contained in the merger agreement were made only for purposes of the merger agreement and as of specific dates, were solely for the benefit of the parties to the merger agreement, and may be subject to limitations agreed to by the contracting parties, including being qualified by disclosures between the parties. These representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the agreement instead of establishing these matters as facts and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Accordingly, they should not be relied on by investors as statements of factual information. Standard and Allegheny urge you to read the full text of the merger agreement carefully.

General

On August 29, 2016, Standard and Allegheny jointly announced the execution of the merger agreement. Pursuant to the merger agreement, Allegheny will merge with and into Standard, which will be renamed “Standard AVB Financial Corp.” After the merger, Allegheny Valley Bank of Pittsburgh will merge with and into Standard Bank under the name “Standard Bank.” The mergers are expected to be completed early in the second quarter of 2017.

In the merger, Allegheny shareholders will receive 2.083 shares of Standard common stock for each share of Allegheny common stock they hold on the effective time of the merger.

Standard will not issue fractional shares of common stock to Allegheny shareholders pursuant to this merger; consequently, Allegheny shareholders will receive cash in lieu of any fractional shares they would have otherwise received according to the terms of the merger agreement.

The approval and adoption of the merger agreement requires the affirmative vote, in person or by proxy, of the holders of at least a majority of the outstanding shares entitled to vote at the Standard special meeting of shareholders and requires the affirmative vote, in person or by proxy, of at least 70% of the outstanding shares entitled to vote at the Allegheny special meeting of shareholders.

Background of the Merger

On January 22, 2016, Timothy K. Zimmerman, President and Chief Executive Officer of Standard, and Andrew W. Hasley, President and Chief Executive Officer of Allegheny, with prior authorization from Allegheny's board of directors, met to discuss the challenges and opportunities facing each company in the current banking environment including industry trends, recent local bank mergers, and their respective constituent group expectations. In broad terms, they discussed the possibility of a merger of equals between the two organizations including overall expectations of each shareholder base and board of directors for a successful combination. They agreed to discuss a potential combination, potential merits thereof and the issues therewith, with their respective boards.

On January 28, 2016, Mr. Hasley reported to the Allegheny board of directors on his meeting with Mr. Zimmerman, and after lengthy discussion the board of directors authorized Mr. Hasley to continue discussions with

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Standard to explore a potential merger of equals. The Allegheny board of directors discussed the potential merits and concerns of a possible transaction with Standard and requested additional information regarding Standard.

On January 29, 2016, Mr. Zimmerman contacted KBW, an investment bank which had previously provided services to Standard to discuss the potential transaction.

On February 10, 2016, by telephone, Mr. Zimmerman, Susan Parente, Senior Vice President and Controller of Standard, and Colleen Brown, the then-Chief Financial Officer of Standard, had further discussions with KBW . Discussion materials outlining modeling assumptions and financial projections were reviewed in detail.

On February 16, 2016, at a regular meeting of Standard's board of directors, Mr. Zimmerman reported to the full board of directors on the nature of discussions with Mr. Hasley regarding a possible merger of equals. He also reviewed the discussions with KBW. After discussion, the board of directors directed Mr. Zimmerman to continue discussions with Mr. Hasley and KBW , as Standard's financial advisor , and also with Standard's legal advisor.

On February 17, 2016, by telephone, Messrs. Zimmerman and Hasley discussed their respective board meetings and agreed to meet to discuss the benefits, challenges, issues and potential material terms and conditions of a potential merger of equals.

On February 25, 2016, at a regular meeting of Allegheny's board of directors, Mr. Hasley reported on the desire of Standard's board to continue discussions. The board reviewed Standard's proxy materials and financial statements, and compared that information to Allegheny's financial statements.

On March 1, 2016, Messrs. Zimmerman and Hasley met and discussed and outlined the issues, questions to be addressed and the material terms and conditions to be addressed and negotiated for a successful merger of equals, including governance matters, the combined board membership and committee structure, management team, continuance of dividends and dividend payment amounts, name, respective shareholder ownership percentages and expected earn - back period.

Between March 2 and March 14, Mr. Zimmerman, Ms. Brown and Ms. Parente held several discussions with KBW regarding the discussions with Mr. Hasley.

On March 9, 2016, Messrs. Zimmerman and Hasley continued the discussions of March 1, 2016 by telephone.

On March 15, 2016, at a regular meeting of Standard's board of directors, Mr. Zimmerman reported on his discussions with Mr. Hasley and with KBW. Additionally the board of directors reviewed a preliminary term sheet to be presented to Allegheny, which summarized the key aspects of the transaction.

On March 22, 2016, Allegheny's Strategic Planning Committee met with Mr. Hasley to review a report prepared by Allegheny's management regarding a potential combination including contribution analysis, a prospective merger model, transaction sensitivity, Standard's historical financial performance, board ownership of common stock, combined branch network, market share analysis, and peer group information. The committee also discussed the business models and the culture of each company.

On March 29, 2016, Messrs. Zimmerman and Hasley met to discuss governance and social (non-financial) issues relating to a potential partnership, including board representation and maintaining the proposed board and committee structure for a period of time following the merger. In addition, they discussed the respective financial contributions of each company to the combined entity and each company's anticipated shareholder base ownership percentages following the combination. Also discussed was the importance to Allegheny in maintaining its cash and stock dividend (on a pro forma adjusted basis) after consummation of the transaction and giving the effect to any proposed exchange ratio. Finally, they discussed the composition of the combined company's senior management team.

On April 8, 2016, Standard sent an initial term sheet to Allegheny.

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On April 19, 2016, at a regular meeting of Standard's board of directors, Mr. Zimmerman reported on the status of the negotiations with Allegheny. The board discussed the key issues and determined which issues were the highest priority. The board also reviewed financial aspects of the transaction. After discussion, the board directed Mr. Zimmerman to continue discussions and negotiations with Allegheny.

On April 21, 2016, Messrs. Zimmerman and Hasley met to discuss material governance, social and financial matters, including those identified by their respective financial advisors, for discussion and reviewed financial projections of a combined company and the assumptions underlying those projections.

On April 28, 2016, at a regular meeting of Allegheny's board of directors, Mr. Hasley reported on certain financial projections and financial assumptions regarding the proposed combination and information relating to Allegheny's peer group. In addition, the board reviewed and discussed projected stock ownership by Allegheny's shareholders in the combined entity, board and committee representation, management transition, and legal representation.

On April 28, 2016, Mr. Zimmerman, Ms. Parente and Kim J. Davis, Corporate Secretary of Standard, participated in a conference call with KBW to discuss the general structure and financial aspects of the transaction.

On April 29, 2016, Messrs. Zimmerman and Hasley had further discussions and agreed to arrange a meeting including each party's financial advisors.

On May 17, 2016, at a regular meeting of Standard's board of directors, Mr. Zimmerman updated the board of directors on the status of the possible merger with Allegheny. The board of directors reviewed updated information and discussed outstanding issues. Mr. Zimmerman noted that a joint meeting of key Allegheny and Standard senior managers and the respective legal and financial advisors was scheduled for May 18, 2016. The board of directors approved sending an updated and revised term sheet to Allegheny following that meeting if none of the key terms had changed.

On May 18, 2016, Standard, Allegheny, and their respective financial advisors, KBW, and Boenning, met to discuss the business rationale and potential structure of a combination and governance issues. During the meeting, the parties outlined the basic material terms of a proposed combination, which were subsequently reflected in an updated proposed term sheet for each board to consider.

On May 22, 2016, Standard sent an updated and revised term sheet to Allegheny.

On May 23, 2016, Allegheny returned the term sheet to Standard with comments.

On May 24, 2016, Allegheny's Strategic Planning Committee met and reviewed a draft term sheet regarding the proposed combination. The committee discussed various governance, social, financial and accounting issues relating to the proposed merger.

On May 26, 2016, Allegheny's board met to review and discuss the draft term sheet regarding the proposed merger of equals. The board received a report from management on the status of negotiations to date. The board of directors reviewed the term sheet and discussed the issues and timing regarding a potential combination. The board agreed to continue to undertake discussions with Standard for a potential combination based on the proposed term sheet, authorized management to engage Boenning as Allegheny's financial advisor and Bybel Rutledge LLP as Allegheny's special counsel, and to commence due diligence on Standard.

On May 26, 2016, Standard and its legal and financial advisors discussed the results of Standard's board of directors meeting, the results of the May 18th joint meeting and Allegheny's response to the updated and revised term sheet.

On May 27, 2016, Standard's board of directors held a special meeting with its legal and financial advisors. The board of directors discussed the current status of the key points in the term sheet and the outstanding corporate governance issues. Additionally the board of directors took action to: (1) authorize management to sign

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confidentiality agreements, and to enter into an engagement agreement with KBW, (2) move forward with negotiating a definitive merger agreement with Allegheny, and (3) proceed with due diligence. KBW's engagement agreement was executed on June 13, 2016.

On June 1, 2016, Standard and KBW participated in a conference call regarding the virtual data room in connection with the due diligence process.

On June 7, 2016, Allegheny engaged Boenning as its financial advisor for the potential combination.

On June 9, 2016, at Allegheny's board meeting, management provided an update on due diligence, objectives and tentative meeting dates for a joint board meeting with Standard's board of directors.

On June 13, 2016, Standard and Allegheny commenced due diligence on each other through the launch of virtual data rooms.

On June 21, 2016, at a regular meeting of Standard's board of directors, Mr. Zimmerman updated the board of directors on the status of due diligence and negotiations for a definitive merger agreement.

On June 22, 2016, Messrs. Zimmerman and Hasley met to discuss the future senior management team of a combined entity and to identify potential cost savings. Representatives of KBW and Boenning joined them by telephone and discussed progress made on the development of a joint cost savings analysis.

On June 28, 2016, Mr. Zimmerman and Ms. Parente called KBW to review financial aspects of the potential combination to be discussed with the Standard board of directors.

On June 29 and 30, 2016, Standard's management conducted on-site due diligence at Allegheny.

On July 5 and 6, 2016, Allegheny's management conducted on-site due diligence at Standard.

On July 8, 2016, Luse Gorman circulated the first draft of the merger agreement to Standard and KBW.

On July 11, 2016, Standard, Allegheny, Luse Gorman, Bybel Rutledge LLP, KBW, and Boenning met and discussed financial, accounting, and legal aspects of a potential combination. Standard and Allegheny also conducted joint due diligence.

On July 12, 2016, via conference call, Standard, Luse Gorman and KBW met to review the draft merger agreement.

On July 13, 2016, Allegheny's management provided a brief review of due diligence results to date to several members of the board of directors. In addition, Luse Gorman sent the initial draft of the merger agreement to Bybel Rutledge LLP.

On July 14, 2016, Messrs. Zimmerman and Hasley had a telephone call with a representative of their information technology vendor to discuss financial and technical impacts of a potential transaction.

On July 15, 2016, Messrs. Zimmerman and Hasley discussed the organization structure and information technology systems for the combined institution and possible agenda items for a joint board meeting of the two companies.

On July 19, 2016, at a regular meeting, Mr. Zimmerman and Ms. Parente updated Standard's board of directors about the status of the transaction, the results of due diligence, negotiations regarding the merger agreement and other financial and non-financial aspects of the merger transaction.

On July 20, 2016, Standard's and Allegheny's management teams held a conference call with a representative of the information technology provider continuing discussions of July 14.

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On July 22, 2016, Allegheny's board of directors held a special meeting to review the status of the proposed transaction. Management reviewed and discussed the strategic opportunity of a potential combination with Standard including results of due diligence to date, potential earnings impact on the transaction, deal charges, pricing, strategic discussions including governance of the combined company, and next steps in the process. Mr. Hull of Boenning reviewed with the board a draft merger model, analysis and assumptions and included a summary deal value, pro forma merger analysis, cost savings, impact on capital ratios, transaction intangibles and fair value adjustments, comparative transaction analysis, non-interest expense savings, and estimated one time transaction expenses. Bybel Rutledge LLP discussed with the board of directors their fiduciary duties under the law and in particular in the context of mergers and acquisitions.

On July 22, 2016, Standard held a conference call with Luse Gorman and KBW to review and discuss the merger agreement.

In addition, on July 22, 2016, after previous discussions with Bybel Rutledge, Luse Gorman provided a revised draft of the merger agreement for review.

On July 25, 2016, Messrs. Zimmerman and Hasley discussed by telephone the process for moving forward on a definitive agreement and reviewed a presentation developed for a joint meeting of the boards of Standard and Allegheny scheduled for July 26, 2016.

On July 25, 2016, Mr. Halsey, Mr. Hull from Boenning and Nicholas Bybel, Jr. and L. Renee Lieux from Bybel Rutledge LLP reviewed material terms and conditions in the draft of the merger agreement and developed an outline of outstanding issues and terms to be resolved.

On July 26, 2016, the boards of Standard and Allegheny met jointly. Messrs. Zimmerman and Hasley made a presentation to the boards outlining the strategic rationale and anticipated effects of the proposed merger of equals including combining the legacy of both companies with a similar vision and mission, maximizing efficiencies through economies of scale, broadening the customer base, and generally providing greater benefits for both companies' customers, communities, employees and shareholders. The presentation also included a review of the strategic direction and business plan components developed jointly by management for the combined company after consummation of the transaction. Finally, the meeting reviewed the combined board of directors and senior management team, and the board members of each company reviewed their individual backgrounds and perspectives on the proposed merger of equals with each other.

On July 27, 2016, Standard's board of directors held a special meeting to discuss the status of the transaction and to discuss the joint dinner meeting. Also on July 27, 2016, Messrs. Zimmerman and Hasley had a telephone call to discuss the July 26 joint meeting of the two boards.

On July 28, 2016, Allegheny's board of directors met to discuss non-financial terms of the proposed transaction, governance structure and responsibilities, the board and committee structure of the combined entity and concerns related to obtaining the required Allegheny shareholder vote to approve the proposed transaction.

On July 29, 2016, after consultation with Allegheny and Boenning, Bybel Rutledge provided comments to the July 22 draft of the merger agreement.

On July 29, 2016, Standard's board of directors held a special meeting to discuss the merger agreement and Allegheny's comments.

On August 1, 2016, Standard, Luse Gorman and KBW participated in a conference call to discuss open issues with respect to the proposed combination.

On August 1, 2016, the independent members of Allegheny's board of directors met to discuss certain outstanding material terms in the proposed merger agreement. Mr. Saxon, Chairman of the Board, and Mr. Lally, Chairman of the Strategic Planning Committee, were charged to meet with Mr. Hasley to discuss the results of the meeting.

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On August 3, 2016, after consultation with Standard, Luse Gorman provided Bybel Rutledge with a revised draft of the merger agreement and outlined some of the material issues and terms to be negotiated on a definitive merger agreement.

On August 6, 2016, Messrs. Saxon and Lally met with Mr. Hasley to report on the August 1, 2016 meeting of independent directors.

On August 8, 2016, Messrs. Hasley and Zimmerman met to discuss Standard's position on certain non-financial terms of the draft merger agreement primarily board governance structure and responsibilities.

On August 8, 2016, Standard, Luse Gorman and KBW participated in a conference call regarding the merger agreement and non-financial issues being negotiated.

On August 9, 2016, Allegheny held a special meeting of its board of directors and received reports from management with respect to the proposed transaction, status of negotiations on certain political, social, cultural, governance, and other non-financial terms of the draft merger agreement.

On August 10, 2016, both parties' management teams met with representatives of the financial services technology provider to discuss and review proposals for a combined technology platform and financial impact.

On August 11, 2016, Standard, Luse Gorman and KBW participated in a conference call regarding the merger agreement.

On August 11, 2016, Standard's board held a special meeting to review the updated merger agreement and the status of negotiations. After a lengthy discussion the board provided Mr. Zimmerman guidance on how to proceed regarding certain key issues.

On August 15, 2016, Messrs. Hasley and Zimmerman met to discuss certain non-financial and governance issues relating to the proposed merger agreement. In addition, after consultation with Allegheny and Boenning, Bybel Rutledge provided comments on the August 3, 2016 merger agreement draft.

On August 16, 2016, Bybel Rutledge provided Luse Gorman with several draft exhibits to the merger agreement.

On August 17, 2016, after conversations between each company's counsel and consultation with Allegheny, Bybel Rutledge provided Luse Gorman with a revised draft of the merger agreement and ancillary documents. The revisions to the drafts focused on, among other matters, the continuing negotiations of specific items of the post-merger governance of the board of directors and approval requirements and board committees.

On August 18, 2016, Bybel Rutledge provided draft employment agreement amendments relating to certain Allegheny executives to Luse Gorman.

On August 18, 2016, Standard's board of directors held a special meeting with Standard's senior executives, Luse Gorman and KBW to review the plan of merger and the merger agreement.

On August 19, 2016, Bybel Rutledge and Luse Gorman exchanged comments to the proposed merger agreement and employment agreement amendments. The revisions to the drafts focused on, among other matters, the continuing negotiations of specific items of the post-merger governance of the board of directors and approval requirements and board committees.

From August 22 through August 26, 2016, Luse Gorman and Bybel Rutledge exchanged comments and revised drafts of the merger agreement and the exhibits and ancillary corporate governance documents including the bank merger agreement, articles and bylaws of the resulting company, employment agreement amendments, voting agreements and each company's disclosure schedules.

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On August 23, 2016, Standard's board of directors held a regular meeting, which was attended by Standard's senior executives, Luse Gorman and KBW to review the current status and key elements of the merger agreement. KBW reviewed with the board financial aspects of the proposed transaction and discussed on a preliminary basis the fairness opinion to be delivered by KBW, and Luse Gorman reviewed legal matters and responsibilities.

On August 25, 2016, Allegheny's board of directors met to consider the draft merger agreement and the schedules, exhibits, and annexes thereto and their duties under the law. The board heard reports from Allegheny's management regarding the proposed transaction, Boenning with respect to its fairness opinion and the supporting analyses thereof which included a dividend discount analysis and pro forma merger analysis and Bybel Rutledge LLP with respect to the terms of the merger agreement. Following the presentations, the board of directors adjourned the meeting until August 29, 2016.

On August 25, 2016, Standard's board of directors held a special meeting, which was attended by Standard's senior executives, Luse Gorman and KBW, to review and discuss the merger agreement, financial aspects of the transaction and the board of directors' legal duties and responsibilities.

On August 29, 2016, Allegheny's board reconvened its board meeting at which time Boenning reviewed updated presentation materials, Bybel Rutledge LLP discussed revisions to the merger agreement and ancillary documents, and Boenning delivered its fairness opinion. Following the presentations, the board of directors discussed, considered, approved and adopted the terms of the transaction and the merger agreement and the exhibits and schedules thereto. The Allegheny Valley Bank of Pittsburgh board met immediately thereafter and discussed, considered, approved and adopted the Bank Plan of Merger and the exhibits and schedules thereto.

On August 29, 2016, Standard's board of directors held a special meeting to discuss and consider the definitive merger agreement, the Bank Plan of Merger and other merger related issues. KBW again reviewed with the board of directors the financial aspects of the transaction and delivered its fairness opinion, dated August 29, 2016. After discussion, the board of directors approved the merger agreement, the Bank Plan of Merger, press release and all necessary items and authorized management to take appropriate steps to complete the transaction with regular reports to the board of directors.

Following the meeting, Allegheny and Standard executed the merger agreement with schedules, exhibits, and annexes thereto. Allegheny and Standard publically announced the transaction later that day after the markets closed.

Certain Non-Public, Unaudited, Forward-Looking Information Exchanged by Standard and Allegheny

In the course of their due diligence examinations, Standard and Allegheny each provided copies of certain internal financial projections for future periods prepared by senior management to the other and to KBW and Boenning, respectively for them to use in preparing the analyses performed in connection with their respective fairness opinions.

Standard, KBW and Boenning obtained from Allegheny a copy of Allegheny's internal 2016 operating budget, which included forecasted operating results for 2016. Allegheny and Boenning obtained from Standard a copy of Standard's internal 2016 operating budget, which included forecasted operating results for 2016, Standard's strategic plan (2016-2018), dated July 20, 2016, and capital plan, dated September 15, 2015. Further, KBW and Boenning obtained additional projections for Standard and Allegheny prepared by the senior management of each company.

Allegheny's internal 2016 operating budget provided to Standard, which had been prepared in 2015 and updated to reflect 2016 actual results through June 30, 2016, included the following projections for the year ending December 31, 2016: pre-tax income of approximately \$4.7 million and total assets of approximately \$460.0 million.

Standard's internal 2016 operating budget provided to Allegheny, which had been prepared in 2015 and updated to reflect 2016 actual results through June 30, 2016, included the following projections for the year ending December 31, 2016: pre-tax income of approximately \$4.9 million and total assets of approximately \$480.0 million..

Further, KBW and Boenning were provided with the following additional material projections for Standard and Allegheny prepared by the senior management of each company: projected 2017 pre-tax income of approximately \$5.3 million and projected 2017 total assets of approximately \$500.0 million for Standard, and projected 2017 pre-tax income of approximately \$5.1 million and projected 2017 total assets of approximately \$470.0 million for Allegheny. Although each company prepared 2018 projections for net income and total assets, and provided such projections to each of KBW and Boenning, such information is inherently more speculative, subject to greater uncertainty and less predictive than the 2016 and 2017 projections described above.

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The foregoing projections are provided for the sole purpose of describing certain projections exchanged between the parties. The inclusion of the projections in this document should not be interpreted as an indication that either Allegheny or Standard considers this information to be necessarily predictive of actual future results of operations for Allegheny, Standard or the combined company, and this information should not be relied upon for that purpose or for any other purpose.

The referenced budgets and projections involve significant assumptions regarding, among other things, interest rates, projected loan, deposit and asset growth, dividends, asset quality and allowance for loan losses, loan-to-deposit ratios and return on assets which were based on historical data, trends and interim results along with any known information that would potentially cause future results to differ from prior results. Additional significant assumptions underlying the projections included amounts necessary to estimate the impact of acquisition accounting, as well as anticipated costs savings. Because the projections were based on numerous variables and assumptions, including factors related to general economic and competitive conditions, which are inherently uncertain; accordingly, actual results could vary significantly from those set forth in the projections.

The senior management of both companies developed their 2016 operating budgets prior to and without regard for the proposed merger, and Allegheny and Standard do not publicly disclose internal management projections of the type provided to KBW and Boenning, or any other earnings guidance or financial projections. As a result, such projections were not prepared with a view towards public disclosure.

Further, such projections are not intended to comply with the guidelines for financial forecasts established by the American Institute of Certified Public Accountants or any other established guidelines regarding projections or forecasts.

The reports of the independent registered public accounting firms of Standard and Allegheny included in or incorporated by reference into this document relate solely to the historical financial information of the respective companies as referred to therein. Such reports do not extend to the above discussion of the Standard and Allegheny projections and should not be read as doing so.

Standard's Reasons for the Merger

Standard's board of directors considered the terms of the merger agreement, the long-term and short-term strategic and economic benefits of the proposed merger, the short and long-term *pro forma* financial impact and the *pro forma* ownership percentages of the and potential effects on the outstanding common stock of the combined company which would be held by the present holders of Standard and Allegheny common stock and determined that it is advisable and

in the best interests of Standard for Standard to enter into the merger agreement with Allegheny. Accordingly, Standard's board of directors recommends that Standard's shareholders vote "**FOR**" approval and adoption of the merger agreement.

In the course of making its decision to approve the transaction with Allegheny, Standard's board of directors evaluated the transaction in consultation with Standard's executive management and Standard's financial and legal advisors. Standard's board of directors considered, among other things, the following factors:

Standard's board of directors reviewed its own strategic opportunities, business, operations, financial condition, earnings, and prospects and also reviewed Allegheny's business, operations, financial condition, earnings, and prospects, including both Standard's and Allegheny's geographic positions in Pennsylvania. After concluding its review, Standard concluded that the merger would enhance its competitive strategic position, potential prospective business opportunities, operations, management, prospective financial condition, future earnings and business prospects. Specifically, Standard believes that the merger will enhance its business opportunities due to the combined company having a greater market share, market presence and the ability to offer more diverse and more profitable products, as well as a broader based and geographically diversified branch system to enhance deposit collection and funding costs, and a higher legal and business lending limit to originate larger and potentially more profitable commercial loans. The greater market share, market diversity and enhanced products and services should lead to prospects of enhancing customer relationships, lower operating costs, increased earnings, and enhanced profitability from better and more diversified sources. The board of directors of Standard viewed these items as favorable factors, supporting the decision to proceed with the merger;

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Its understanding of the current and prospective environment in which Standard and Allegheny operate, including regional and local economic conditions, the competitive environment for financial institutions generally, and continuing prospects for mergers in the financial services industry, and the likely effect of these factors on Standard and Allegheny, in light of, and in absence of, the proposed business combination. Specifically, the board of directors of Standard believes that the future business environment for financial institutions will continue to be more competitive and concentrated. The board of directors of Standard believes that the merger will help the resulting bank to be more competitive with the institutions remaining in the market place because the combined company will have numerous and greater resources than either company had individually. The board of directors of Standard viewed these items as favorable factors, supporting the decision to proceed with the merger;

The board believes that the ability to grow through potential acquisitions and mergers is meaningful to the long term prospects of Standard and is enhanced through the combination with Allegheny which may result in the ability of the company to grow assets and earnings in the long run for the Standard shareholders. The board viewed this as a favorable feature supporting the decision to proceed with the merger. The board reviewed with Standard's financial advisor the potential benefits of the transaction as well as the terms of the transaction relative to transactions involving similarly-situated financial institutions;

The board's review with its legal and financial advisors of the structure of the merger, the financial and other terms of the merger and related documents including the board's assessment of the Standard exchange ratio to the Allegheny shareholders relative to the terms of and benefits to be derived from the merger, including geographically diversified branch system, higher legal and business lending limits, anticipated cost savings, and a diversification of the loan portfolio, which would include more profitable commercial loans;

The combination could result in significant cost savings, as well as the potential for incremental revenue opportunities enabling a potential significant increase in long-term future earnings accretion, improving long-term investor value, and creating a stronger franchise. The potential cost savings are expected to be derived from the reconfiguration of duplicate internal operations and administrative functions and the elimination of redundant external contractual services and from the convergence and standardization of various retirement, bonus, and incentive programs. The board of directors of Standard viewed these items as favorable factors, supporting the decision to proceed with the merger;

The proposed board and management structure which would position the combined company with strong leadership and strategic vision while improving its ability to attract and retain competitive management. Specifically, the board of directors of Standard viewed the resulting management structure and team as addressing a management concern that Standard had with respect to its future leadership. The resulting management team of the combined company, its experience in Standard's market area and abilities with respect to a diversified loan portfolio which includes more profitable commercial loans was viewed as a favorable factor by the Standard board of directors in supporting this transaction;

The review by the Standard board of directors of the structure and terms of the merger, including the exchange ratio and the expectation that the merger would qualify as a type of transaction that is generally tax-free to shareholders for United States federal income tax purposes. The board of directors of Standard reviewed the tax-free treatment for

federal income tax purposes as favorable because the board believes that it would provide the shareholders of Allegheny with more value than a taxable transaction on similar terms and the resulting company with clarity of tax status. The board viewed the exchange ratio relative to the other terms as favorable because of the future prospects for combined growth (both organic and inorganic) and profitability and the potential for price appreciation and liquidity, which factors the Standard board of directors viewed as favorably supporting the decision to proceed with the merger;

The ability to offer more diverse and progressive business services and products of Allegheny to Standard customers could result in opportunities to obtain synergies and compete with larger financial institutions as products are cross-marketed and distributed over a broader customer base. Specifically,

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the board of directors of Standard believes that this will enhance its ability to generate profits. This was viewed favorably by the Standard board of directors in supporting the transaction;

The ability to offer loans that have higher legal and business lending limits to Standard and Allegheny customers over a broader geographic footprint could result in opportunities to compete with larger financial institutions in the Pittsburgh MSA. This was viewed favorably by the Standard board of directors in supporting the transaction;

The prospects to increase long-term shareholder value by increasing the potential of share liquidity (the potential quotation of share transactions on a national exchange), increasing common stock dividends through cost savings and enhanced and accelerated earnings, and enhanced consolidated earnings, provided sufficient funds are legally available and that Standard and its subsidiary bank remains “well-capitalized” in accordance with applicable regulatory guidelines;

The fact that certain provisions of the merger agreement prohibit or limit Allegheny from soliciting or responding to proposals for alternative transactions, which reduce the possibility that Allegheny would terminate the merger agreement. Allegheny’s obligation to pay a termination fee of \$2.2 million if the merger agreement is terminated due to Allegheny accepting another offer, and Allegheny’s obligation to pay up to \$550,000 in actual third party expenses of Standard in the event that the merger agreement is terminated due to Allegheny’s failure to obtain shareholder approval are protections that the Standard board of directors viewed favorably in supporting the transaction;

The fact that, pursuant to the merger agreement, Allegheny must generally conduct its business in the ordinary course and Allegheny is subject to a variety of other restrictions on the conduct of its business prior to the completion of the merger or termination of the merger agreement are protections that the Standard board of directors viewed favorably in supporting the transaction;

The financial presentation, dated August 29, 2016, of KBW to the Standard board of directors and the opinion, dated August 29, 2016, of KBW to the Standard board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to Standard of the exchange ratio in the proposed merger, as more fully described below under “Opinion of Standard’s Financial Advisor;”

The potential expense and effort necessary to obtain the requisite regulatory approvals and the likelihood that the regulatory approvals necessary to complete the merger would be obtained; and

The board of directors of Standard also considered the fact that the combined institution would result in a financial institution with more than \$900 million in assets. The addition of the other market area is expected to provide sustained business development opportunities by enabling Standard and Allegheny to capitalize on the other’s banking franchise to compete in the Pennsylvania market.

Standard's board of directors reviewed the totality of the future prospects opportunities of Standard its needs, the environment relative to the terms of the merger and its anticipated effects and concluded that the merger and its terms with the prospects of enhanced earnings, dividends, liquidity, with stronger, broader and deeper management while retaining operational focus were in the best long-term interests of Standard and its shareholders.

Standard's board of directors also considered the following:

The fact that Standard shares to be issued to holders of Allegheny stock to complete the merger will result in reduced ownership and voting interest to existing Standard shareholders. While ownership reduction is expected to occur in the short term, the board of directors believes that the long-term benefits to be derived from the merger (increased long-term earnings, cost savings, enhanced management, increased dividends, among other things) more than offset this;

The proposed board and management arrangements, including Standard's commitment to (i) appoint six (6) Allegheny directors and seven (7) Standard directors to the combined thirteen (13) member Standard board of directors and to Standard Bank board of directors, and (ii), the proposed senior officers of Allegheny as employees of Standard after the merger;

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The risk that integration of Standard and Allegheny will not occur as desired and the potential impact of integration if not successful on the expected benefits of the merger;

The potential challenges associated with obtaining regulatory approvals required to complete the transaction in a timely manner;

The fact that, pursuant to the merger agreement, Standard must generally conduct its business in the ordinary course and Standard is subject to a variety of other restrictions on the conduct of its business prior to the completion of the merger or termination of the merger agreement, which may delay or prevent Standard undertaking business opportunities which may arise pending completion of the merger;

The risk that potential benefits (strategic, operational, financial), cost benefits and other synergies sought in the merger may not be realized or may not be realized within the expected time period and the risks associated with the integration of Standard and Allegheny;

The costs Standard expects to incur associated with its public reporting requirements, applicable corporate governance requirements and other requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the SEC. Standard expects all of these applicable rules and regulations will increase its legal and financial compliance costs and to make certain compliance activities more time-consuming and costly;

The ability of Standard to pay a quarterly cash dividend in an amount no less than \$0.221 per share for five years, provided that sufficient funds are legally available and Standard and Standard Bank remain “well-capitalized” in accordance with applicable regulatory guidelines;

The risk that certain tax attributes of Standard and Allegheny may be affected by the transaction; and

The potential for diversion of management and employee attention and for employee attrition during the period prior to the completion of the merger and the potential effect on Standard’s business and relations with customers, service providers and other stakeholders whether or not the merger is consummated.

The foregoing discussion of the factors considered by the Standard board of directors in evaluating the merger agreement is not intended to be exhaustive, but, rather, includes all material factors considered by the Standard board of directors. Standard’s board of directors evaluated the factors described above, including asking questions of Standard’s legal and financial advisors. In reaching its decision to approve the agreement and the merger, the Standard board of directors did not quantify or assign relative values to the factors considered, and individual directors may have given different weights to different factors.

Standard board of directors realizes that there can be no assurance about future results, including results expected or considered in the factors listed above. The Standard board of directors considered all of the above factors as a whole, and on an overall basis considered them to be favorable to, and support, its determination to enter into the merger agreement.

Recommendation of the Standard Board of Directors

The Standard board of directors has approved the merger agreement and the merger and believes that the proposed merger is in the best interests of Standard and its shareholders. Accordingly, the Standard board of directors recommends that Standard shareholders vote “**FOR**” approval and adoption of the merger agreement, the merger and the transactions in connection therewith, “**FOR**” the approval and adoption of the amendments to the articles of incorporation, and “**FOR**” discretionary authority to postpone or adjourn the special meeting.

Opinion of Standard’s Financial Advisor

Standard engaged KBW to render financial advisory and investment banking services to Standard, including an opinion to the Standard board of directors as to the fairness, from a financial point of view, to Standard

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of the exchange ratio in the proposed merger. Standard selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the Standard board held on August 29, 2016 at which the Standard board evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an opinion to the Standard board to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to Standard. The Standard board approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as **Annex B** to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the Standard board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the exchange ratio in the merger to Standard. It did not address the underlying business decision of Standard to engage in the merger or enter into the merger agreement or constitute a recommendation to the Standard board in connection with the merger, and it does not constitute a recommendation to any holder of Standard common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter, nor does it constitute a recommendation as to whether or not any such shareholder should enter into a voting, shareholders', affiliates' or other agreement with respect to the merger or exercise any dissenters' or appraisal rights that may be available to such shareholder.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of Standard and Allegheny and bearing upon the merger, including, among other things:

- a draft of the merger agreement, dated August 17, 2016 (the most recent draft then made available to KBW);

the audited financial statements and the Annual Report on Form 10-K for the fiscal year ended September 30, 2013 of Standard and the audited financial statements for the two fiscal years ended September 30, 2015 of Standard;

the unaudited quarterly financial statements for the fiscal quarters ended December 31, 2015, March 31, 2016 and June 30, 2016 of Standard;

the audited financial statements for the three fiscal years ended December 31, 2015 of Allegheny;

the unaudited quarterly financial statements for the fiscal quarters ended March 31, 2016 and June 30, 2016 of Allegheny;

certain regulatory filings of Standard and Allegheny and their respective subsidiaries, including (as applicable) the semi-annual reports on Form FR Y-9SP and the quarterly call reports required to be filed with respect to each semi-annual period and quarter (as the case may be) during the three year period ended

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December 31, 2015, the quarter ended March 31, 2016 and the quarter and semi-annual period ended June 30, 2016;

certain other interim reports and other communications of Standard and Allegheny to their respective stockholders;
and

other financial information concerning the businesses and operations of Standard and Allegheny furnished to KBW by Standard and Allegheny or which KBW was otherwise directed to use for purposes of its analysis.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

- the historical and current financial position and results of operations of Standard and Allegheny;

- the assets and liabilities of Standard and Allegheny;

- the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial and stock market information of Standard and Allegheny with similar information for certain other companies the securities of which are publicly traded;

financial and operating forecasts and projections of Allegheny that were prepared by Allegheny management, provided to and discussed with KBW by such management, and used and relied upon by KBW at the direction of such management and with the consent of the Standard board;

financial and operating forecasts and projections of Standard that were prepared by Standard management, provided to and discussed with KBW by such management, and used and relied upon by KBW at the direction of such management and with the consent of the Standard board; and

estimates regarding certain pro forma financial effects of the merger on Standard (including, without limitation, the potential cost savings and related expenses expected to result or be derived from the merger) that were prepared by Standard management, provided to and discussed with KBW by such management, and used and relied upon at the direction of such management with the consent of the Standard board.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions that were held with the respective managements of Standard and Allegheny regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters that KBW deemed relevant to its inquiry.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the respective managements of Standard and Allegheny as to the reasonableness and achievability of the financial and operating forecasts and projections of Standard and Allegheny, respectively, referred to above (and the assumptions and bases therefor) and KBW assumed, with the consent of Standard, that such forecasts and projections were reasonably prepared on bases reflecting the best currently available estimates and judgments of such respective managements and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such respective managements. KBW further relied upon the management of Standard as to the reasonableness and achievability of the estimates regarding certain pro forma financial effects of the merger on Standard referred to above (and the assumptions and bases therefor) and KBW assumed, with the consent of Standard, that such estimates were reasonably prepared on bases reflecting the best currently available estimates and judgments of Standard

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management, and such estimates would be realized in the amounts and in the time periods estimated by such management.

It is understood that such forecasts, projections and estimates of Standard and Allegheny referred to above that were provided to KBW were not prepared with the expectation of public disclosure, that all such information was based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective managements of Standard and Allegheny and with the consent of the Standard board, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either Standard or Allegheny since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with Standard's consent, that the aggregate allowances for loan and lease losses for Standard and Allegheny are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of Standard or Allegheny, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of Standard or Allegheny under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed, in all respects material to its analyses:

the merger would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to its analyses from the latest draft of the merger agreement that had been reviewed by KBW) with no adjustments to the exchange ratio;

any related transactions (including the bank subsidiary merger and any of the quarterly dividends contemplated to be declared and paid by Standard and Allegheny prior to and, in the case of Standard, following the closing of the merger) would be completed substantially in accordance with the terms or descriptions set forth in the merger agreement or as otherwise described to KBW by representatives of Standard;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

each party to the merger agreement or any of the related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

there are no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger and any related transactions (including the bank subsidiary merger and any of the quarterly dividends contemplated to be declared and paid by Standard and Allegheny) and that all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any related documents; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transactions (including the bank subsidiary merger and any of the quarterly dividends contemplated to be declared and paid by Standard and Allegheny), no restrictions, including any

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divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of Standard, Allegheny or the pro forma entity or the contemplated benefits of the merger, including the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed that the merger would be consummated in a manner that complied with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of Standard that Standard relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to Standard, Allegheny, the merger and any related transaction (including the bank subsidiary merger and the quarterly dividends contemplated to be declared and paid by Standard and Allegheny), and the merger agreement. KBW did not provide advice with respect to any such matters. At the direction of Standard and with the consent of the Standard board, for purposes of its opinion, KBW assumed the declaration and payment by Standard and Allegheny of all quarterly dividends in amounts and for time periods as set forth in the merger agreement or as otherwise described to KBW by representatives of Standard.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of such opinion, of the exchange ratio in the merger to Standard. KBW expressed no view or opinion as to any other terms or aspects of the merger or any terms or aspects of any related transaction (including the bank subsidiary merger and the quarterly dividends contemplated to be declared and paid by Standard and Allegheny), including without limitation, the form or structure of the merger or any related transaction, any consequences of the merger or any related transaction to Standard, its stockholders, creditors or otherwise, or any terms, aspects or implications of any employment, consulting, voting, support, stockholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger, any related transaction, or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion, and KBW did not, and does not, have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of Standard to engage in the merger or enter into the merger agreement;

· the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by Standard or the Standard board;

· the fairness of the amount or nature of any compensation to any of Standard's officers, directors or employees, or any class of such persons, relative to any compensation to the holders of Standard common stock or relative to the exchange ratio;

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the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of Standard or Allegheny or any other party to any transaction contemplated by the merger agreement;

any adjustment (as provided in the merger agreement) to the exchange ratio assumed to be paid in the merger for purposes of KBW's opinion;

whether any of Standard, Allegheny or the pro forma entity has or will have sufficient cash, available lines of credit or other sources of funds to enable it to pay any of the quarterly dividends contemplated to be declared and paid applicable thereto;

the actual value of Standard common stock to be issued in the merger;

the prices, trading range or volume at which Standard common stock or Allegheny common stock may trade following the public announcement of the merger or the prices, trading range or volume at which Standard common stock may trade following the consummation of the merger;

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any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

any legal, regulatory, accounting, tax or similar matters relating to Standard, Allegheny, any of their respective shareholders, or relating to or arising out of or as a consequence of the merger or any other related transaction (including the bank subsidiary merger and the quarterly dividends contemplated to be declared and paid by Standard and Allegheny), including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Standard and Allegheny. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Standard board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Standard board with respect to the fairness of the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between Standard and Allegheny and the decision to enter into the merger agreement was solely that of the Standard board.

The following is a summary of the material financial analyses presented by KBW to the Standard board in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the Standard board, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied transaction value for the proposed merger of \$54.1 million, or \$51.55 per outstanding share of Allegheny common stock, based on the 2.083x exchange ratio in the proposed merger and the closing price of Standard common stock on August 26, 2016 and assuming the declaration and payment by Allegheny of quarterly stock dividends through the closing of the merger as estimated by

Standard management.

Selected Companies Analysis. Using publicly available information, KBW compared the financial performance, financial condition and market performance of Standard and Allegheny to 10 selected U.S. commercial banks, thrifts, and bank holding companies that were listed on NASDAQ, the New York Stock Exchange or NYSE MKT and headquartered in the Mid-Atlantic, Northeast, Midwest or Southeast regions (which regions included Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington, D.C., West Virginia, and Wisconsin) with total assets between \$400 million and \$600 million and latest 12 months (“LTM”) core return on average assets ratios greater than 0.50%. Mutual holding companies were excluded from the selected companies.

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The selected companies were as follows:

IF Bancorp, Inc.	Poage Bankshares, Inc.
Elmira Savings Bank	Citizens First Corporation
Bank of the James Financial Group, Inc.	Bank of South Carolina Corporation
United Community Bancorp	Southwest Georgia Financial Corporation
Wayne Savings Bancshares, Inc.	United Bancorp, Inc.

To perform this analysis, KBW used profitability and other financial information for, as of, or, in the case of latest 12 months (“LTM”) information through the most recent completed quarter available (which in the case of Standard and Allegheny was the fiscal quarter ended June 30, 2016) and market price information as of August 26, 2016. Where consolidated holding company level financial data for the selected companies was unreported, subsidiary bank level data was utilized to calculate ratios. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in the historical financial statements of Standard or Allegheny, or the data prepared by Allegheny’s financial advisor presented under the section “The Merger — Opinion of Allegheny’s Financial Advisor,” as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW’s analysis showed the following concerning the financial performance of Standard, Allegheny and the selected companies:

	Selected Companies					
	Standard	Allegheny	Average	Median	25th Percentile	75th Percentile
LTM Core Return on Average Assets (%) ⁽¹⁾	0.73	0.78	0.75	0.71	0.56	0.89
LTM Core Return on Average Equity (%) ⁽¹⁾	4.70	6.72	7.31	7.80	4.98	9.56
LTM Net Interest Margin (%)	2.87	3.47	3.58	3.67	3.14	3.88
LTM Fee Income to Revenue Ratio (%) ⁽²⁾	17.5	14.3	18.5	18.1	15.4	21.7
LTM Efficiency Ratio (%)	67.8	69.2	71.5	71.1	75.8	69.6

(1) Core income excludes extraordinary items, non-recurring items, gains / (losses) on sale of securities, and amortization of intangibles

(2) Excludes gains / (losses) on sale of securities

KBW’s analysis also showed the following concerning the financial condition of Standard, Allegheny and the selected companies:

	Selected Companies					
	Standard	Allegheny	Average	Median	25th Percentile	75th Percentile
Tangible Common Equity / Tangible Assets (%)	13.50	10.08	10.23	9.52	8.91	12.21
Total Risk Based Capital Ratio (%)	23.07	13.88	15.90	14.15	13.56	18.15
Loans / Deposits (%)	105.3	91.5	90.0	95.4	83.9	99.6
Loan Loss Reserve / Loans (%)	1.00	1.26	1.09	1.07	0.88	1.25
Nonperforming Assets / Loans + OREO (%) ⁽¹⁾	0.28	1.90	1.17	1.22	1.41	0.84
LTM Net Charge-Offs / Average Loans (%)	0.01	0.09	0.09	0.08	0.14	0.07

(1) Nonperforming assets include nonaccrual loans, restructured loans and OREO

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In addition, KBW's analysis showed the following concerning the market performance of Standard, Allegheny and the selected companies (excluding the impact of the latest 12 months earnings per share ("EPS") multiple for one of the selected companies, which multiple was considered to be not meaningful because it was greater than 30.0x):

	Selected Companies					
	Standard	Allegheny	Average	Median	25th Percentile	75th Percentile
One – Year Stock Price Change (%)	14.3	10.5	13.6	13.9	6.1	20.5
One – Year Total Return (%)	16.2	15.5	16.4	15.3	8.8	24.9
YTD Price Change (%)	(2.9)	(6.0)	3.2	1.3	(2.1)	7.4
Stock Price / Book Value per Share (x)	0.88	0.85	1.12	0.99	0.93	1.14
Stock Price / Tangible Book Value per Share (x)	1.00	1.01	1.19	1.06	0.95	1.23
Stock Price / LTM EPS (x)	17.3	12.2	15.4	15.6	13.2	17.8
Dividend Yield (%) ⁽¹⁾	1.8	4.4	2.4	2.3	1.6	2.9
LTM Dividend Payout Ratio (%) ⁽¹⁾	30.8	53.3	39.8	35.8	25.8	56.1

⁽¹⁾ Dividend yield and LTM dividend payout ratio reflect most recent quarterly dividend annualized as a percentage of stock price and LTM EPS, respectively

No company used as a comparison in the above selected companies analysis is identical to Standard or Allegheny. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Acquisition Transactions Analysis. KBW reviewed publicly available information related to 23 selected U.S. bank and thrift transactions announced since January 1, 2011 with the acquired companies headquartered in the Mid-Atlantic region (which included Delaware, Maryland, New Jersey, New York, Pennsylvania and Washington, D.C.), deal values between \$10.0 million and \$75.0 million and LTM return on average assets ratios greater than or equal to 0.50%. Transactions with no reported deal value as defined by SNL Financial were excluded from the selected transactions. The selected transactions were as follows:

Acquiror	Acquired Company
Revere Bank	Monument Bank
DNB Financial Corporation	East River Bank
Lakeland Bancorp, Inc.	Harmony Bank
Emclair Financial Corp.	United-American Savings Bank
NexTier Incorporated	Eureka Financial Corporation
Northfield Bancorp, Inc.	Hopewell Valley Community Bank
Lakeland Bancorp, Inc.	Pascack Bancorp, Inc.
Juniata Valley Financial Corp.	FNBPA Bancorp, Inc.

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Andover Bancorp, Inc.	Community National Bank of Northwestern Pennsylvania
Howard Bancorp, Inc.	Patapsco Bancorp, Inc.
CB Financial Services, Inc.	FedFirst Financial Corporation
Salisbury Bancorp, Inc.	Riverside Bank
WSFS Financial Corporation	First Wyoming Financial Corporation
1 st Constitution Bancorp	Rumson-Fair Haven Bank & Trust Co.
Wilshire Bancorp, Inc.	BankAsiana
Haven Bancorp, MHC	Hilltop Community Bancorp, Inc.
Lakeland Bancorp, Inc.	Somerset Hills Bancorp
F.N.B. Corporation	Annapolis Bancorp, Inc.
Penns Woods Bancorp, Inc.	Luzerne National Bank Corporation
S&T Bancorp, Inc.	Gateway Bank of Pennsylvania
Provident New York Bancorp	Gotham Bank of New York
Sandy Spring Bancorp, Inc.	CommerceFirst Bancorp, Inc.
Ocean Shore Holding Co.	CBHC Financialcorp, Inc.

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For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements prior to the announcement of the acquisition:

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Tangible equity premium to core deposits (total deposits less time deposits greater than \$100,000) of the acquired company, referred to as core deposit premium; and

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM net income)

KBW also reviewed the price per common share paid for the acquired company for each selected transaction in which the acquired company was publicly traded as a premium to the closing price of the acquired company one day prior to the announcement of the acquisition (expressed as a percentage and referred to as the one-day market premium). The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied transaction value for the proposed merger of \$54.1 million and using historical financial information for Allegheny as of or for the 12 months ended June 30, 2016.

The results of the analysis are set forth in the following table:

Transaction Price to	Standard/Allegheny Merger	Selected Transactions			
		Average	Median	25th Percentile	75th Percentile
Tangible Book Value (x)	1.23	1.35	1.30	1.27	1.50
Core Deposit Premium (%)	3.7	6.1	5.5	3.6	7.7
LTM EPS (x)	15.0	20.4	20.3	17.5	22.6
1-Day Market Premium (%)	22.6	47.5	49.9	29.6	65.6

No company or transaction used as a comparison in the above selected transaction analysis is identical to Allegheny or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Mergers of Equals Transactions Analysis. KBW reviewed publicly available information related to eight selected U.S. bank and thrift transactions announced since January 1, 2011 with deal values between \$10.0 million and \$75.0 million, stock consideration greater than or equal to 75%, LTM return on average assets ratios greater than 0.50%, and acquired assets greater than 35% of pro forma assets. Transactions with no reported deal value as defined by SNL Financial were excluded from the selected transactions. The selected transactions were as follows:

Acquiror	Acquired Company
Coastal Carolina Bancshares, Inc.	VistaBank
Sunshine Bancorp, Inc.	FBC Bancorp, Inc.
County Bank Corp	Capac Bancorp, Inc.
River Financial Corporation	Keystone Bancshares, Inc.
Commerce Union Bancshares, Inc.	Reliant Bank
Carolina Alliance Bank	Forest Commercial Bank
Old Florida Bancshares, Inc.	New Traditions National Bank
HaleCo Bancshares, Incorporated	LubCo Bancshares, Inc.

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For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements prior to the announcement of the acquisition:

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Core deposit premium; and

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM net income).

The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied transaction value for the proposed merger of \$54.1 million and using historical financial information for Allegheny as of or for the 12 months ended June 30, 2016.

The results of the analysis are set forth in the following table:

Transaction Price to	Standard/Allegheny Merger	Selected Transactions			
		Average	Median	25th Percentile	75th Percentile
Tangible Book Value (x)	1.23	1.12	1.12	0.98	1.29
Core Deposit Premium (%)	3.7	1.4	0.9	(0.2)	4.0
LTM EPS (x)	15.0	12.7	13.2	11.3	15.4

No company or transaction used as a comparison in the above selected transaction analysis is identical to Allegheny or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of Standard and Allegheny to various pro forma balance sheet and income statement items and the pro forma market capitalization of the combined entity. This analysis did not include purchase accounting adjustments or cost savings. To perform this analysis, KBW

used (i) historical balance sheet data for Standard and Allegheny as of June 30, 2016, (ii) historical earnings data for Standard and Allegheny for the 12 months ended June 30, 2016, (iii) earnings estimates for Standard provided by Standard management, (iv) earnings estimates for Allegheny provided by Allegheny management, and (v) market price data as of August 26, 2016. The results of KBW's analysis are set forth in the following table, which also compares the results of KBW's analysis with the implied pro forma ownership percentages of Standard and Allegheny shareholders in the combined company based on the 2.083x exchange ratio in the proposed merger (assuming the declaration and payment by Allegheny of quarterly stock dividends through the closing of the merger as estimated by Standard management):

	Standard as a % of Total		Allegheny as a % of Total	
Ownership				
Pro Forma Ownership	54	%	46	%
Balance Sheet				
Assets	53	%	47	%
Gross Loans Held for Investment	56	%	44	%
Deposits	52	%	48	%
Tangible Common Equity	60	%	40	%

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	Standard as a % of Total		Allegheny as a % of Total	
Income Statement				
Latest 12 Months Net Income	51	%	49	%
2016 Estimated Net Income	48	%	52	%
2017 Estimated Net Income	49	%	51	%
Market Capitalization				
Market Capitalization	60	%	40	%

Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Standard and Allegheny. Using closing balance sheet estimates as of March 31, 2017 for Standard and Allegheny provided by the respective managements of Standard and Allegheny, financial forecasts and projections relating to the earnings of Standard provided by Standard management, financial forecasts and projections relating to the earnings of Allegheny provided by Allegheny management, and pro forma assumptions (including, without limitation, the cost savings and related expenses expected to result from the merger, certain accounting adjustments assumed with respect thereto and estimated quarterly dividends contemplated to be declared and paid by Standard following the closing of the merger) provided by Standard management, and assuming the declaration and payment of quarterly stock and cash dividends by Allegheny and quarterly cash dividends by Standard through the closing of the merger as estimated by Standard management, KBW analyzed the estimated financial impact of the merger on certain projected financial results. This analysis indicated that the merger could be accretive to Standard's 2017 and 2018 estimated EPS and dilutive to Standard's estimated tangible book value per share as of March 31, 2017. Furthermore, the analysis indicated that, pro forma for the merger, each of Standard's tangible common equity to tangible assets ratio, leverage ratio, Tier 1 Risk-Based Capital Ratio and Total Risk Based Capital Ratio as of March 31, 2017 could be lower. For all of the above analysis, the actual results achieved by Standard following the merger may vary from the projected results, and the variations may be material.

Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range for the implied equity value of Allegheny, taking into account the cost savings and related expenses expected to result from the merger as well as certain accounting adjustments assumed with respect thereto, and assuming the declaration and payment by Allegheny of quarterly stock and cash dividends through the closing of the merger as estimated by Standard management. In this analysis, KBW used financial forecasts and projections relating to the earnings and assets of Allegheny provided by Allegheny management and estimated cost savings and related expenses and accounting adjustments provided by Standard management, and KBW assumed discount rates ranging from 15.0% to 17.0%. The ranges of values were derived by adding (i) the present value of the estimated excess cash flows that Allegheny could generate over the five-year period from 2017 to 2021 and (ii) the present value of Allegheny's implied terminal value at the end of such period, in each case applying estimated cost savings and related expenses and accounting adjustments. KBW assumed that Allegheny would maintain a tangible common equity to tangible assets ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Allegheny, KBW applied a range of 13.0x to 15.0x estimated 2022 earnings. This discounted cash flow analysis resulted in a range of implied values per share of Allegheny common stock, taking into account the cost savings and related expenses expected to result from the merger as well as certain accounting adjustments assumed with respect thereto, and assuming the declaration and payment by Allegheny of quarterly stock dividends through the closing of the merger as estimated by Standard management, of \$62.74 to \$74.45.

KBW also performed a discounted cash flow analysis to estimate a range for the implied equity value of Standard. In this analysis, KBW used financial forecasts and projections relating to the earnings and assets of Standard provided by Standard management, and KBW assumed discount rates ranging from 15.0% to 17.0%. The ranges of values were derived by adding (i) the present value of the estimated free cash flows that Standard could generate over the five year period from 2017 to 2021, and (ii) the present value of Standard's implied terminal value at the end of such period. KBW assumed that Standard would maintain a tangible common equity to tangible assets ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Standard, KBW applied a range of 13.0x to 15.0x estimated 2022 earnings. This discounted cash flow analysis resulted in a range of implied values per share of Standard common stock of \$22.92 to \$25.62.

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The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The above analyses did not purport to be indicative of the actual values or expected values of Allegheny or Standard.

Miscellaneous. KBW acted as financial advisor to Standard in connection with the proposed merger and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of their broker-dealer businesses and further to certain sales and trading relationships, KBW and its affiliates may from time to time purchase securities from, and sell securities to, Standard and Allegheny and their respective affiliates, and as market makers in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell, debt or equity securities of Standard or Allegheny for its and their own accounts and for the accounts of its and their respective customers and clients.

Pursuant to the KBW engagement agreement, Standard agreed to pay KBW a non-refundable cash fee equal to \$520,000, \$150,000 of which became payable concurrently with the rendering of KBW's opinion and the balance of which is contingent upon the consummation of the merger. Standard also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its engagement and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. In addition to the present engagement, KBW has provided investment banking and financial advisory services to Standard during the two years preceding the date of its opinion but did not receive compensation for such services. KBW agreed to act as financial advisor to Standard in June 2015 and in October 2015, in each case in connection with a potential acquisition by Standard that was not consummated and for which no compensation was received. In the two years preceding the date of its opinion, KBW did not provide investment banking and financial advisory services to Allegheny. KBW may in the future provide investment banking and financial advisory services to Standard or Allegheny and receive compensation for such services.

Allegheny's Reasons for the Merger

In the course of making its decision to approve the transaction with Standard, Allegheny's board of directors consulted with executive management and Allegheny's financial and legal advisors. Allegheny's board of directors considered, among other things, the following factors:

Strategic Considerations

The merger is a combination of two storied Pittsburgh banking franchises with complementary visions and missions;

The merger is a true merger of equals partnership that leverages the best of both companies;

The merger of Standard and Allegheny would create a financial institution with almost \$1.0 billion in assets. The combined company's increased size and scale would be better able to absorb increasing regulatory and compliance expenses than Allegheny would on its own. The increased scale will enable a more efficient operation and broadened customer base;

Since the two companies serve markets that are geographically complementary, the combined entity will have a more diverse market concentration than either of the two companies on their own;

The significant increase in assets, capital, earnings and management depth would create opportunities for future strategic acquisitions, asset growth, earnings growth and increased shareholder value. The combined bank will have a much larger capital base from which to grow and expand our community banking foothold in the Pittsburgh market;

The current environment in the banking and financial services industry, including national and regional economic conditions, continued consolidation, evolving trends and competition, and the likely effect of these factors on Allegheny in light of, and in the absence of, the merger. The combined company will have the ability to better mitigate the comprehensive risks inherent in the banking business;

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The proposed board and management structure which would position the combined company with strong leadership and strategic vision while improving its ability to attract and retain competitive management. Specifically, the board viewed the resulting management structure and depth as a positive management succession strategy. The resulting management of the combined company, its experience and abilities was viewed as a favorable factor by Allegheny's board of directors in supporting the transaction;

Standard's business, operations, financial condition, earnings and prospects and Allegheny's business, operations, financial condition, earnings and prospects, taking into account the results of the due diligence review of Standard by Allegheny and its financial, legal and other advisors;

The potential alternatives available to Allegheny, including other potential extraordinary transactions and the alternative of remaining independent, and the risks and challenges inherent in successfully implementing Allegheny's business plans, the value to the shareholders of these alternatives, the timing and likelihood of achieving value from these alternatives; and

The ability to complete the merger, including, in particular, the likelihood of obtaining regulatory approval and the provisions of the merger agreement regarding the parties' obligations to pursue the regulatory approvals.

Financial Impact on Shareholders

The merger's potential cost savings, as well as the potential for increased revenue opportunities which would provide significant increases in earnings per share over what Allegheny would have earned per share had it remained independent. The potential cost savings are expected to come from the reduction of duplicate resources and administrative functions as well as the elimination of redundant external contractual services and the standardization of various retirement benefits;

The combined company will be poised to create significant value for shareholders, including;

- o earnings per share growth: projected to be higher than what Allegheny could have earned on its own,

- o the scale achieved from the increased size should permit the combined company to generate earnings growth at a higher rate than Allegheny could do so on an independent basis,

- o immediately accretive to book value per share, and

- o immediately accretive to tangible book value per share.

As a provision of the merger, the new combined parent holding company will continue to pay a cash dividend that, adjusted for the merger exchange ratio, provides Allegheny shareholders with the same annual cash dividend of \$1.84 per share;

The exchange ratio of 2.083 shares of Standard common stock for each share of Allegheny common stock. The closing market price per share of Standard common stock of \$24.75 on August 26, 2016, the last trading day prior to the approval of the merger agreement by the Standard board of directors, which, when multiplied by the exchange ratio would suggest a market value of the merger consideration to be received by Allegheny shareholders of \$51.55. However, it is expected that the market value of the consideration that Allegheny shareholders receive pursuant to the transaction in accordance with the merger agreement will change between the date of the merger agreement and the effective time of the merger and may be different than the market value of the consideration on August 26, 2016. During the 60 trading days ending on August 26, 2016 (the last trading date prior to the date of the public announcement of the execution of the merger agreement), Standard's average stock price was \$24.10 and Allegheny's average stock price was \$41.09. Therefore, based upon Standard's 60 trading day average stock price and using the exchange ratio of 2.083 shares, the equivalent market value of Allegheny was \$50.20;

The ability to increase scale and accelerate the achievement of certain of Allegheny's strategic goals expanding geographically, and gaining access to personnel, expertise and other resources;

The belief that the prospects for long-term growth will be sufficient to overcome the costs arising from the merger;

The expected revenue enhancement and diversification, as well as cost savings and efficiencies; and

The ability of the combined company to continue to grow, through both its operations and potential future acquisitions.

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Effect on Common Stock

· For those investors who may wish to either purchase or sell shares of stock going forward, the anticipation that there will be greater trading volume (i.e., liquidity) to make such transactions more efficient as a combined company; and

· The increased market capitalization of the combined company relative to Allegheny's current market capitalization.

Form of Merger Consideration

· 2.083 shares of Standard common stock for each share of Allegheny common stock;

· The expectation that the receipt of Standard common stock by Allegheny shareholders would generally be tax-free for U.S. federal income tax purposes; and

· Allegheny's shareholders would have the ability to continue to participate in the growth of the combined company.

Value of Merger Consideration

· The premium to the market value of Allegheny's common stock represented by the value of the merger consideration;

· The historical and current market prices of Standard common stock and Allegheny common stock;

· The prices, multiples of earnings per share and premiums on core deposits in other recent acquisitions of financial institutions, as compared to the price, multiples and premiums in the merger;

· The *pro forma* financial effects of the merger, including the potential cost savings (resulting from back office efficiencies, consolidations and other cost savings) and the possibility of enhanced revenue from the merger and the effects of the merger on the risk-based and leverage capital ratios of the combined company and the prospects of enhanced earnings per share growth attained by a merger with Standard; and

· The financial analysis conducted by Boenning and its opinion to the board of directors that, as of the date of the merger agreement, the exchange ratio is fair, from a financial point of view, to Allegheny shareholders.

No Shop, Termination and Break-Up Fee

The restrictions imposed on Standard and Allegheny from soliciting alternative transactions;

The fact that parties' respective board of directors may withdraw or modify its recommendation that its shareholders approve the merger only if the board concludes in good faith, after consultation with outside counsel, that failure to do so may constitute a breach of its fiduciary duties;

The provisions permitting the Allegheny board of directors to terminate the merger agreement if the value of Standard common stock were to decline to less than \$19.80 (a greater than 20% decline from its price on August 26, 2016 of \$24.75) and underperform the KBW Nasdaq Bank Index by more than 20% during such time period;

The break-up fee of \$2.2 million that Standard or Allegheny would be required to pay to the other if the merger agreement is terminated under certain circumstances and Standard or Allegheny subsequently merges, is acquired or liquidates;

The fact that the break-up fee provision of the merger agreement could have the effect of discouraging other acquisition proposals for a business combination between Standard or Allegheny and a third party;

The fact that Allegheny or Standard may terminate the merger agreement upon a material breach by the other party and receive reimbursement of actual out-of-pocket costs and expenses, not to exceed \$400,000;

The fact that Allegheny or Standard would be required to pay to the other if each company's shareholder approval of the merger agreement is not obtained actual third party expenses directly related to the merger but not to exceed \$550,000.

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Directors and Officers

Allegheny's board of directors and senior management will play a significant role in the combined company. The agreement that 6 of the 13 members of the combined company's board of directors would be alumni of the Allegheny board of directors, Andrew W. Hasley would be appointed to serve as the combined company's president, and certain other senior officers would remain employees after the merger;

The existence and nature of the voting agreements to be obtained from the directors of Standard and Allegheny in support of the merger; and

The fact that the interests of certain of Standard's and Allegheny's officers and directors may be said to be different from, or in addition to, the interests of shareholders generally.

Other Constituencies

The possible effects of the merger on Allegheny's employees, customers, suppliers and creditors and on the communities in which Allegheny's facilities are located;

The companies have similar community banking cultures which will benefit customers, communities and employees;

Management's belief that Allegheny's customers would benefit from a combination with Standard due to the combined company's enhanced ability to serve its customers more broadly and effectively because of the combined company's greater scale, lending capabilities and range of financial products and services; and

The complexity and risks involved in successfully integrating Standard and Allegheny in a timely manner, and the potential impact of integration on various constituencies.

Allegheny's board of directors reviewed the totality of the future prospects and opportunities of Allegheny, its needs, the environment relative to the terms of the merger and its anticipated effects and concluded that the merger and its terms with the prospects of enhanced earnings, dividends, liquidity, with stronger, broader and deeper management while retaining operational focus were in the best long-term interests of Allegheny and its shareholders.

Allegheny's board of directors also considered the following:

The risk that integration of Allegheny and Standard will not occur as desired and the potential impact of integration if not successful on the expected benefits of the merger;

The potential challenges associated with obtaining regulatory approvals required to complete the transaction in a timely manner;

The fact that, pursuant to the merger agreement, Allegheny must generally conduct its business in the ordinary course and Allegheny is subject to a variety of other restrictions on the conduct of its business prior to the completion of the merger or termination of the merger agreement, which may delay or prevent Allegheny undertaking business opportunities which may arise pending completion of the merger;

The risk that potential benefits (strategic, operational, financial), cost benefits and other synergies sought in the merger may not be realized or may not be realized within the expected time period and the risks associated with the integration of Allegheny and Standard;

The risk that certain tax attributes of Allegheny and Standard may be affected by the transaction; and

The potential for diversion of management and employee attention and for employee attrition during the period prior to the completion of the merger and the potential effect on Allegheny's business and relations with customers, service providers and other stakeholders whether or not the merger is consummated.

The foregoing discussion of the factors considered by the Allegheny board of directors in evaluating the merger agreement is not intended to be exhaustive, but, rather, includes all material factors considered by the Allegheny board of directors. Allegheny's board of directors evaluated the factors described above, including asking questions of Allegheny's legal and financial advisors. In reaching its decision to approve the agreement and the merger, the Allegheny board of directors did not quantify or assign relative values to the factors considered, and individual directors may have given different weights to different factors. The Allegheny board of directors relied on the experience and expertise of its legal advisors regarding the structure of the merger and the terms of the merger

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agreement and on the experience and expertise of its financial advisors for quantitative analysis of the financial terms of the merger.

Allegheny board of directors realizes that there can be no assurance about future results, including results expected or considered in the factors listed above. The Allegheny board of directors considered all of the above factors as a whole, and on an overall basis considered them to be favorable to, and support, its determination to enter into the merger agreement.

Recommendation of the Allegheny Board of Directors

The Allegheny board of directors has unanimously determined that the merger agreement and the merger and believes that the proposed merger is in the best interests of Allegheny and its shareholders. Accordingly, the Allegheny board of directors recommends that Allegheny shareholders vote “**FOR**” approval and adoption of the merger agreement and the merger, “**FOR**” the advisory (non-binding) vote regarding golden parachute compensation, “**FOR**” discretionary authority to adjourn or postpone the special meeting, and “**FOR**” the proposal to approve, on an advisory (non-binding) basis, each of the amendments to Standard’s articles of incorporation.

Opinion of Allegheny’s Financial Advisor

By letter dated June 7, 2016, Allegheny retained Boenning, to act as its exclusive financial advisor in connection with a possible sale, merger, or other business combination. Boenning is a nationally recognized investment banking firm headquartered in West Conshohocken, Pennsylvania with an expertise in merger and acquisitions involving banks and other financial institutions. Boenning is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Boenning acted as financial advisor to Allegheny in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of the merger agreement, dated as of August 29, 2016. At a meeting of the Allegheny board of directors on August 29, 2016, the Allegheny board of directors reviewed the merger agreement and Boenning delivered to the board of directors its oral and written opinion, that as of such date and based upon and subject to the various considerations set therein, the exchange ratio was fair to the holders of Allegheny common stock from a financial point of view. The Allegheny board of directors approved the merger agreement at this meeting. We will refer to the opinion of August 29, 2016 as the “Opinion.”

The full text of Boenning's written opinion dated August 29, 2016, which is referred to herein as the Opinion, is attached as **Annex C** and is incorporated in this joint proxy statement/prospectus by reference. The Opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Boenning in rendering the Opinion. The description of the Opinion set forth below is qualified in its entirety by reference to the Opinion. Allegheny's shareholders are urged to read the entire Opinion carefully in connection with their consideration of the proposed merger.

The Opinion speaks only as of its date. The Opinion was directed to the Allegheny board of directors and is directed only to the fairness, from a financial point of view, of the exchange ratio of STND common stock to be received by the holders of Allegheny common stock. It does not address the underlying business decision of Allegheny to engage in the merger or any other aspect of the merger and is not a recommendation to any Allegheny shareholder as to how such shareholder should vote at the special meeting with respect to the merger or any other matter.

In connection with rendering the Opinion, Boenning reviewed and considered, among other things:

the merger agreement;

audited financial statements for the three years ended December 31, 2015 and September 30, 2015 and other historical financial information of Allegheny and Standard, respectively;

certain publicly available financial statements and other historical financial information of Allegheny and Standard;

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certain internal financial projections for Allegheny and Standard and for the calendar years ending December 31, 2016, 2017 and 2018, as provided by senior management of Allegheny and Standard;

the pro forma financial impact of the proposed merger between Standard and Allegheny based on assumptions as determined by the senior managements of Standard and Allegheny, relating to transaction expenses, purchase accounting adjustments and cost savings;

the terms and structures of other comparable recent mergers and acquisition transactions in the commercial banking sector;

the current market environment generally and in the commercial banking sector in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as Boenning considered relevant.

Boenning also discussed with certain members of senior management of Allegheny the business, financial condition, results of operations and prospects of Allegheny and held similar discussions with senior management of Standard concerning the business, financial condition, results of operations and prospects of Standard.

In performing its review, Boenning relied upon the accuracy and completeness of all of the financial and other information that was available to Boenning from public sources, that was provided to Boenning by Allegheny and Standard, or their respective representatives, or that was otherwise reviewed by Boenning, and Boenning has assumed such accuracy and completeness for purposes of rendering the Opinion. Boenning has further relied on the assurances of the respective managements of Allegheny and Standard that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Boenning has not been asked to and has not undertaken an independent verification of any of such information and does not assume any responsibility or liability for the accuracy or completeness thereof. Boenning did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Allegheny and Standard or any of their respective subsidiaries. Boenning renders no opinion or evaluation on the collectability of any assets or the future performance of any loans of Allegheny and Standard. Boenning did not make an independent evaluation of the adequacy of the allowance for loan losses of Allegheny and Standard, or the combined entity after the merger, and it has not reviewed any individual credit files relating to Allegheny and Standard. Boenning has assumed, with Allegheny's consent that the respective allowances for loan losses for both Allegheny and Standard are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Boenning used internal financial projections for Allegheny and Standard as provided by the senior management of Allegheny and Standard. Boenning also received and used in its analyses certain projections of transaction costs, purchase accounting adjustments, expected cost savings and other synergies which were prepared by

and/or reviewed with the senior management of Allegheny and Standard. With respect to those projections, estimates and judgments, the management of Allegheny and Standard confirmed to Boenning that those projections, estimates and judgments reflected the best currently available estimates and judgments of Allegheny management of the future financial performance of Allegheny and Boenning assumed that such performance would be achieved. The projections furnished to Boenning and used by it in certain of its analyses were prepared by Allegheny's and Standard's senior management team. Allegheny and Standard does not publicly disclose internal management projections of the type provided to Boenning in connection with its review of the merger. As a result, such projections were not prepared with a view towards public disclosure. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections. Boenning expresses no opinion as to such financial projections or estimates or the assumptions on which they are based. Boenning has also assumed that there has been no material change in Allegheny's and Standard's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to Boenning. Boenning has assumed in all respects material to its analysis that Allegheny and Standard will remain as going concerns for all periods relevant to its analyses, that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to the merger agreement will perform all of the covenants required to be performed by such party

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under the merger agreement and that the conditions precedent in the merger agreement are not waived. Finally, with the consent of Allegheny, Boenning has relied upon the advice that Allegheny has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

The Opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof could materially affect the Opinion. Boenning has not undertaken to update, revise, reaffirm or withdraw the Opinion or otherwise comment upon events occurring after the date thereof.

The Opinion was directed to the Allegheny board of directors in connection with its consideration of the merger and does not constitute a recommendation to any shareholder of Allegheny as to how any such shareholder should vote at the Allegheny special meeting. The Opinion is directed only to the fairness, from a financial point of view, of the exchange ratio to the holders of Allegheny common stock and does not address the underlying business decision of Allegheny to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for Allegheny or the effect of any other transaction in which Allegheny might engage. The Opinion shall not be reproduced or used for any other purposes, without Boenning's prior written consent. The Opinion has been approved by Boenning's fairness opinion committee. Boenning has consented to inclusion of the Opinion and a summary thereof in this joint proxy statement/prospectus and in the registration statement on Form S-4 which includes this joint proxy statement/prospectus. Boenning does not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any officer, director, or employee, or class of such persons, relative to the compensation to be received in the merger by any other shareholder.

In rendering its Opinion, Boenning performed a variety of financial analyses. The following is a summary of the material analyses performed by Boenning, but is not a complete description of all the analyses underlying Boenning's opinion. The summary includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. In arriving at its opinion, Boenning did not attribute any particular weight to any analysis or factor that it considered. Rather, Boenning made qualitative judgments as to the significance and relevance of each analysis and factor. Boenning did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support the Opinion; rather Boenning made its determination as to the fairness of the exchange ratio on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Boenning believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Boenning's comparative analyses described below is identical to Allegheny or Standard and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in

financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of Allegheny or Standard and the companies to which they are being compared.

In performing its analyses, Boenning also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of Allegheny, Standard and Boenning. The analysis performed by Boenning is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Boenning prepared its analyses solely for purposes of rendering the Opinion and provided such analyses to the Allegheny board of directors at the August 29, 2016 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Boenning's analyses do not necessarily reflect the value of Allegheny's common stock or the prices at which Allegheny's common stock may be sold at any time. The analysis and the Opinion of Boenning was

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among a number of factors taken into consideration by the board of directors of Allegheny in making its determination to approve of Allegheny's entry into the merger agreement and the analyses described below should not be viewed as determinative of the decision the board of directors of Allegheny or management with respect to the fairness of the merger.

At the August 29, 2016 meeting of the Allegheny board of directors, Boenning presented certain financial analyses of the merger. The summary below is not a complete description of the analyses underlying the opinions of Boenning or the presentation made by Boenning to the Allegheny board of directors, but is instead a summary of the material analyses performed and presented in connection with the Opinion.

Summary of Transaction. The merger, while considered a merger of equals, will be accounted for as an acquisition by Standard of Allegheny using the purchase method of accounting and, accordingly, the assets and liabilities of Allegheny will be recorded at their respective fair values on the date the merger is completed. The Merger will be effected by the issuance of shares of Standard stock to Allegheny shareholders. In accordance with SFAS No. 141R, the final accounting purchase price assigned to record the shares issued in the merger will be based on the closing price of Standard's common stock on the effective date of the merger.

Each share of Allegheny common stock will be exchanged for 2.083 shares of Standard common stock. The implied per share offer price in stock paid to Allegheny shareholders was derived by multiplying the negotiated exchange ratio of 2.083 by Standard's closing stock price of \$24.75 as of August 26, 2016, which was the last trading day prior to the execution of the merger agreement, resulting in a per share value to Allegheny's shareholders of \$51.55.

The key transaction statistics were as follows:

Aggregate Implied Consideration Offered to Allegheny (millions)	\$54.1
Implied Consideration Offered Per Allegheny Common Share	\$51.55
Premium / (Discount) to Allegheny's Average Reported Stock Price ⁽¹⁾	23.8 %
Aggregate Implied Consideration Offered to Allegheny's:	
Book Value per Share	105.7%
Tangible Book Value per Share	125.7%
LTM Earnings per Share	15.6 x
Pro Forma Allegheny Ownership	45.6 %
Pro Forma Standard Ownership	54.4 %

(1) Based on \$41.64 per share which represented the price of Allegheny's 30-day average stock price as of August 26, 2016.

Comparable Companies Analysis. Boenning compared selected publicly available financial, operating and stock market data for both Allegheny and Standard with those of a peer group in order to compare their historical financial and operating performance with the peers and examined the financial considerations relative to the market valuations of the peers. The financial and operating data is as of June 30, 2016 (unless otherwise noted), and the stock market data is as of August 26, 2016. Given their similar size, Allegheny and Standard were compared against the same peer group. The peer group consisted of companies with an asset size between \$300 million and \$600 million and are located in Pennsylvania. Their respective peers are summarized below:

- Honat Bancorp, Inc.*
- Juniata Valley Financial Corp.
- American Bank Incorporated
- Prudential Bancorp, Inc.
- Riverview Financial Corporation
- First Priority Financial Corp.
- Jonestown Bank and Trust Co.
- Northumberland Bancorp
- First Community Financial Corporation**
- CBT Financial Corporation
- Hamlin Bank and Trust Company*
- Centric Financial Corporation

*Financial data as of March 31, 2016.

**Financial data as of December 31, 2015.

Boenning compared selected operating, financial data for Allegheny and Standard with those of its peers. The financial and operating data for Allegheny's and Standard's peer group is as of June 30, 2016 (unless otherwise noted) and all market data is as of August 26, 2016.

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	Allegheny		Standard		Peer Median	
	(\$ in Thousands)					
Total Assets	\$434,000		\$484,732		\$ 499,493	
Tang. Equity / Tang. Assets	10.5	%	13.5	%	9.5	%
Nonperforming Assets ⁽¹⁾ / Assets	1.30	%	0.22	%	0.77	%
LTM ⁽³⁾ Return on Average Assets	0.83	%	0.76	%	0.71	%
LTM ⁽³⁾ Return on Average Tangible Common Equity	6.90	%	5.60	%	7.68	%
LTM ⁽³⁾ Efficiency Ratio ⁽²⁾	69.2	%	67.8	%	69.6	%
Price to:						
Book Value Per Common Share	88.9	%	88.6	%	112.5	%
Tangible Book Value Per Common Share	106.8	%	100.7	%	115.0	%
LTM ⁽³⁾ Earnings Per Common Share	12.2	x	17.5	x	18.5	x
Dividend Yield	4.36	%	1.78	%	2.67	%

(1) Defined as total nonaccrual loans plus other real estate owned plus accruing loans that are 90 days past due.

(2) Defined as non-interest expense less intangible amortization divided by the sum of net interest income plus non-interest income.

(3)

LTM stands for the latest twelve months.

Contribution Analysis. Boenning analyzed the contribution that Allegheny would have made to various assets, liabilities, revenue and income of the combined company's latest twelve month earnings as of June 30, 2016 (except where noted). Boenning also reviewed the ownership percentage that Allegheny's shareholders would receive in the transaction relative to its financial contribution to the combined company. Existing Allegheny shareholders will own approximately 45.6% of the combined company's common stock value of the combined company. Boenning has not expressed any opinion as to the actual value of Standard common stock when issued in the merger or the price at which Standard common stock will trade after the merger.

The analysis indicated the following information as of and for the twelve months ended June 30, 2016 (except where noted) for both Allegheny and Standard:

	Allegheny		Standard	
Total Assets	47.24	%	52.76	%
Gross Loans	44.26	%	55.74	%
Deposits	47.76	%	52.24	%
Total Equity	41.95	%	58.05	%
Tangible Common Equity	41.98	%	59.02	%
LTM ⁽¹⁾ Net Income	49.04	%	50.96	%
Median of Above	44.26	%	55.74	%

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	Standard / Allegheny	Merger of Equals Peer Medians
Contribution of:		
Assets	53% / 47%	57% / 43%
Tangible Common Equity	59% / 41%	58% / 42%
LTM ⁽¹⁾ Net Income	51% / 49%	59% / 41%
Non-Performing Assets ⁽²⁾	84% / 16%	55% / 45%
Median of Above	55% / 45%	55% / 45%
Pro Forma Board Representation	54% / 46%	58% / 42%
Pro Forma Ownership	54% / 46%	60% / 40%

(1) LTM stands for the latest twelve months.

(2) Defined as total nonaccrual loans plus other real estate owned plus accruing loans that are 90 days past due. Ratios are actually reversed as a higher amount would support a lower respective contribution percentage.

No company, however, used in this analysis is identical to Allegheny, Standard or the transaction. Accordingly, an analysis of the result of the foregoing is not mathematical; rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that would affect the public trading values of the companies or company to which they are being compared.

Comparable Transaction Analysis. Boenning analyzed certain information relating to recent transactions in the banking industry, consisting of seven bank and thrift transactions announced since January 1, 2012 with target assets between \$100 million and \$3 billion and in which the selling bank's assets measured between 75% and 100% of the buyer's assets at the time the sale was publicly announced. Boenning then reviewed and compared the pricing multiples of (i) the implied offer price to Allegheny based on the fixed exchange ratio of 2.083 shares of Standard common stock for each share of Allegheny common stock and Standard's closing stock price of \$24.75 as of August 26, 2016 and (ii) the median pricing multiples of the selected transaction values. The analysis indicated the following information:

Pricing Multiple	The Merger	Comparable Transaction Median
Price/Book Value	105.7	104.7
Price/Tangible Book Value	125.7	128.0
Price/Latest Twelve Months Earnings Per Share	15.6	15.2
Premium over Tangible Book Value/Core Deposits	3.7	2.7

Discounted Dividend Analysis. Using a discounted dividend analysis, Boenning estimated the present value of the future cash flows that would accrue to a holder of a share of Allegheny's common stock over a five-year period. This

analysis was performed in order to compare the financial consideration in the transaction to an estimated implied value for Allegheny's common stock based on projected future cash flows. This stand-alone analysis was based on several assumptions, including a price to earnings multiple range of 17.5x to 19.5x of Allegheny's terminal year common earnings per share, earnings per share growth rates based upon Allegheny's management's five-year projected earnings per share, and Allegheny's current annual common stock cash dividend of \$1.84 per share. On August 26, 2016, Allegheny's price to earnings multiple was 12.2x while the median value of its peers was 18.5x. The multiple applied to Allegheny's estimated five-year earnings per share value is its peers' price to earnings multiple. The terminal value and projected annual cash dividends were then discounted to present value using a discount rate of 13.0%. This discount rate was used in order to reflect an expected rate of return

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required by holders or prospective buyers of Allegheny's common stock. The discount value was determined using the capital asset pricing model and the build-up method, which take into account certain factors such as the current risk free rate, the beta of bank stocks compared to the broader market and the Ibbotson risk premiums for small, illiquid stocks and for commercial bank stocks. We also considered comparable company returns on tangible common equity as a third hurdle rate. The average of the three methods was approximately 13.0%. The analysis indicated that, based upon the aforementioned assumptions, the per common share present value of Allegheny's common stock, on a stand-alone basis, ranged from \$44.20 to \$62.41. Based on the peers' current price to earnings multiple of 18.5x, the midpoint value was approximately \$52.63.

Boenning performed a similar analysis on the five-year financial projections of Allegheny's tangible book value per share. This analysis was based on a tangible book multiple range of 0.95x and 1.35x (Allegheny's median peers' multiple as of August 26, 2016 was 1.15x) to the terminal year tangible book value based upon Allegheny's management's five-year projected earnings per share, earnings per share growth rates based upon Allegheny's management's five-year projected earnings per share, and Allegheny's current annual common stock cash dividend of \$1.84 per share. The terminal value was then discounted to present value using a discount rate of 13.0%. The analysis indicated that, based upon the aforementioned assumptions, the per share present value of Allegheny's common stock, on a stand-alone basis, ranged from \$33.42 to \$46.63. Based on the peers' current price to tangible book value multiple of 1.15x, the midpoint value was approximately \$39.86.

In connection with the discounted dividend analysis performed, Boenning considered and discussed with Allegheny's board how the present value analysis would be affected by changes in the underlying assumptions, including variations with respect to the growth rate of assets, net interest spread, non-interest income, non-interest expenses and dividend payout ratio. Boenning noted that the discounted dividend stream and terminal value analysis is a widely used valuation methodology, but the assumptions that must be made, and the results of this analysis, are not necessarily indicative of actual values or future results.

Pro Forma Merger Analysis. Boenning analyzed certain potential pro forma effects of the merger, assuming the following: (i) the merger had been completed as of March 31, 2017; (ii) the implied price to be paid by Standard for each share of Allegheny common stock at the time of the announcement was \$51.55 based on the fixed stock-for-stock exchange ratio of 2.083 shares of Standard's common stock for each share of Allegheny's common stock; (iii) estimated one-time transaction related costs expensed prior to closing; (iv) Allegheny's performance was calculated in accordance with Allegheny's management's prepared earnings projections; (v) Standard's performance was calculated in accordance with Standard management's prepared earnings projections; (vi) certain other assumptions pertaining to costs and expenses associated with the transaction, intangible amortization, opportunity cost of cash and other items. The analyses indicated that, for the full calendar years 2018 and 2019, the merger (excluding transaction expenses) would be accretive to both Standard's projected earnings per share and to Allegheny's earnings per share, on a relative basis, when adjusting for the fixed exchange ratio of 2.083. On a pro forma basis as of March 31, 2017, the analyses indicated the merger would be dilutive to Standard's tangible book value per share and accretive to Allegheny's tangible book value per share on a relative basis when adjusting for the fixed exchange ratio of 2.083. In addition, the pro forma quarterly common stock cash dividend of \$0.221 per share for the combined company would be neutral to Allegheny's current quarterly common stock cash dividend of \$0.460 per share on a relative basis when

adjusting for the fixed exchange ratio of 2.083. The actual results achieved by the combined company may vary from projected results and the variations may be material.

Boenning's Compensation and Other Relationships with Allegheny. Boenning has acted as financial advisor to Allegheny in connection with the merger and received a fee totaling \$35,000 prior to the execution of the definitive agreement. In addition, Allegheny agreed to pay Boenning a transaction fee of \$650,000 of which \$125,000 was paid upon the signing of a definitive agreement with the remainder, net of the retainer fee which will be credited, to be paid upon the closing of the merger. Allegheny has also agreed to reimburse Boenning for its reasonable out-of-pocket expenses and to indemnify Boenning against certain liabilities arising out of its engagement.

In the ordinary course of their respective broker and dealer businesses, Boenning may purchase securities from and sell securities to Allegheny and Standard and their affiliates. Boenning may also actively trade the equity securities of Allegheny and Standard or their affiliates for its own accounts and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

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Boenning advised, and received compensation from, Allegheny in 2015 relating to the exploration of potential acquisition transactions, although no transaction was consummated at that time.

Except for the arrangements between Boenning and Allegheny described in the preceding paragraph, Boenning has not had any material relationship with Allegheny or Standard during the past two years nor did it receive or expect to receive any material compensation from Allegheny or Standard during the past two years. Boenning may provide services to Standard in the future (and/or to Allegheny if the Proposed Merger is not consummated), although as of the date of this opinion, there is no agreement to do so nor any mutual understanding that such services are contemplated.

Boenning's opinion was approved by Boenning's fairness opinion committee. Boenning did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any of the officers, directors, or employees of any party to the merger agreement, or any class of such persons, relative to the compensation to be received by the holders of Allegheny's common stock in the merger.

Effect of the Merger

Upon completion of the merger, Allegheny will merge with and into Standard, which will be renamed "Standard AVB Financial Corp." Standard and Allegheny will use their best efforts to cause Allegheny Valley Bank of Pittsburgh to merge with and into Standard Bank. The articles of incorporation and the bylaws of Standard, as amended pursuant to the merger agreement, will govern the combined company subject to the approval and adoption of certain amendments by Standard shareholders. The proposed amendments to Standard's articles of incorporation and amended and restated bylaws are attached to this joint proxy statement/prospectus as Exhibits 5 and 6 to **Annex A**.

Merger Consideration

Allegheny Common Stock

Shareholders of Allegheny will receive 2.083 fully paid and non-assessable shares of Standard common stock for each share of Allegheny common stock they own immediately prior to the effective time of the merger, subject to adjustment according to the terms of the merger agreement. Standard will not issue fractional shares of common stock, and any former shareholder of Allegheny that would otherwise be entitled to receive a fractional share of Standard common stock will receive cash in an amount equal to that fraction multiplied by Standard market share price as defined in the merger agreement. See "Proposal 1: The Merger—Terms of the Merger—Exchange Procedures."

The exchange ratio will be appropriately adjusted if there is a stock dividend, stock split, reverse stock split, common stock reclassification, or other similar event regarding Standard common stock before completion of the merger. By way of illustration, if Standard declares and pays a stock dividend of 5% on or prior to the effective time of the merger, the exchange ratio will be adjusted upward by 5%. Under this hypothetical, Allegheny shareholders entitled to receive Standard common stock pursuant to the merger agreement would receive 2.18715 shares of Standard common stock, adjusted up from 2.083 shares, for each share of Allegheny common stock they owned immediately prior to the effective time of the merger. In addition, if as of the determination date, as defined in the merger agreement, (i) Standard common stock declines to less than \$19.80, and (ii) also underperforms the KBW Nasdaq Bank Index by 20% or more, and Allegheny elects to exercise its termination right, then Standard may elect to increase the exchange ratio so that the revised value of Standard common stock to be received by Allegheny shareholders is equal to the value Allegheny shareholders would have received if the Standard common stock price was \$19.80. This increase to the exchange ratio would compensate Allegheny shareholders for the decrease in Standard's common stock referenced above.

Standard will not issue fractional shares of its common stock in connection with the merger. Each holder of Allegheny common stock who otherwise would have been entitled to a fraction of a share of Standard common stock will receive cash in lieu of the fractional share of Standard common stock (without interest) in an amount calculated pursuant to the merger agreement. The merger agreement calculates the cash amount by multiplying the fractional share to which the holder would otherwise be entitled (after taking into account all shares of Allegheny common stock owned by the holder at the effective time of the merger) by the numeric average of the daily closing sales price for a share of Standard common stock as reported on the OTCQX market place maintained by OTC Markets Group Inc. for each of the consecutive five (5) trading days immediately preceding the closing date of the merger.

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Standard Common Stock and Stock Options

Each share of Standard common stock and each option to purchase a share of Standard common stock outstanding immediately prior to completion of the merger will remain outstanding after the merger.

Exchange Procedures

Standard and Allegheny expect to designate Computershare Trust Company, NA to act as their exchange agent in connection with the exchange procedures for converting shares of Allegheny common stock into the merger consideration. At or prior to the effective time of the merger, Standard will deposit the merger consideration with the exchange agent for delivery to the Allegheny shareholders in accordance with the merger agreement.

As soon as reasonably practicable after the effective time of the merger, the exchange agent will mail to each Allegheny shareholder a letter of transmittal with instructions for submitting his or her Allegheny stock certificates (or evidence of book-entry shares) in exchange for Standard common stock and any cash in lieu of fractional shares. At that time, those Allegheny shareholders will need to carefully review the instructions, complete the materials enclosed with the instructions, and return the materials along with their Allegheny stock certificates (or evidence of book-entry shares). After receipt of the properly completed letter of transmittal and Allegheny stock certificates (or evidence of book-entry shares), a holder of Allegheny common stock will be entitled to receive the whole number of shares of Standard common stock and a check representing cash payment in lieu of any fractional shares.

Shares of Standard common stock will be issued after the effective time of the merger and will entitle the holders to dividends and any other distributions to which all holders of Standard common stock are entitled. Until the letter of transmittal is submitted and the Allegheny common stock is surrendered for exchange after completion of the merger, holders will not receive any stock consideration, dividends, or distributions on any Standard common stock into which shares of their Allegheny common stock have been converted. When the letter of transmittal is submitted and the Allegheny common stock is surrendered, Standard will pay any accrued or unpaid dividends or other distributions on such Standard common stock without interest.

Following the effective time of the merger and until surrendered, all outstanding Allegheny common stock is evidence solely of the right to receive the merger consideration. In no event will Standard, Allegheny or the exchange agent be liable to any former Allegheny shareholder for any amount paid in good faith to a public official pursuant to any applicable abandoned property, escheat, or similar law.

Allegheny shareholders are urged to carefully read the information set forth under the caption “Proposal 1: The Merger—Material U.S. Federal Income Tax Consequences” and to consult their tax advisors for a full understanding of the merger’s tax consequences to them.

Effective Time

Subject to the provisions of the merger agreement, the articles of merger shall be duly prepared, executed and delivered for filing with the Maryland State Department of Assessments and Taxation or the Pennsylvania Department of State, as required, on the closing date of the merger. The merger shall become effective at such time, on such date, as the articles of merger are filed with the Maryland State Department of Assessments and Taxation or the Pennsylvania Department of State, or at such date and time as may be specified in the articles of merger. See “Proposal 1: The Merger—Terms of the Merger—Conditions to the Merger” and “Proposal 1: The Merger—Terms of the Merger—Regulatory Approvals.”

Representations and Warranties

The merger agreement contains customary representations and warranties relating to, among other things, the following:

- Organization of Standard and Allegheny and their respective subsidiaries;
- Capital structures of Standard and Allegheny;

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- Due authorization, execution, delivery, performance, and enforceability of the merger agreement;
- Receipt of consents or approvals of governmental entities or third parties necessary to complete the merger;
- Preparation of regulatory reports and financial statements consistent with generally accepted accounting principles (“GAAP”);
- Filing of tax returns and payment of taxes;
- Absence of a material adverse effect (as defined in the merger agreement) since December 31, 2015, for either Standard or Allegheny;
- Material contracts;
- Quality of title to assets and properties;
- Maintenance of adequate insurance;
- Absence of undisclosed material pending or threatened litigation;
- Compliance with applicable laws and regulations;
- Employee and employee benefit plans;
- Brokers, finders and financial advisors;
- Environmental matters;
- Allowance for loan losses;
- Availability of annual reports and proxy materials;

Absence of certain related party transactions;

- Validity and binding nature of loans reflected as assets in the financial statements of Standard and Allegheny;

Deposits;

Quality of investment securities;

Registration obligations;

Risk management instruments;

Receipt of fairness opinions from Standard's and Allegheny's respective financial advisors;

Standard's common stock;

Intellectual property;

Anti-takeover laws and required vote;

Trust accounts; and

Information security.

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Conduct of Business Pending Merger

In the merger agreement, Standard and Allegheny each agreed to use their best efforts to preserve their business organizations intact, to maintain good relationships with employees, and to preserve the goodwill of customers and others with whom they do business. In addition, they agreed to conduct their business and to engage in transactions only in the ordinary course of business consistent with past practice and policies, except as otherwise required by the merger agreement.

Standard and Allegheny also agreed in the merger agreement that they will not do any of the following and will not permit any of their subsidiaries to do any of the following, except as disclosed, contemplated by the merger agreement or as consented to by the other party:

Amend or change any provision of its articles of incorporation or bylaws, except as provided for in the merger agreement;

Change the number of authorized or issued shares of Standard and Allegheny capital stock or issue any shares except that Standard may issue shares of Standard common stock upon the valid exercise of presently outstanding options to acquire Standard common stock and Allegheny may issue shares of Allegheny common stock upon the valid exercise of presently outstanding options to acquire Allegheny common stock;

Issue or grant any option (except in accordance with past practice under their benefit plans), warrant, call, commitment, subscription, right or agreement of any character relating to their authorized or issued capital stock or any securities convertible into shares of such stock, or split, combine or reclassify any shares of capital stock, or declare, set aside or pay any dividend or other distribution in respect of capital stock, or redeem or otherwise acquire any shares of capital stock, except in accordance with past practice. Provided however, Standard and Allegheny in accordance with applicable law may continue to pay regular quarterly cash dividends of \$0.11 per share and \$0.46 per share, respectively, and, in addition, Allegheny may continue to pay its regular stock dividend, each in accordance and consistent with past practice;

Grant any severance or termination pay to, or, enter into any new or amend any existing employment agreement with any employee, officer, or director, except in accordance with applicable law, except as provided for in the merger agreement;

Increase the compensation of, any employee, officer or director except that (A) Standard and Allegheny may pay salary increases consistent with past practice in such amounts not in excess of three percent (3%) in the aggregate for all employees, officers and directors, (B) Standard and Allegheny may pay retention bonuses to such employees whose services are desired in connection with transition activities in an amount to be jointly determined by Standard

and Allegheny, and (C) Standard and Allegheny may pay their annual bonuses prior to closing in accordance with their customary and normal practices, but in no event to exceed the aggregate and individual amounts paid for the year 2015 by five percent (5%);

· Merge or consolidate any subsidiary with any other corporation;

· Sell or lease all or any substantial portion of its assets or business;

· Make any acquisition of all or any substantial portion of the business or assets of any other person, firm, association, corporation or business organization other than in connection with the collection of any loan or credit arrangement;

· Enter into a purchase and assumption transaction with respect to deposits and liabilities;

· Permit the revocation or surrender by any subsidiary of its certificate of authority to maintain, or file an application for the relocation of, any existing branch office;

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Sell or otherwise dispose of any capital stock;

Make any sale, assignment, transfer, pledge, hypothecation or other disposition of, or incurrence of any lien with respect to, any assets having a book or market value, in excess of \$100,000, other than pledges of assets to secure FHLB advances, customer repurchase agreements, or government deposits, sales of assets received in satisfaction of debts previously contracted in the normal course of business, or sale of any security for its investment portfolio, in each case, in the ordinary course of business and consistent with past practice;

Take any action which would result in any of its representations and warranties set forth in the merger agreement becoming untrue, or in any of the conditions to close not being satisfied, except in each case as may be required by applicable law;

Change any method, practice or principle of accounting or tax accounting, except as may be required from time to time by GAAP or any governmental entity;

Waive, release, grant or transfer any rights of value or modify or change in any material respect any existing material agreement to which it or any subsidiary is a party, other than in the ordinary course of business consistent with past practice;

Implement any new pension, retirement, profit sharing, bonus, welfare benefit or similar plan or arrangement, or, materially amend any existing plan or arrangement, except in accordance with applicable law;

Purchase any security for its investment portfolio other than in the ordinary course of business and consistent with past practice;

Amend or otherwise modify the underwriting and other lending guidelines and policies or otherwise fail to conduct its lending activities in the ordinary course of business consistent with past practice;

Enter into, renew, extend or modify any other transaction with any affiliate, except in the ordinary course of business and which are in compliance with the requirements of applicable laws and regulations;

Change deposit or loan rates other than in the ordinary course of business consistent with past practice;

Enter into any interest rate swap, floor or cap or similar commitment, agreement or arrangement, except in the ordinary course of business consistent with past practice;

- Take any action that would give rise to a right of a continuing payment to any individual under any agreement;

- Take any action or knowingly fail to take any action, which action or failure to act could reasonably be expected to preclude the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code; or

- Make, change or revoke any material tax election or enter into any material agreement or arrangement with respect to taxes.

Standard and Allegheny each also agree to:

- Provide the other with reasonable access to its properties, assets, books, and records, personnel subject to certain confidentiality provisions and limitations;

- Prepare and provide accurate information for this proxy statement/prospectus and various regulatory filings, including the registration statement filed with the Securities and Exchange Commission (“SEC”) by Standard covering the securities to be issued in this merger;

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Cooperate with each other and use their reasonable best efforts to promptly obtain and comply with all governmental approvals required for the merger, provided that such efforts do not require it to take any action that would reasonably be expected to have a material adverse effect, as defined in the merger agreement;

Use their reasonable best efforts to take all action necessary or desirable to permit completion of the merger as soon as practicable;

Not to take, or cause, or to the best of its ability permit to be taken, any action that would substantially impair the prospects of completing the merger;

Advise the other of any change or event having a material adverse effect on it (as defined in the merger agreement) or which it believes would or would be reasonably likely to cause or constitute a material breach of any of its representations, warranties, or covenants set forth in the merger agreement;

Cause one or more of its designated representatives to confer on a weekly or such other basis as mutually determined, regarding their financial condition, operations and business and matters relating to the completion of the transactions contemplated by the merger agreement;

Permit the other, at its own expense, to cause a "Phase I Environmental Audit" to be performed at any physical location owned or occupied by the other party or any of its subsidiaries;

Take all action necessary to properly call, convene and hold a special meeting of its shareholders to consider and vote upon a proposal to approve and adopt the merger agreement and the transactions contemplated thereby, and in the case of Standard, approve and adopt the amendments to its articles of incorporation;

Recommend that its shareholders approve and adopt the merger agreement and the transactions contemplated thereby and in the case of Standard the amendment and restatement of the articles of incorporation and not withdraw, modify or change in any manner adverse to the other party hereto such favorable recommendation. However, either Allegheny or Standard may withdraw, modify or qualify such recommendation if it determines, in good faith after consultation with its legal and financial advisers, that the failure to do so may constitute a breach of its fiduciary duties;

Cooperate in the preparation and distribution of any press release related to the merger agreement and the transactions contemplated thereby, and any other public disclosures. However, nothing shall prohibit either party from making any disclosure which its counsel deems necessary under applicable law, or either party from making any disclosure necessary to fulfill its obligations under the Exchange Act;

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Maintain, and cause its subsidiaries to maintain, insurance in such amounts as are reasonable to cover such risks as are customary in relation to the character and location of its properties and the nature of its business;

Maintain, and cause its subsidiaries to maintain, books of account and records in accordance with GAAP applied on a basis consistent with those principles used in preparing the financial statements heretofore delivered in accordance with the merger agreement;

Timely file all federal, state, and local tax returns required to be filed by it or its respective subsidiaries and timely pay all taxes due, and terminate all tax sharing agreements or arrangements among it and its subsidiaries as of the effective time of the merger;

Review, before or promptly after the effective time of the merger, all benefit plans of Standard Bank and Allegheny Valley Bank of Pittsburgh in order to establish the benefit plans to be made available to Standard and Allegheny employees; and

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Honor the contractual terms of all employment, consulting, change in control, severance and deferred compensation agreements except to the extent any such agreement is superseded or terminated with the written consent of the affected parties.

Indemnification and Insurance

Standard and Allegheny agree to cooperate and use their best efforts to indemnify certain individuals to the extent permitted by law and their respective articles of incorporation and bylaws. Whether asserted or arising before or after the effective time of the merger, Standard and Allegheny will indemnify directors and officers of Standard and Allegheny and their respective subsidiaries as well as those who become directors and officers of Standard or Allegheny or their respective subsidiaries prior to the effective time of the merger. Indemnification rights will be triggered if an eligible officer or director is made part of any threatened or actual claim, action, suit, proceeding or investigation, whether civil, criminal or administrative, based in whole or in part on, or arising in whole or in part out of, or pertaining to:

1. The fact that the person is or was a director, officer, or employee of Standard or Allegheny, any of their respective subsidiaries, or any of their respective predecessors; or
2. The merger agreement or any of the transactions contemplated thereby.

On or after the effective time of the merger, Standard will indemnify, defend, and hold harmless all prior and then-existing directors, officers and employees of Standard, Allegheny and their respective subsidiaries against:

1. All losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement (with the prior approval of Standard) of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on, or arising in whole or in part out of, the fact that the person is or was a director, officer, or employee of Standard, Allegheny or their respective subsidiaries, whether pertaining to any matter existing or occurring at or prior to the effective time of the merger and whether asserted or claimed prior to, or at or after, the effective time of the merger; and

2. All of the indemnified liabilities identified in paragraph (1) immediately above based in whole or in part on, or arising in whole or in part out of, or pertaining to the merger agreement or the transactions contemplated thereby, to the same extent as an officer, director, or employee may be indemnified by Standard or its subsidiaries, as the case may be, as of August 29, 2016.

The above indemnification rights include the right to advancement of expenses; however, no officer, director, or employee may be indemnified by Standard if indemnification is prohibited by applicable law.

For six (6) years after the effective time of the merger, subject to certain limitations, Standard will maintain a directors' and officers' liability insurance policy providing coverage amounts not less than the coverage amounts provided under the Allegheny directors' and officers' liability insurance policy, on terms generally no less favorable and covering persons who are currently covered by the Allegheny insurance policies. In addition, Standard will maintain directors' and officers' liability insurance policies for all directors of the Surviving Corporation and obtain Side A Coverage for all directors of the Surviving Corporation, with coverage in amounts not less than 130% of Allegheny Directors' current coverage, respectively, and on terms no less favorable than the Allegheny Directors currently enjoy under the Allegheny policies in effect as of August 29, 2016, unless otherwise approved by 75% of the board of directors of Standard.

No Solicitations of Other Transactions

So long as the merger agreement remains in effect, Allegheny and Standard shall not and shall not authorize or permit any of their directors, officers, employees or agents, to directly or indirectly:

1. solicit, initiate or encourage any inquiries relating to, or the making of any proposal which relates to, an acquisition proposal (as defined in the merger agreement);

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2. recommend or endorse an acquisition proposal;
3. participate in any discussions or negotiations regarding an acquisition proposal;
4. provide any third party with any nonpublic information in connection with any acquisition proposal; or
5. enter into an agreement with any other party with respect to an acquisition proposal.

Allegheny and Standard will notify each other if any inquiries or proposals relating to an acquisition proposal are received or any such negotiations or discussions are sought to be initiated or continued.

Notwithstanding the foregoing, the board of directors of Allegheny or Standard may respond to, in a manner it deems appropriate, recommend or endorse, participate in any discussions, provide any third party with nonpublic information, or enter into an agreement regarding, unsolicited inquiries relating to an acquisition proposal, in each case, if the respective board of directors shall have determined, in good faith after consultation with its legal and financial advisors, that the failure to do so may constitute a breach of their fiduciary duties. Nothing contained in the merger agreement shall prevent Allegheny and Standard, and their respective boards of directors, from complying with Rule 14d-9 and Rule 14e-2 under the Exchange Act, with respect to an acquisition proposal; provided, that such rules will in no way eliminate or modify the effect that any action pursuant to such rules would otherwise have under the merger agreement.

Dividends and Authorization to Pay Dividends

Prior to the effective time of the merger, Allegheny and Standard will coordinate the declaration, payment and record dates of any regular quarterly dividends so that holders of Allegheny common stock do not receive two dividends, or fail to receive one dividend, for any quarter.

For five (5) years after the effective time of the merger, Standard will continue to pay a quarterly cash dividend in an amount no less than \$0.221 per share, provided sufficient funds are legally available and that Standard and Standard Bank remain “well-capitalized” in accordance with applicable regulatory guidelines, unless the board of directors of Standard determines otherwise in accordance with its fiduciary duties upon the approval of at least 75% of the directors, for the two (2) years following completion of the merger and 66 ²/₃% for the three (3) years thereafter.

Corporate and Bank Name Following Merger

For three (3) years after the merger, Standard will not change the corporate name from “Standard AVB Financial Corp.” unless the board of directors of Standard shall determine otherwise upon approval of at least 75% of the directors.

For three (3) years after the effective time of the merger, the surviving bank will be named “Standard Bank” and will not change its name unless the board of directors of Standard and the bank determine otherwise upon approval of at least 75% of the directors of each entity.

Headquarters

The headquarters of Standard and the administrative headquarters of Standard Bank will be located in Monroeville, Pennsylvania, respectively. The combined bank will maintain a significant presence at Allegheny’s Lawrenceville, Pennsylvania headquarters , including certain operational functions.

Dividend Reinvestment Plan

Prior to the effective time of the merger, Allegheny will suspend the acceptance of dividends and other contributions of participants in its dividend reinvestment plan, terminate the dividend reinvestment plan and distribute all shares of Allegheny common stock and the value of all cash held in participant’s plan accounts in accordance with the terms of the dividend reinvestment plan. Prior to the effective time of the merger, Allegheny will suspend the acceptance of dividends and other contributions of participants in its dividend reinvestment plan until the effective time of the merger.

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Conditions to Merger

Standard's and Allegheny's obligations to complete the merger are subject to the satisfaction of various conditions at or prior to the closing date of the merger, including the following:

Standard's and Allegheny's shareholders must approve and adopt the merger agreement and Standard's shareholders must approve the amendment and restatement of the articles of incorporation;

The representations and warranties of each party to the merger agreement must be true and correct as of August 29, 2016, and as of the closing date of the merger except as to any representation or warranty where the breach would not constitute a material adverse effect (as defined in the merger agreement) on Standard or Allegheny;

All obligations required to be performed by each party under the merger agreement have been performed in all material respects at or prior to the closing date of the merger;

All requisite approvals and consents must be obtained and any related regulatory waiting periods must have expired;

There must be no order, decree, or injunction in effect preventing the completion of the transactions contemplated by the merger agreement, and no statute, rule, regulation, order, injunction or decree which prohibits or makes illegal the completion the merger;

The registration statement must be effective and any required approvals of state securities agencies must have been obtained;

Opinions from Standard's and Allegheny's respective special legal counsels that the merger will be treated as a reorganization within the meaning of section 368(a) of the Code have been received. See "Terms of the Merger –Material U.S. Federal Income Tax Consequences";

All consents and authorizations of landlords and other third parties that are necessary to permit the merger to be consummated without the violation of any lease or other material agreement must have been received;

Standard shall have filed the amendments to its articles of incorporation and its board of directors shall have approved and adopted the bylaws as set forth on Exhibits 5 and 6 to **Annex A**.

The holders of no more than 10% of Allegheny's issued and outstanding shares seek to perfect dissenters' appraisal rights; and

No change in the business, property, assets (including loan portfolios), liabilities (whether absolute, contingent, or otherwise), operations, business prospects, liquidity, income or financial condition of Standard and Allegheny or either's subsidiaries, which has had or would reasonably be likely to have, individually or in the aggregate, a material adverse effect (as defined in the merger agreement) must have occurred.

Under the terms of the merger agreement, a "material adverse effect" means any event, circumstance, development, change or effect that:

1. is material and adverse to the business, financial condition or results of operations of Allegheny or Standard, or

materially impairs the ability of such party or its subsidiary to perform its obligations under the merger agreement or
2. otherwise materially threatens or materially impedes the consummation of the transactions contemplated by the merger agreement, other than, in each case, any event, circumstance, development, change or effect relating to:

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(a) changes in GAAP or applicable regulatory accounting requirements;

(b) changes in laws, rules or regulations of general applicability to financial institutions and/or their holding companies, or interpretations thereof by courts or any bank regulator or governmental entities;

(c) changes in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market (including equity, credit and debt markets, as well as changes in interest rates) conditions affecting the financial services industry generally and not specifically relating to such party or its subsidiaries;

(d) public disclosure of the execution of the merger agreement, public disclosure or consummation of the transactions contemplated hereby (including any effect on a party's relationships with its customers or employees) or actions expressly required by the merger agreement or actions or omissions that are taken with the prior written consent of the other party in contemplation of the transactions contemplated by the merger agreement;

(e) a decline in the trading price of a party's common stock or the failure, in and of itself, to meet earnings projections or internal financial forecasts (it being understood that the underlying cause of such decline or failure may be taken into account in determining whether a material adverse effect has occurred); or

(f) the expenses incurred by either party in negotiating, documenting, effecting and consummating the transactions contemplated by the merger agreement; except, with respect to subclauses (a), (b), or (c), to the extent that the effects of such change are materially disproportionately adverse to the business, properties, assets, liabilities, results of operations or financial condition of such party and its subsidiaries, taken as a whole, as compared to other companies in the financial services industry.

Except for the requirements of Standard and Allegheny shareholder approval; regulatory approvals; and the absence of any order, decree, or injunction preventing the transactions contemplated by the merger agreement, Standard and Allegheny each may waive each of the conditions described above in the manner and to the extent described in "Proposal 1: The Merger—Terms of the Merger—Amendment; Waiver."

Amendment; Waiver

Subject to applicable law, at any time prior to the consummation of the transactions contemplated by the merger agreement, Standard and Allegheny may:

1. amend the merger agreement;
2. extend the time for the performance of any of the obligations or other acts of either Standard or Allegheny;
3. waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement; or
4. waive compliance with any of the agreements or conditions contained in the provisions of the merger agreement relating to the covenants of Standard and Allegheny between August 29, 2016, and the closing date of the merger and relating to the conditions to closing.

However, any amendment, extension or waiver granted or executed after shareholders of Allegheny or Standard have approved the merger agreement cannot modify either the amount or the form of the consideration to be provided to holders of Allegheny common stock upon consummation of the merger or otherwise materially adversely affect the shareholders of Allegheny or Standard without the approval of the shareholders who would be so affected.

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Termination

The merger agreement may be terminated on or at any time prior to the closing date of the merger:

1. by the mutual written consent of Standard and Allegheny;

2. by Standard or Allegheny:

a. if the merger has not occurred on or before August 31, 2017, unless the failure of the merger to occur is due to the failure of the party seeking to terminate the merger agreement to perform its covenants and agreements required by the merger agreement;

b. if any governmental agency issues a final unappealable administrative order which would not permit satisfaction of the conditions to the merger under the merger agreement, unless it is due to the failure of the party seeking to terminate the merger agreement to perform its covenants and agreements required by the merger agreement;

3. by Allegheny if Standard has, or by Standard if Allegheny has, in any material respect, breached (i) any material covenant contained in the merger agreement or (ii) any representation or warranty contained in the merger agreement, which would have a material adverse effect (as defined in the merger agreement) on the nonbreaching party, and such breach has not been substantially cured by the earlier of 30 days after the written notice of the breach is given to the breaching party or the effective time of the merger unless the breach no longer causes a material adverse effect;

4. by either party if its shareholders did not approved the merger agreement at its special meeting unless prior to such shareholder vote, the board of directors of the party whose shareholders failed to approve the merger agreement withdrew, modified or changed in a manner adverse to the other party its approval or recommendation of the merger agreement; or

5. by either party, subject to certain conditions, if its board of directors shall have determined in good faith after consultation with its legal and financial advisers, taking into account, all relevant factors, that failure to agree to or endorse another acquisition proposal and terminate the merger agreement may constitute a breach of their fiduciary duties. However, the merger agreement may only be terminated after giving notice to the other party and negotiating with the other party in good faith to make adjustments to the merger agreement;

6. By Allegheny, if at any time during the five (5) business day period commencing with the determination date (the later date of either the date the last regulatory approval is obtained or the later date of the Standard or Allegheny

special meeting of shareholders), if both of the following conditions are satisfied:

a. the closing price of Standard's common stock on the determination date, is less than \$19.80; and

(A) the number obtained by dividing the closing price of Standard's common stock on the determination date by b. \$24.75 is less than (B) the number obtained by dividing closing price of the KBW Bank Index as of the determination date by the closing price of the KBW Bank Index as of August 29, 2016, minus 0.20.

If Allegheny elects to exercise its termination right under the circumstances described above, it shall give prompt written notice to Standard; provided that such notice of election to terminate may be withdrawn at any time during the five-day period. During the five-business-day period beginning with its receipt of such notice, Standard has the option of increasing the exchange ratio in a manner such, and to the extent required, so that the revised value of Standard common stock to be received by Allegheny shareholders is equal to the value Allegheny shareholders would have received if the Standard common stock price was \$19.80. This increase to the exchange ratio would compensate Allegheny shareholders for the decrease in Standard's common stock referenced above.

If the merger is terminated pursuant to the merger agreement, the merger agreement will be void except for provisions relating to the confidentiality of information furnished to either Standard or Allegheny during the course of the merger and provisions relating to the expenses associated with the merger. There will be no further liability on the part of Standard or Allegheny to the other, except for any liability arising out of any uncured willful material breach of any covenant or other agreement contained in the merger agreement or any fraudulent breach of a representation or warranty.

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Expenses

Except as described below, each party will bear and pay all costs and expenses incurred by it in connection with the transactions contemplated by the merger agreement, including fees and expenses of its own financial consultants, accountants and counsel.

However, if the merger agreement is terminated as a result of any breach of a representation, warranty, covenant, or other agreement of Standard or Allegheny, the terminating party will be liable to the other party for actual out-of-pocket costs and expenses, including the reasonable fees and expenses of financial consultants, accountants, and legal counsel, incurred by the other party up to a maximum amount of \$400,000. Additionally, if one of the parties fails to complete the merger solely due to its failure to obtain shareholder approval, the terminating party will be obligated to reimburse the other party for its actual third party expenses, not to exceed \$550,000. The payment of expenses will be the exclusive remedy and upon delivery of such payment, the non-terminating party will have no further obligations to the terminating party pursuant to the merger agreement.

Termination Fee

If either party fails to complete the merger after the occurrence of one of the following events, and the other party is not in material breach of the merger agreement, the party failing to complete the merger will pay the other party a fee of \$2.2 million:

1. a party concludes in good faith, after consultation with its legal and financial advisers, that it must agree to or endorse an acquisition proposal (as defined in the merger agreement) and terminate the merger agreement in order to comply with its fiduciary responsibilities;
2. another person enters into an agreement, letter of intent, or memorandum of understanding with a party which relates to an acquisition proposal;
3. a party authorizes, recommends or publicly proposes, or publicly announces an intention to authorize, recommend, or propose an agreement to enter into an acquisition proposal;
4. a party's shareholders fail to approve the merger agreement, or the special meeting of shareholders is cancelled, if prior to the shareholder vote or cancellation:

- a. a party recommends that its shareholders approve or accept an acquisition proposal with any other person; or
- b. a party fails to call, give notice of, convene and hold a special meeting of shareholders; or

a party's shareholders fail to approve the merger agreement or the special meeting of shareholders is cancelled, if prior to the shareholder vote or cancellation any person, publicly announces its intention to make an acquisition proposal of that party and has not publicly withdrawn the announcement at least thirty (30) days prior to the meeting of shareholders and within twelve (12) months after such event the party enters into any term sheet, letter of intent, agreement or similar type agreement with such person which relates to an acquisition proposal.

Regulatory Approvals

Completion of the transaction is subject to the prior receipt of all consents or approvals of federal and state regulatory authorities required to complete the merger of Standard and Allegheny. As of the date of this joint proxy statement/prospectus, appropriate applications for approval have been filed with the appropriate regulatory authorities. Standard and Allegheny have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transaction. Approvals must be obtained from the Federal Reserve Board; the FDIC, the primary federal regulator of state-chartered banks that are not members of the Federal Reserve System; and from the Pennsylvania Department of Banking, the primary regulator of Pennsylvania-chartered deposit-taking institutions. The merger cannot proceed in the absence of the required regulatory approvals. Standard has received all requisite regulatory approvals with respect to the transaction.

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Management After the Merger

At the effective time of the merger, the total number of persons serving on the board of directors of Standard and Standard Bank shall be increased to thirteen (13). Seven (7) of the thirteen (13) persons to serve initially on the board of directors of Standard at the effective time of the merger will be the current members of the Standard board of directors and six (6) of the thirteen (13) persons will be appointed by the Allegheny board of directors from among its current directors. The directors from each of Standard and Allegheny shall be evenly distributed as close as possible among the three (3) classes of Standard with two (2) classes having four (4) directors and one (1) class having five (5) directors each to serve until their successors are duly elected and qualified in accordance with applicable law, the articles of incorporation, and the bylaws of Standard, as amended.

The following directors of Standard are expected to continue as directors of Standard AVB Financial Corp. on the effective time of the transaction: Terence L. Graft, Dale A. Walker, Timothy K. Zimmerman, Horace G. Cofer, William T. Ferri, David C. Mathews and Thomas J. Rennie. The following directors of Allegheny are expected to become directors of Standard AVB Financial Corp. on the effective time of the transaction: Gregory J. Saxon, Andrew W. Hasley, Paul A. Iurlano, R. Craig Thomasmeyer, John M. Lally and Ronald J. Mock.

Terence L. Graft will be the Chairman of the Board of Standard and, provided Mr. Graft remains a member of the board of directors of Standard, Standard board of directors will continue to elect Mr. Graft at each organizational meeting of directors as Chairman until the 2019 Annual Meeting of Shareholders of Standard unless the board of directors of Standard shall determine otherwise upon the approval of at least 75% of the board of directors. Gregory J. Saxon will be the Vice Chairman of the Board of Standard and, provided Mr. Saxon remains a member of the board of directors of Standard, Standard board of directors will continue to elect Mr. Saxon at each organizational meeting of directors as Vice Chairman until the 2019 Annual Meeting of Shareholders of Standard unless the board of directors of Standard shall determine otherwise upon the approval of at least 75% of the board of directors.

For each of the 2017, 2018 and 2019 annual meetings of shareholders of Standard, director nominees shall be selected, or recommended for the board of directors' selection, by a nominating committee comprised solely of independent directors. During this three year period, director nominees will be selected and nominated as follows: With respect to each directorship held by an incumbent director formerly affiliated with Allegheny, a sub-committee of the nominating committee composed entirely of former Allegheny directors will select a director nominee who, except for executive officers, will be an independent director and will satisfy the eligibility requirements set forth in Standard bylaws (continuing Allegheny directors). With respect to each directorship held by an incumbent director formerly affiliated with Standard prior to the merger, a sub-committee of the nominating committee composed entirely of former directors who serve on the Standard board of directors prior to the merger will select a director nominee who, except for executive officers, will be an independent director and will satisfy the eligibility requirements set forth in Standard bylaws (continuing Standard directors). This procedure for director nominations may be modified by a vote of at least 75% of the Standard board of directors following the merger.

Unless, after the merger, the board of directors of Standard determines otherwise by a vote of at least 75% of the board of directors, for three (3) years following the closing of the merger, the parties have agreed to the following regarding representation, composition, and chairperson of the respective committees of Standard and Standard Bank:

(A) the Audit Committee shall consist of four (4) continuing Standard directors and three (3) continuing Allegheny directors and shall be chaired by a continuing Standard director, as designated by Standard prior to the closing of the merger, until his or her successor is appointed and qualified or otherwise in accordance with applicable law;

(B) the Compensation and Personnel Committee shall consist of three (3) independent continuing Standard directors and two (2) independent continuing Allegheny directors and shall be chaired by a continuing Standard director, as designated by Standard prior to the closing of the merger, until his or her successor is appointed and qualified or otherwise in accordance with applicable law;

(C) the Compliance and Technology Committee shall consist of three (3) continuing Standard directors and two (2) continuing Allegheny directors and shall be chaired by a continuing Standard director,

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as designated by Standard prior to the closing of the merger until his or her successor is appointed and qualified or otherwise in accordance with applicable law;

(D) the Loan Committee shall consist of four (4) continuing Allegheny directors and three (3) continuing Standard directors and shall be chaired by Andrew W. Hasley until his successor is appointed and qualified or otherwise in accordance with applicable law;

(E) the Nominating Committee shall consist of three (3) independent continuing Standard directors and three (3) independent continuing Allegheny directors, and Terence L. Graft and R. Craig Thomasmeyer shall serve as the chairman of the Nominating Committee, each alternating such position every year; and

(F) the Strategic Planning Committee shall consist of Timothy K. Zimmerman, Andrew W. Hasley, three (3) independent continuing Allegheny directors and two (2) independent continuing Standard directors and shall be chaired by John M. Lally until his successor is appointed and qualified or otherwise in accordance with applicable law.

In the event that any person so selected to serve as Chairperson of the committees set forth above of Standard is unable or unwilling to serve in such position prior to the closing of the merger, then the respective board of directors from which such person was selected shall designate another person to serve in such person's place, and if after the closing of the merger and for three (3) years thereafter, the respective continuing directors from the board of directors from which such person was selected.

Upon the closing of the merger, the following individuals shall be among the executive officers of Standard, unless, after the closing, the board of directors of Standard determines otherwise upon the approval of at least 75% of the board of directors:

1. Timothy K. Zimmerman shall serve as Chief Executive Officer until June 30, 2020;

Andrew W. Hasley shall serve as President until June 30, 2020; upon the earlier of June 30, 2020 or Timothy K. Zimmerman's cessation of employment, Andrew W. Hasley shall thereafter serve as President and Chief Executive Officer;

3. Susan Parente shall serve as Chief Financial Officer/Executive Vice President;

4. Jason W. Ross shall serve as Chief Business Development Officer/Executive Vice President;
5. Christian M. Chelli shall serve as Chief Credit Officer/Senior Vice President;
6. Sheila D. Crystaloski shall serve as Chief Technology Officer/Senior Vice President; and
7. Susan DeLuca shall serve as Chief Risk Officer/Senior Vice President.

Each shall serve in accordance with and under the terms of their respective previously amended contractual obligations.

For more information, see “Proposal 1: The Merger—Interests of Directors, Officers, and Others in the Merger.”

Employment; Severance

Standard will use its best efforts to continue the employment of all current employees in positions that will contribute to the successful performance of the combined organization. Subject to execution of a customary form of release, Standard agrees to provide severance pay to any full-time, active employee of Standard, Standard Bank, Allegheny and Allegheny Valley Bank whose employment is terminated within one (1) year after the effective time as a result of the merger.

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The severance pay will be made if (1) the employee's position is eliminated, (2) the employee is not offered a position with at least the same pay, or (3) an employee is required to commute more than thirty (30) miles more than the employee's present commute. Standard will not pay severance pay to any employee (1) who is being paid under an existing employment or change in control agreement, (2) whose employment is terminated for cause, or (3) who voluntarily leaves employment prior to or subsequent to the effective time of the merger. The severance pay will equal two (2) weeks' pay for each full year of continuous service with a minimum severance benefit of four (4) weeks' pay and a maximum severance benefit of twenty-six (26) weeks' pay. Terminated employees will have the right to continue coverage under COBRA. An employee that is eligible for severance, as described above, will not receive severance under the Standard Bank Severance Plan.

Employee Benefits

Standard and Allegheny shall, before or promptly after the effective time of the merger, review all benefit plans of Standard Bank and Allegheny Valley Bank in order to establish the benefit plans to be made available to employees after the effective time of the merger. Standard will:

provide its employees credit for all years of service with Standard, Standard Bank, Allegheny or Allegheny Valley Bank for the purpose of eligibility and vesting and provide employees credit for all years of service for benefit accrual for the Allegheny Valley Bank or Standard Bank benefit plans;

cause any and all pre-existing condition limitations and eligibility waiting periods under group health plans to be waived with respect to their employees who remain as employees of Standard Bank (and their eligible dependents); and

to the extent an Allegheny Valley Bank health insurance plan is terminated in the year the merger is completed, cause to be credited any deductibles incurred by employees and their beneficiaries and dependents during the portion of the calendar year prior to their participation in the new health insurance plans. No decision has been made with respect to the Allegheny Valley Bank health insurance plan.

Standard, Standard Bank, Allegheny and Allegheny Valley Bank agree to honor all vested or accrued benefit obligations to, and contractual rights of their current and former employees, including any benefits or rights arising as a result of the transactions contemplated by the merger agreement (either alone or in combination with any other event). In order to accomplish the foregoing, Standard or its subsidiary and Allegheny or its subsidiary may amend, freeze, merge or terminate any benefit plan of Standard, Standard Bank, Allegheny, or Allegheny Valley Bank, respectively.

Interests of Directors and Executive Officers in the Merger

When considering the recommendation of the Standard Board of Directors and Allegheny Board of Directors recommendations in connection with the merger agreement proposal, you should be aware that some of Standard's and Allegheny's officers and board of directors have interests that are in addition to, or different from, the interests of Standard's and Allegheny's shareholders generally, which are described below. The Standard and Allegheny boards of directors were aware of these factors and considered them, among other matters in approving the merger agreement and the transactions contemplated by the merger agreement. Except as described below, to the knowledge of Standard and Allegheny, the officers and directors of Standard and Allegheny do not have any material interest in the merger apart from their interests as shareholders of Standard and Allegheny, respectively.

Share Ownership

As of January 13, 2017, the record date for the special meetings of Standard and Allegheny shareholders:

- ¹ The directors and executive officers of Standard may be deemed to be the beneficial owners of 387,220 shares, representing 14.85% of the outstanding shares of Standard common stock.

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2. The directors and executive officers of Allegheny may be deemed to be the beneficial owners of 90,398 shares, representing 8.74% of the outstanding shares of Allegheny common stock.
3. Standard and the directors and executive officers of Standard may be deemed to be the beneficial owners of no shares of Allegheny common stock.
4. Allegheny and the directors and executive officers of Allegheny may be deemed to be the beneficial owners of no shares of Standard common stock.

Shares of Allegheny common stock held by Standard will be cancelled as of the effective time of the merger.

Treatment of Stock Options

The merger agreement provides that each option to purchase Allegheny common stock outstanding at the effective time of the merger will convert into an option to purchase shares of Standard common stock by multiplying the number of stock options by the exchange ratio and dividing the exercise price by the exchange ratio (“Converted Options”). In addition, all unvested options will become fully vested as a result of the merger pursuant to the terms of the Allegheny equity plans. All Converted Options will be exercisable for the same period and will otherwise have the same terms and conditions applicable to the Allegheny options they replace. Allegheny’s officers and directors do not hold any unvested Allegheny stock options.

Treatment of Restricted Stock

The merger agreement provides that at the effective time of the merger, each unvested share of restricted stock issued by Allegheny and outstanding at the effective time of the merger will fully vest pursuant to the terms of the Allegheny equity plans and convert into the right to receive the same merger consideration that all other shares of Allegheny common stock are entitled to receive in the merger.

The merger is expected to close after February 27, 2017, when additional shares of restricted stock will vest. At that time, Messrs. Hasley, Ross and Ms. DeLuca will hold 973, 534 and 139, respectively, restricted stock awards, and the cash value of those shares would be an estimated \$47,833, \$26,251 and \$6,833, respectively. Allegheny’s non-employee directors do not hold any unvested Allegheny restricted stock awards. The amounts specified in this paragraph are determined using a per share price of Allegheny common stock of \$49.16, the average closing price per share over the first five business days following announcement of the merger agreement.

Employee Stock Ownership Plan

The Allegheny ESOP is a tax-qualified plan that covers substantially all of the employees of Allegheny who have at least one year of service and have attained age 21. Pursuant to the terms of the ESOP, the ESOP will terminate on the date of the merger and all account balances will become fully vested. All shares of Allegheny common stock held by the ESOP will be converted into the merger consideration.

Merger-Related Executive Compensation for Allegheny's Named Executive Officers

This section sets forth the information required by Item 402(t) of Regulation S-K of the SEC rules regarding compensation for each named executive officer of Allegheny that is based on or otherwise relates to the merger. The following table sets forth the estimated value of anticipated vesting of previously awarded restricted stock to Allegheny's named executive officers in connection with a change in control and assumes that the merger closed on January 13, 2017, the last practicable date prior to the date of these materials. Please note, since the merger is expected to close after February 27, 2017, the estimated payment in connection with a change of control listed below will be significantly less as some of the shares will have vested without regard to the change of control, as set forth in footnote 2 to the table. This table does not include the value of benefits in which the named executive officers are vested without regard to the occurrence of a change in control. The amounts shown below are estimates based on multiple assumptions that may or may not actually occur, and as a result, the actual amounts to be received by a named executive officer may differ materially from the amounts shown below.

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Pursuant to the named executive officers' respective employment agreement or change in control agreement, each was entitled to a change in control payment upon the date of the change in control. Each named executive officer waived his or her right to the payment except if the named executive officer were terminated without proper cause within two years (three years for Mr. Hasley) of the change in control in order to facilitate the merger.

Name	Cash (\$) ⁽¹⁾	Equity (\$) ⁽²⁾	Pension/ NQDC (\$)	Perquisites/ Benefits (\$)	Tax Reimbursements (\$)	Other	Total (\$)
Andrew W. Hasley	—	79,885	—	—	—	—	79,885
Jason W. Ross	—	43,457	—	—	—	—	43,457
Susan DeLuca	—	11,159	—	—	—	—	11,159

- (1) In connection with the merger agreement, each of the named executive officers entered into an amendment to their employment and change in control agreements, as applicable. The amendments provide that the merger will not constitute a change in control and the executive will not be entitled to any payment under the agreement, except the executive will be entitled to a severance payment if the executive is terminated without cause (as defined in the agreement) within two years (three years for Mr. Hasley) following the merger date. The named executive officers entered into the amendments to waive any payments to which they would otherwise be entitled upon a change in control in order to facilitate the merger. The above table does not reflect the potential severance payments since it is anticipated that each named executive officer will continue their employment following the date of the merger and the timing of the payments, and whether any payments will be made, cannot be ascertained as of the date of this filing. If payable, the estimated severance payable to Messrs. Hasley, Ross and Ms. DeLuca, respectively, is \$1,252,810, \$532,350, and \$205,392, respectively, and Messrs. Hasley and Ross would receive a gross-up payment, if necessary. Please refer to the below description of employment and change in control agreements for a detailed description of the severance formula. The severance, if payable, would be considered “double trigger” payments since the amounts are payable upon a termination of employment following a change in control.

- (2) The named executive officers' restricted stock awards will fully vest upon a change in control. The amount listed in this column sets forth the value of the non-vested restricted stock awards that will become vested, assuming a per share price of \$49.16, which is the average closing price per Allegheny share over the first five business days following announcement of the merger agreement. Messrs. Hasley, Ross and Ms. DeLuca, respectively, hold 1,625, 884 and 227, respectively, restricted stock awards as of the date of this joint proxy statement/prospectus. This is considered a single-trigger benefit since it is payable upon the occurrence of a change in control. The merger is expected to close in the second quarter of 2017 and after February 27, 2017, when additional shares of restricted stock will vest. At that time, Messrs. Hasley, Ross and Ms. DeLuca, respectively, will hold 973, 534, and 139, respectively, restricted stock awards, and the cash value of those shares would be an estimated \$47,833, \$26,251, and \$6,833, respectively, assuming a per share price of \$49.16.

Employment and Change in Control Agreements

Allegheny and Allegheny Bank previously entered into an employment agreement with Andrew W. Hasley, President and Chief Executive Officer, and change in control agreements with Jason W. Ross, Executive Vice President, Chief Financial Officer and Chief Operating Officer and Susan M. DeLuca, Senior Vice President, Risk Management.

The employment agreement with Mr. Hasley provides that (a) if a change in control occurs and the executive was not terminated for proper cause (as defined in the agreement) prior to the date of the change in control or (b) if during the period of time between signing a merger agreement and the actual date of a change in control, the executive's employment is terminated, or the executive is demoted, removed from membership on Allegheny or Allegheny Bank's board of directors or his salary or benefits are reduced, other than for proper cause, the executive will be entitled to:

a lump sum cash payment equal to: (i) 2.99 times the executive's annual salary, plus (ii) 2.99 times either (x) if the date of a change in control occurs on or prior to September 30th, 100% of the bonus and incentive compensation paid to the executive for the prior calendar year, or (y) if the date of the change in control occurs after September 30th, the projected annualized bonus and incentive compensation to be paid to the executive for the current calendar year;

continued participation in all group insurance, life insurance, health and accident, disability and other employee benefit plans, programs and arrangements in which the executive was entitled to participate immediately prior to the date of a change in control, at no cost to the executive, for 24 months following the date of a change in control; and

in the event of a change in control, all stock options that are not yet vested will become fully vested and all options will be exercisable for the remaining term of the option.

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The change in control agreement with Mr. Ross provides that (a) if a change in control occurs and the executive was not terminated for proper cause (as defined in the agreement) prior to the date of the change in control or (b) if during the period of time between signing a merger agreement and the actual date of a change in control, the executive's employment is terminated, or the executive is demoted or his salary or benefits are reduced, other than for proper cause, the executive will be entitled to:

a lump sum cash payment equal to: (i) 2.00 times the executive's annual salary, plus (ii) 2.00 times either (x) if the date of a change in control occurs on or prior to September 30th, 100% of the bonus and incentive compensation paid to the executive for the prior calendar year, or (y) if the date of the change in control occurs after September 30th, the projected annualized bonus and incentive compensation to be paid to the executive for the current calendar year.

The change in control agreement with Ms. Deluca provides that if a change in control occurs and the executive terminated other than for proper cause (as defined in the agreement) prior to the date of the change in control or if during the period of time between signing a merger agreement and twelve months after the actual date of a change in control, the executive's employment is terminated, or the executive is demoted, or the responsibilities of the executive's position were reduced substantially or the executive's salary or incentive compensation structure or benefits were reduced to an amount less than one hundred (100%) of the annual average of the executive's last three years' total compensation, other than for proper cause, the executive will be entitled to:

a lump sum cash payment equal to: (i) 1.50 times the executive's annual salary, plus (ii) 1.50 times either (x) if the date of a change in control occurs on or prior to September 30th, 100% of the bonus and incentive compensation paid to the executive for the prior calendar year, or (y) if the date of the change in control occurs after September 30th, the projected annualized bonus and incentive compensation to be paid to the executive for the current calendar year; and

- continued participation in health and life insurance for 12 months following the date of a change in control.

In connection with the merger agreement, Allegheny and Allegheny Valley Bank entered into amendments to the employment and change in control agreements (which are described above) with Messrs. Hasley, Ross and Ms. DeLuca. Each amendment provides that the merger will not constitute a change in control (for purposes of the respective employment and change in control agreement) and the executive will not be entitled to any payment under their respective employment and change in control agreement. In addition, the amendments provide that if the executive is terminated without proper cause within two years (three years for Mr. Hasley) of the date of the merger, the executive will be paid a lump sum cash payment equal to: (i) 2.00 times (2.99 times for Mr. Hasley and 1.5 times for Ms. DeLuca) the executive's annual salary, plus (ii) 2.00 times (2.99 times for Mr. Hasley and 1.5 times for Ms. DeLuca) either (x) if the date of a change in control occurs on or prior to September 30th, 100% of the bonus and incentive compensation paid to the executive for the prior calendar year, or (y) if the date of the change in control occurs after September 30th, the projected annualized bonus and incentive compensation to be paid to the executive for the current calendar year

Merger-Related Executive Compensation for Standard's Named Executive Officers

None of Standard's executives and employees will receive a change in control related payment since the merger does not constitute a "change in control" as such term is defined under Standard's employment agreements, change in control agreements, equity incentive plan and ESOP.

Indemnification and Insurance of Directors and Officers

On and after the effective time of the merger, Standard will indemnify, defend, and hold harmless all prior and then-existing directors, officers and employees of Standard, Allegheny and their respective subsidiaries against:

All losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement (with the prior approval of Standard) of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on, or arising in whole or in part out of, the fact that the person is or was a director, officer, or
1. employee of Standard, Allegheny or their respective subsidiaries, whether pertaining to any matter existing or occurring at or prior to the effective time of the merger and whether asserted or claimed prior to, or at or after, the effective time of the merger; and

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All of the indemnified liabilities identified in paragraph (1) immediately above based in whole or in part on, or arising in whole or in part out of, or pertaining to the merger agreement or the transactions contemplated thereby, to the same extent as an officer, director, or employee may be indemnified by Standard or its subsidiaries, as the case may be, as of August 29, 2016.

The above indemnification rights include the right to advancement of expenses; however, no officer, director, or employee may be indemnified by Standard if indemnification is prohibited by applicable law.

After the effective time of the merger, Standard will maintain a directors' and officers' liability insurance policy providing coverage amounts not less than the coverage amounts provided under the Allegheny directors' and officers' liability insurance policy and on terms generally no less favorable. The policy will cover persons who are currently covered by the Allegheny insurance policies for a period of six years after the effective time of the merger. However, Standard is not obligated to make annual premium payments for the six-year period which exceed 200% of the annual premium payment as of the most recent annual renewal, under Allegheny's current policy in effect as of August 29, 2016. If the amount of the premiums necessary to procure insurance coverage exceeds this maximum amount, Standard will use its reasonable best efforts to maintain the most advantageous policies of directors' and officers' liability insurance obtainable for a premium equal to the maximum amount. Furthermore, Standard will maintain directors and officers liability insurance policies for all directors of the surviving corporation and Side A Coverage for all directors of the surviving corporation, with coverage not less than 130% of Allegheny's current coverage and on terms no less favorable than Allegheny directors currently enjoy under Allegheny's coverage.

Voting Agreements

As a condition to entering into the merger agreement, each of the directors and certain executive officers of Standard and Allegheny entered into an agreement pursuant to which each such director or executive officer agreed to vote all of his or her shares of Standard or Allegheny common stock, as applicable, in favor of the merger agreement. The forms of voting agreement, which are substantially the same, are attached as Exhibits 1 and 2 to **Annex A** of this document. The voting agreements may have the effect of discouraging persons from making a proposal for an acquisition transaction involving Allegheny or Standard. The following is a brief summary of the material provisions of the voting agreements:

The directors and executive officers agreed, among other things, to vote, or cause to be voted, (a) for approval and adoption of the merger agreement and the transactions contemplated thereby, and (b) against any action that is intended, or could reasonably be expected to impede, interfere with, delay, postpone, or adversely affect the transaction contemplated in the merger agreement, all shares over which they exercise sole or shared voting power, including those held in a voting trust jointly with other persons, to be voted in the same manner; and

The directors and executive officers agreed not to sell, transfer, or otherwise dispose of their Standard or Allegheny common stock, as applicable, subject to certain exceptions.

Accounting Treatment

The accounting principles to this transaction as described in Financial Accounting Standards Board Accounting Standards Codification 805 (“ASC 805”) provide transactions that represent business combinations are to be accounted for under the acquisition method. The acquisition method requires all of the following steps: a) identifying the acquirer; b) determining the acquisition date, c) recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquire; and d) recognizing and measuring goodwill or a gain from a bargain purchase.

The appropriate accounting treatment for this transaction is as a business combination under the acquisition method. On the acquisition date, as defined by ASC 805, Standard will record at fair value the identifiable assets acquired and the liabilities assumed, any noncontrolling interest, and goodwill (or a gain from a bargain purchase). The results of operations for the combined company will be reported prospectively subsequent to the acquisition date.

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Material U.S. Federal Income Tax Consequences of the Merger

Subject to the limitations, assumptions, and qualifications as discussed herein, in the opinion of each of Luse Gorman, PC and Bybel Rutledge LLP, the following discussion addresses the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Allegheny common stock. This discussion is based on the Code, Treasury regulations promulgated under the Code, judicial authorities, published positions of the Internal Revenue Service (the “IRS”), and other applicable authorities, all as in effect on the date of this document and all of which are subject to change (possibly with retroactive effect) and to differing interpretations which could affect the accuracy of this discussion.

This discussion assumes that U.S. holders of Allegheny common stock hold their shares as capital assets within the meaning of Section 1221 of the Code. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to U.S. holders in light of their particular circumstances and does not address aspects of U.S. federal income taxation that may be applicable to U.S. holders subject to special treatment under the federal income tax laws (including banks; financial institutions; tax-exempt organizations; insurance companies; dealers or brokers in securities; traders in securities that elect to use a mark-to-market method of accounting; investors or owners of pass-through entities; mutual funds; holders subject to the alternative minimum tax provisions of the Code; regulated investment companies, real estate investment trusts, controlled foreign corporations; passive foreign investment companies; persons who hold their respective shares of Allegheny common stock as part of a hedge, straddle, constructive sale, conversion or other integrated securities transaction; expatriates; or persons who acquired their Allegheny common stock as compensation or through a tax qualified retirement plan, or who held or acquired their Allegheny common stock through an ESOP or dividend reinvestment plan). In addition, this discussion does not address the tax consequences to holders of Allegheny common stock who exercise appraisal and/or dissenter’s rights. Further, this discussion does not consider any aspect of state, local, or foreign taxation or any aspects of U.S. federal tax law (such as the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010) other than federal income tax law.

This discussion is not intended to be tax advice to any particular holder of Allegheny common stock. Tax matters regarding the merger are complicated, and the tax consequences of the merger to you will depend on your particular situation. Allegheny shareholders are urged to consult their tax advisors with respect to the particular U.S. federal, state, local, and foreign tax consequences to them of the merger.

For purposes of this discussion, you are a “U.S. holder” if you beneficially own Allegheny common stock and you are:

· a citizen or resident of the United States for federal income tax purposes;

a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States or any of its political subdivisions;

a trust, if (i) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person; or

- an estate that is subject to U.S. federal income tax on its income regardless of its source.

If an entity classified as a partnership for U.S. federal income tax purposes holds Allegheny common stock, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partners of partnerships holding Allegheny common stock should consult their own tax advisors.

It is a condition to the closing of the merger that Standard receive the opinion of its special counsel, Luse Gorman, PC, and that Allegheny receive the opinion of its special counsel, Bybel Rutledge LLP, substantially to the effect that, on the basis of facts, representations, and assumptions set forth or referred to in that opinion (including factual representations contained in certificates of officers of Standard and Allegheny), the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. The condition is waivable, and in such case, Standard and Allegheny will undertake to recirculate and resolicit if the condition is waived by either party and the

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change in the tax consequences is material. The tax opinions are not binding on the IRS or the courts, and neither Standard nor Allegheny intends to request a ruling from the IRS with respect to the U.S. federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court would not sustain, a position contrary to any of those set forth below.

Standard has received an opinion from Luse Gorman, PC and Allegheny has received an opinion from Bybel Rutledge LLP to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Based on the opinions that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, no gain or loss will be recognized by Standard or Allegheny as a result of the merger and the material U.S. federal income tax consequences of the merger are as follows:

Exchange of Allegheny common stock for Standard common stock

A U.S. holder that exchanges shares of Allegheny common stock for shares of Standard common stock in the merger generally will not recognize any gain or loss except in respect of cash received in lieu of any fractional share of Standard common stock (as discussed below). The aggregate adjusted tax basis of the shares of Standard common stock received by the U.S. holder in the merger will be equal to the aggregate adjusted tax basis of the shares of Allegheny common stock surrendered in exchange therefor, reduced by the tax basis allocable to any fractional share of Standard common stock for which cash is received. The holding period of the Standard common stock received by a U.S. holder will include the holding period of the shares of Allegheny common stock surrendered in exchange therefor. If a U.S. holder acquired different blocks of Allegheny common stock at different times or at different prices, the holder should consult his or her tax advisor with regard to identifying the bases or holding periods of the particular shares of Standard common stock received in the exchange.

Cash received in lieu of a fractional share

Cash received by a U.S. holder in lieu of a fractional share of Standard common stock generally will be treated as received in redemption of the fractional share, and gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the holder's aggregate adjusted tax basis of the shares of Allegheny common stock surrendered that is allocable to the fractional share. The gain or loss generally will be long-term capital gain or loss if the holding period for the fractional share (including the holding period of the shares of Allegheny common stock surrendered therefor) is more than one year. Long-term capital gains of individuals generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Backup Withholding

If a U.S. holder receives cash in the merger (including cash received in lieu of a fractional share), the holder may be subject to information reporting and backup withholding at a rate of 28%. You generally will not be subject to backup withholding if you (1) provide an accurate taxpayer identification number, certify that you are not subject to backup withholding and otherwise comply with the backup withholding rules; or (2) provide proof that you are exempt from backup withholding. Amounts withheld under the backup withholding rules will be allowed as a refund or credit against a U.S. holder's federal income tax liability provided that the holder furnishes the required information to the IRS.

Information Reporting

Allegheny shareholders who receive Standard common stock as a result of the merger will be required to retain records pertaining to the merger and Allegheny shareholders who hold at least 1% of the outstanding Allegheny common stock immediately before the merger will be required to file with their U.S. federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger.

The foregoing discussion is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the merger and is not intended to be, and should not be construed as, tax advice. Allegheny shareholders are strongly urged to consult with their tax advisors to determine the particular U.S. federal, state, local, and foreign tax consequences to them of the merger.

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Resales of Standard Common Stock

The shares of Standard stock to be issued to shareholders of Allegheny under the merger agreement have been registered under the Securities Act of 1933 and may be freely traded without restriction by holders who will not be affiliates of Standard after the merger.

Certain directors and executive officers of Allegheny will be considered affiliates of Standard after the merger. They may resell shares of Standard common stock received in the merger only if the shares are registered for resale under the Securities Act or an exemption is available. They may resell under the safe harbor provisions of Rule 145 under the Securities Act or as otherwise permitted under the Securities Act. Each person deemed to be an affiliate will enter into an agreement with Standard providing that the person will not transfer any shares of Standard stock received in the merger, except in compliance with the Securities Act. Standard encourages any such person to obtain advice of securities counsel before reselling any Standard stock.

Rights of Dissenting Shareholders

Standard

Standard's shareholders will not be entitled to exercise any rights of an objecting shareholder provided for under Title 3, Subtitle 2 of the Maryland General Corporation Law.

Allegheny

Pursuant to the Pennsylvania Business Corporation Law, shareholders of Allegheny have the right to dissent from the merger and to obtain payment of the "fair value" of their Allegheny common stock, if the merger is consummated. The term "fair value" means the value of Allegheny common stock immediately before completion of the merger, taking into account all relevant factors, but excluding any appreciation or depreciation in anticipation of the merger.

The following summary of the steps necessary to exercise the right to dissent is qualified in its entirety by the full text of Subchapter D of Chapter 15 of the Pennsylvania Business Corporation Law, which is attached as **Annex D** to this joint proxy statement/prospectus. Each step must be taken in the indicated order and in strict compliance with the

applicable provisions of the statute in order to perfect dissenters' rights. The failure of any shareholder to comply with these steps will result in the shareholder receiving the consideration contemplated by the merger agreement. See "Proposal 1—The Merger—Terms of the Merger." Any shareholder of Allegheny who contemplates exercising the right to dissent is urged to read carefully the provisions of Subchapter D of Chapter 15 of the Pennsylvania Business Corporation Law.

Any written notice or demand which is required in connection with the exercise of dissenters' rights, whether before or after the effective time of the merger, must be sent to the following location:

Allegheny Valley Bancorp, Inc.

5137 Butler Street

Pittsburgh, PA 15201

Attn: Corporate Secretary

Shareholders who wish to dissent must:

File with Allegheny a written notice of intention to demand that they be paid the fair value for their shares of
1. Allegheny common stock prior to the vote of shareholders on the merger at the Allegheny special meeting to be held on March 24, 2017.

If the merger is effected, the dissenters must effect no change in the beneficial ownership of their Allegheny
2. common stock from the date of the filing of the intention to demand payment through the effective time of the merger.

3. And the dissenters must vote against the merger, abstain from voting for the merger, or not vote their Allegheny common stock to approve the merger.

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Neither submitting a proxy against nor a vote in person against adoption and approval of the merger agreement will constitute the necessary written notice of intention to dissent described above. Beneficial owners of Allegheny common stock whose shares are held of record in “street name” by a brokerage firm or other nominee must obtain the written consent of the record holder to the beneficial owners’ exercise of dissenters’ rights and must submit the consent to Allegheny no later than the time of the filing of their notice of intention to dissent.

If the merger is adopted and approved by the required vote of Allegheny’s shareholders at its special meeting, Allegheny will mail a notice to all dissenters who gave due notice of intention to demand payment and who refrained from voting in favor of the merger. The notice will state where and when a demand for payment must be sent, where certificates for Allegheny common stock must be deposited in order to obtain payment and will inform holders of uncertificated shares to what extent transfer of shares will be restricted. It also will include a form for demanding payment and a copy of Subchapter D of Chapter 15 of the Pennsylvania Business Corporation Law. The time set for receipt of the demand for payment and deposit of stock certificates will not be less than 30 days from the date of mailing of the notice.

Shareholders who fail to timely demand payment or fail to timely deposit stock certificates, as required by Allegheny’s notice, will not have any right to receive payment of the fair value of their Allegheny common stock.

Promptly after the merger is complete, or upon timely receipt of demand for payment if the merger already has been completed, Standard will either remit to dissenters who have made demand and have deposited their stock certificates the amount that Standard, as successor to Allegheny, estimates to be the fair value of the Allegheny common stock or give written notice that no such remittance is being made. The remittance or notice will be accompanied by:

1. A closing balance sheet and an income statement of Allegheny for a fiscal year ending not more than 16 months before the date of remittance, together with the latest available interim financial statements;
2. A statement of Standard’s estimate of the fair value of the Allegheny common stock; and

Notice of the right of the dissenter to demand payment or supplemental payment under Pennsylvania Business Corporation Law accompanied by a copy of Subchapter D of Chapter 15 of Pennsylvania Business Corporation Law.

If Standard does not remit the estimated fair value for shares with respect to which demand for payment has been made and stock certificates have been deposited, then Standard will return any certificates that have been deposited. Standard will mark returned certificates and any certificates subsequently issued in exchange therefor to record the fact that demand for payment has been made. Transferees of shares so marked will not acquire any rights in Standard

or Allegheny other than those rights held by the original dissenter after such dissenter demanded payment of fair value.

If a dissenter believes that the amount stated or remitted by Standard is less than the fair value of the Allegheny common stock, the dissenter may send Standard his or her own estimate of the fair value of the Allegheny common stock, which will constitute a demand for payment of the amount of the deficiency. If Standard remits payment of its estimated value of a dissenter's Allegheny common stock, and the dissenter does not file his own estimate within 30 days after the mailing by Standard of its remittance, the dissenter will be entitled to no more than the amount remitted to him or her by Standard.

Within 60 days after the latest to occur of (1) the completion of the merger, (2) the timely receipt by Allegheny of any demands for payment, or (3) timely receipt by Allegheny of any estimates by dissenters of fair value, if any demands for payment remain unsettled, Allegheny, may file, in the Court of Common Pleas of Allegheny County an application requesting that the fair value of the Allegheny common stock be determined by the Court. In such case, all dissenters, wherever residing, whose demands have not been settled must be made parties to the proceeding as in an action against their shares, and a copy of the application must be served on each dissenter.

If Allegheny were to fail to file an application, then any dissenter, on behalf of all dissenters who have made a demand and who have not settled their claim against Allegheny, may file an application in the name of Allegheny at any time within the 30-day period after the expiration of the 60-day period and request that the fair

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value be determined by the Court. The fair value determined by the Court may, but need not, equal the dissenters' estimates of fair value. If no dissenter files such an application, then each dissenter entitled to do so shall be paid Allegheny's estimate of the fair value of the Allegheny common stock and no more, and may bring an action to recover any amount not previously remitted, plus interest at a rate the Court finds fair and equitable.

Allegheny intends to negotiate in good faith with any dissenting shareholder. If after negotiation, a claim cannot be settled, then Allegheny and/or Standard, as successor, intends to file an application requesting that the fair value of the Allegheny common stock be determined by the Court. The fair value that would be determined by the Court cannot be predicted and could be more or less than the value of the merger consideration.

DESCRIPTION OF STANDARD

Forward-Looking Statements

This annual report contains forward-looking statements, which can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "plan," "seek," "expect," "will," "may" and words of similar meaning. These forward-looking statements include, but are not limited to:

- statements of Standard's goals, intentions and expectations;
- statements regarding Standard's business plans, prospects, growth and operating strategies;
- statements regarding the asset quality of Standard's loan and investment portfolios; and
- estimates of Standard's risks and future costs and benefits.

These forward-looking statements are based on Standard's current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Standard's control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Standard is under no duty to and unless required under the federal securities laws, Standard does not undertake any obligation to update any forward-looking statements after the date of this annual report.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- general economic conditions, either nationally or in Standard's market areas, that are worse than expected;
- competition among depository and other financial institutions;
- inflation and changes in the interest rate environment that reduce Standard's margins or reduce the fair value of financial instruments;
- adverse changes in the securities markets;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements;
- Standard's ability to enter new markets successfully and capitalize on growth opportunities;
- Standard's ability to successfully integrate acquired entities, if any;
- changes in consumer spending, borrowing and savings habits;

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· changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the SEC and the Public Company Accounting Oversight Board;

· changes in Standard's organization, compensation and benefit plans;

· changes in Standard's financial condition or results of operations that reduce capital available to pay dividends; and

· changes in the financial condition or future prospects of issuers of securities that Standard owns.

Because of these and other uncertainties, Standard's actual future results may be materially different from the results indicated by these forward-looking statements.

Standard Financial Corp.

Standard is a Maryland corporation that owns all of the outstanding shares of common stock of Standard Bank upon completion of the mutual-to-stock conversion which occurred on October 6, 2010. Upon completion of the stock conversion, a total of 3,478,173 shares of common stock were issued in the offering of which 3,360,554 shares were subscribed for by depositors of Standard Bank, other investors in the subscription and community offerings and the ESOP at a purchase price of \$10.00 per share. In addition, 117,619 shares were issued to Standard Charitable Foundation.

On September 6, 2013, Standard announced that its board of directors approved the voluntary delisting of its common stock from the Nasdaq Stock Market ("Nasdaq") and the deregistration of Standard as a reporting company with the SEC. Standard notified the Nasdaq of its intent to voluntarily delist its common stock and filed a notice on Form 25 with the SEC on September 16, 2013 to delist the common stock from Nasdaq and terminate the registration of Standard's common stock under Section 12 of the Exchange Act. Standard's common stock was suspended from trading on the Nasdaq on September 26, 2013 and promptly thereafter began trading under the symbol "STND" on the OTCQB Marketplace, operated by OTC Markets Group. Standard also filed a Form 15 with the SEC on September 26, 2013 in order to suspend its reporting requirements under Section 15(d) of the Exchange Act with the suspension to become effective 90 days after the filing of the Form 15. At such time, Standard's periodic reporting obligations under Sections 13 and 15(d) of the Exchange Act were suspended, including its obligations to file annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Standard Bank

Standard Bank is a Pennsylvania chartered savings bank headquartered in Murrysville, Pennsylvania with executive offices in Monroeville, Pennsylvania. Standard Bank was organized in 1913, and reorganized into the mutual holding company structure in 1998. Following the completion of the stock conversion, Standard Bank became the wholly owned subsidiary of Standard. Standard provides financial services to individuals, families and businesses through nine banking offices located in the Pennsylvania counties of Allegheny, Westmoreland and Bedford and Allegany County, Maryland.

Standard Bank's business consists primarily of accepting deposits from the general public and investing those deposits, together with funds generated from operations and borrowings, in one- to four-family residential mortgage loans, commercial real estate loans, home equity loans and lines of credit, commercial business loans and investment securities. To a much lesser extent, Standard also originates construction loans and consumer loans. Standard Bank offers a variety of deposit accounts, including savings accounts, certificates of deposit, money market accounts, commercial and regular checking accounts and individual retirement accounts.

Standard Bank's administrative offices are located at 2640 Monroeville Boulevard, Monroeville, Pennsylvania 15146. Standard's telephone number at this address is (412) 856-0363. Standard's website address is www.standardbankpa.com. Information on Standard's website is not incorporated into this Annual Report and should not be considered part of this Annual Report.

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Market Area

Standard conducts its operations from its nine branch offices located in the Pennsylvania counties of Allegheny, Westmoreland and Bedford and Allegany County, Maryland. Standard Bank considers its primary market area to be eastern Allegheny, Westmoreland, northern Fayette and southern Bedford counties in Pennsylvania and Allegany County, Maryland.

Standard's market area has a broad range of private employers, and has changed its focus from heavy industry to more specialized industries and service providers, including technology, health care, education and finance. Westmoreland County is east of Allegheny County and is part of the Pittsburgh metropolitan area. Allegany County, Maryland is part of the Cumberland, Maryland-West Virginia metropolitan area, which is equidistant from Pittsburgh and Baltimore, and its economy includes information technology, biotechnology, medical services and manufacturing.

Standard's market area did not fully benefit from the national economic expansion during the period prior to the economic downturn, and as a result, it was not as severely affected during the economic downturn. Median household income levels in Standard Bank's market area have been mixed. Allegheny, Westmoreland, Fayette and Butler Counties, Pennsylvania have outpaced the median household income growth for both Pennsylvania and the nation since 2010. In Allegany County in Western Maryland, median household income growth has done better than the state of Maryland and the percentage change for the United States. However, median household income in each of the counties within Standard's market area, with the exception of Allegheny County, Pennsylvania is substantially less than their respective states and nationally. Allegheny County, Pennsylvania is very close to matching the median household income for both the state and the nation.

Competition

Standard faces intense competition in its market areas both in making loans and attracting deposits. Standard competes with commercial banks, savings institutions, mortgage brokerage firms, credit unions, finance companies, mutual funds, insurance companies and investment banking firms. Some of Standard's competitors have greater name recognition and market presence that benefit them in attracting business, and offer certain services that Standard does not or cannot provide.

Standard's deposit sources are primarily concentrated in the communities surrounding its banking offices, located in the Pennsylvania counties of Allegheny, Westmoreland and Bedford and Allegany County, Maryland. As of June 30, 2016 (the latest date for which information is publicly available), Standard ranked 14th in deposit market share out of 27 bank and thrift institutions with offices in Allegheny County, Pennsylvania with a market share of 0.4%, 9th in

deposit market share out of 20 bank and thrift institutions in Westmoreland County, Pennsylvania with a market share of 2.9%, 7th in deposit market share out of 9 bank and thrift institutions in Bedford County, Pennsylvania , with a market share of 3.6% and 4th in deposit market share out of 5 bank and thrift institutions in Allegany County, Maryland with a market share of 7.3%

Lending Activities

Standard's primary lending activities are the origination of one- to four-family residential mortgage loans, commercial real estate loans, commercial business loans and home equity loans and lines of credit. To a lesser extent, Standard also originates construction loans and consumer loans.

One- to Four-Family Residential Mortgage Loans. At September 30, 2016, \$163.2 million, or 42.1%, of Standard's total loan portfolio, consisted of one- to four-family residential mortgage loans. Standard offers fixed-rate and adjustable-rate residential mortgage loans with maturities up to 30 years. One- to four-family residential mortgage loans are generally underwritten according to secondary market guidelines, and Standard refers to loans that conform to such guidelines as "conforming loans." Standard generally originates both fixed- and adjustable-rate mortgage loans in amounts up to the maximum conforming loan limits as established by the Office of Federal Housing Enterprise Oversight, which is currently \$417,000 for single-family homes. However, loans in excess of \$417,000 (which are referred to as "jumbo loans") may be generally originated for retention in Standard's loan portfolio, and not for sale in the secondary market. Standard's maximum loan amount for these loans is generally \$750,000. Standard underwrites jumbo loans in the same manner as conforming loans.

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Standard will originate loans with loan-to-value ratios in excess of 80%, up to and including a loan-to-value ratio of 95%. Standard generally requires private mortgage insurance for loans with loan-to-value ratios in excess of 80%. In certain cases, e.g. a borrower with excellent credit and a debt to income ratio of 45% or less, private mortgage insurance is only required if the loan to value ratio is greater than 89%. During the fiscal year ended September 30, 2016, Standard originated \$13 million of one- to four-family residential mortgage loans with loan-to-value ratios in excess of 80%. Standard offers special programs for low- and moderate-income home purchasers within low to moderate income census tracts. The property must be located within Standard's lending assessment area. Household income must be less than 80% of median income of the Metropolitan Statistical Area in order to qualify for the special low-to moderate-income program. Loans under this program may be originated up to 100% loan to value.

Standard generally sells fixed rate conforming loans with terms greater than 15 years and retain the servicing rights on loans sold to generate fee income. For the fiscal year ended September 30, 2016, Standard recognized loan servicing fees of \$147,000. As of September 30, 2016, the principal balance of loans serviced for others totaled \$25.4 million.

Other than Standard's loans for the construction of one- to four-family residential mortgage loans (described under "—Construction Loans") and home equity lines of credit (described under "—Home Equity Loans and Lines of Credit"), Standard does not offer "interest only" mortgage loans on one- to four-family residential properties (where the borrower pays interest for an initial period, after which the loan converts to a fully amortizing loan). Standard also does not offer loans that provide for negative amortization of principal, such as "Option ARM" loans, where the borrower can pay less than the interest owed on the loan, resulting in an increased principal balance during the life of the loan. Standard does not offer "subprime loans" (loans that generally target borrowers with weakened credit histories typically characterized by payment delinquencies, previous charge-offs, judgments, bankruptcies, or borrowers with questionable repayment capacity as evidenced by low credit scores or high debt-burden ratios) or Alt-A loans (traditionally defined as loans having less than full documentation).

Commercial Real Estate Loans. At September 30, 2016, \$119.9 million, or 30.9%, of Standard's total loan portfolio, consisted of commercial real estate loans. Properties securing Standard's commercial real estate loans primarily include loans to lessors of residential buildings and dwellings, lessors of non-residential buildings, properties for single family home construction, small office buildings and office suites. Standard generally seeks to originate commercial real estate loans with initial principal balances of up to \$3.5 million. Substantially all of Standard's commercial real estate loans are secured by properties located in its primary market area. At September 30, 2016, Standard's largest commercial real estate loan relationship had a principal balance of \$4.2 million and was secured by first mortgages on office and warehouse buildings. This loan was performing in accordance with its terms at September 30, 2016.

In the underwriting of commercial real estate loans, Standard generally lends up to the lower of 80% of the property's appraised value or purchase price. Standard bases its decision to lend primarily on the economic viability of the property and the creditworthiness of the borrower. In evaluating a proposed commercial real estate loan, Standard emphasizes the ratio of the property's projected net cash flow to the loan's debt service requirement (generally requiring

a preferred ratio of 1.25x), computed after deduction for a vacancy factor and property expenses Standard deems appropriate. Personal guarantees are usually obtained from commercial real estate borrowers. Standard generally requires title insurance, fire and extended coverage casualty insurance, and, if appropriate, flood insurance, in order to protect its security interest in the underlying property. Almost all of Standard's commercial real estate loans are generated internally by its loan officers.

Commercial real estate loans generally carry higher interest rates and have shorter terms than one- to four-family residential mortgage loans. Commercial real estate loans, however, entail greater credit risks compared to the one- to four-family residential mortgage loans Standard originates, as they typically involve larger loan balances concentrated with single borrowers or groups of related borrowers. In addition, the payment of loans secured by income-producing properties typically depends on the successful operation of the property, as repayment of the loan generally is dependent, in large part, on sufficient income from the property to cover operating expenses and debt service. Changes in economic conditions that are not in the control of the borrower or lender could affect the value of the collateral for the loan or the future cash flow of the property. Additionally, any decline in real estate values may be more pronounced for commercial real estate than residential properties.

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Home Equity Loans and Lines of Credit. In addition to traditional one- to four-family residential mortgage loans, Standard offers home equity loans and home equity lines of credit that are secured by the borrower's primary residence or secondary residence. At September 30, 2016, Standard's home equity loans and lines of credit totaled \$79.2 million and represented 20.4% of its total loan portfolio. Standard's home equity loans are originated with fixed rates of interest and with terms of up to 15 years. Home equity lines of credit have a maximum term of 15 years. Standard offers interest only lines of credit with a 5-year draw period in which interest is due monthly. After the initial 5-year draw period, the borrower is required to make principal payments based on a 10-year amortization. Standard's home equity lines of credit are currently originated with adjustable rates of interest. Home equity loans and lines of credit are generally underwritten with the same criteria that Standard uses to underwrite one- to four-family residential mortgage loans. For a borrower's primary residence, home equity loans and lines of credit may be underwritten with a loan-to-value ratio of 85% and 80%, respectively, when combined with the principal balance of the existing mortgage loan. At the time Standard closes a home equity loan or line of credit, Standard records a mortgage to perfect its security interest in the underlying collateral. At September 30, 2016 Standard's in-house maximum limit for home equity loans and lines of credit were \$750,000 and \$417,000, respectively. Loans over \$250,000 require title insurance.

Home equity loans and lines of credit entail greater credit risks compared to the one- to four-family residential mortgage loans Standard originates, as they typically involve higher loan-to-value ratios. Therefore, any decline in real estate values may have a more detrimental effect on home equity loans and lines of credit compared to one- to four-family residential mortgage loans.

Commercial Business Loans. Standard makes various types of secured and unsecured commercial business loans to customers in its market area for the purpose of working capital and other general business purposes. The terms of these loans generally range from less than one year to a maximum of ten years. The loans are either negotiated on a fixed-rate basis or carry adjustable interest rates indexed to a market rate index. Standard seeks to originate loans to small- and medium-size businesses with principal balances between \$150,000 and \$750,000. At September 30, 2016, Standard had commercial business loans totaling \$14.8 million, or 3.8% of the total loan portfolio.

Commercial credit decisions are based upon Standard's credit assessment of the loan applicant. Standard evaluates the applicant's ability to repay in accordance with the proposed terms of the loan and Standard assesses the risks involved. Personal guarantees of the principals are typically obtained. In addition to evaluating the loan applicant's financial statements, Standard considers the adequacy of the primary and secondary sources of repayment for the loan or debt service coverage. Credit agency reports of the applicant's personal credit history supplement Standard's analysis of the applicant's creditworthiness. Collateral supporting a secured transaction also is analyzed to determine its marketability. Commercial business loans generally have higher interest rates than residential loans of like duration because they have a higher risk of default since their repayment generally depends on the successful operation of the borrower's business and the sufficiency of any collateral. At September 30, 2016, Standard's largest commercial business loan was to a municipality, had a principal balance of \$1.8 million and was secured by the borrowers' general obligation and taxing authority. This loan was performing in accordance with its terms at September 30, 2016.

Construction Loans. Standard makes commercial construction loans for rental properties, commercial buildings and homes built by developers on speculative, undeveloped property. The terms of commercial construction loans are made in accordance with Standard's commercial loan policy. Advances on construction loans are made in accordance with a schedule reflecting the cost of construction, but are generally limited to an 80% loan-to-completed-appraised-value ratio. Repayment of construction loans on non-residential properties is normally expected from the property's eventual rental income, income from the borrower's operating entity or the sale of the subject property. In the case of income-producing property, repayment is usually expected from permanent financing upon completion of construction. Standard typically provides the permanent mortgage financing on its construction loans. Construction loans are interest-only loans during the construction period, which typically do not exceed 12 months, and convert to permanent, amortizing financing following the completion of construction.

Standard makes residential construction loans for one- to four-family owner-occupied properties. Advances on residential construction loans are made in accordance with a schedule reflecting the cost of construction. The terms of residential construction loans are made in accordance with Standard's one- to four-family residential lending policy (described under "— One- to Four-Family Residential Mortgage Loans"). At September 30, 2016, residential construction loans totaled \$10.2 million, or 2.6%, of total loans receivable. At September 30, 2016, the additional un-advanced portion of these construction loans totaled \$6.0 million.

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Generally, before making a commitment to fund a construction loan, Standard requires an appraisal of the property by a state-certified or state-licensed appraiser. Standard reviews and inspects properties before disbursement of funds during the term of the construction loan. Construction financing generally involves greater credit risk than long-term financing on improved, owner-occupied real estate. Risk of loss on a construction loan depends largely upon the accuracy of the initial estimate of the value of the property at completion of construction compared to the estimated cost (including interest) of construction and other assumptions. If the estimate of construction cost is inaccurate, Standard may be required to advance additional funds beyond the amount originally committed in order to protect the value of the property. Moreover, if the estimated value of the completed project is inaccurate, the borrower may hold a property with a value that is insufficient to assure full repayment of the construction loan upon the sale of the property. In the event Standard makes a land acquisition loan on property that is not yet approved for the planned development, there is the risk that approvals will not be granted or will be delayed. Construction loans also expose Standard to the risk that improvements will not be completed on time in accordance with specifications and projected costs. In addition, the ultimate sale or rental of the property may not occur as anticipated.

Loan Originations, Sales, Participations and Servicing. All loans that Standard originates are underwritten pursuant to its policies and procedures, which incorporate standard underwriting and secondary market guidelines. Standard originates both adjustable-rate and fixed-rate loans. Standard's loan origination and sales activity may be adversely affected by a rising interest rate environment that typically results in decreased loan demand. Most of Standard's one- to four-family residential mortgage loan originations are generated by its loan officers.

During fiscal 2016 and 2015, Standard has sold approximately 24% and 12%, respectively, of the longer term fixed rate loans to the FHLB through its Mortgage Partnership Finance ("MPF") program that were originated during the year, with loan servicing rights retained. During the fiscal years 2016 and 2015, Standard originated \$3.9 million and \$2.3 million, respectively, of fixed-rate loans primarily with terms greater than 15 years which were sold to assist Standard in managing interest rate risk. Standard sells its loans with the servicing rights retained on residential mortgage loans, and Standard intends to continue this practice in the future, subject to the pricing of retaining such servicing rights. At September 30, 2016, Standard was servicing loans owned by others with a principal balance of \$25.4 million. Loan servicing includes collecting and remitting loan payments, accounting for principal and interest, contacting delinquent borrowers, supervising foreclosures and property dispositions in the event of defaults, making certain insurance and tax payments on behalf of the borrowers and generally administering the loans. Standard retains a portion of the interest paid by the borrower on the loans it services as consideration for its servicing activities.

From time to time, Standard enters into participations in commercial loans with other banks. In these circumstances, Standard will generally follow its customary loan underwriting and approval policies. At September 30, 2016 Standard had \$16.6 million in loan participations, with \$2.8 million of that total comprised of lease financing.

Loan Approval Procedures and Authority. Standard's lending activities follow written, non-discriminatory underwriting standards and loan origination procedures established by its Board of Directors. The loan approval process is intended to assess the borrower's ability to repay the loan and value of the property that will secure the loan.

To assess the borrower's ability to repay, Standard reviews the borrower's employment and credit history and information on the historical and projected income and expenses of the borrower. Standard requires "full documentation" on all of its loan applications. Standard requires appraisals of all real property securing one- to four-family residential and commercial real estate loans. Standard requires appraisals on home equity loans and lines of credit of \$250,000 or greater. For loan amounts under \$250,000 an appraisal may be required or other methods of property valuations are utilized. All appraisers are state-licensed or state-certified appraisers, and its practice is to have local appraisers approved by the Board of Directors annually.

Standard's policies and loan approval limits are established by the Board of Directors. Loans in amounts up to \$750,000 (for home equity and home equity lines of credit), \$1.5 million (for residential real estate loans), and \$1.5 million (for commercial loans) can be approved by designated individual officers or officers acting together with specific lending approval authority. Relationships in excess of these amounts require the approval of the Board of Directors or its Loan Committee.

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Investments

Standard's Investment Committee, which is comprised of its Chief Executive Officer and its Chief Financial Officer, has primary responsibility for implementing Standard's investment policy, which is established by its Board of Directors. The general investment strategies are developed and authorized by the Investment Committee in consultation with Standard's Board of Directors. The Investment Committee is responsible for the execution of specific investment actions. These officers are authorized to execute investment transactions without the Board of Directors prior approval (provided the transactions are within the scope of the established investment policy). The investment policy is reviewed annually by the Investment Committee, and any changes to the policy are subject to approval by the full Board of Directors. The overall objectives of the Investment Policy are to maintain a portfolio of high quality and diversified investments to maximize interest income over the long term and to minimize risk, to provide collateral for borrowings, to provide additional earnings when loan production is low, and, when appropriate, to reduce Standard's tax liability. The policy dictates that investment decisions give consideration to the safety of principal, liquidity requirements and interest rate risk management. All securities transactions are reported to the Board of Directors on a monthly basis.

Standard's current investment policy permits investments in securities issued by the U.S. Government as well as mortgage-backed securities, municipal securities, corporate bonds and direct obligations of Fannie Mae, Freddie Mac and Ginnie Mae. The investment policy also permits, with certain limitations, investments in certificates of deposit, collateralized mortgage obligations, mutual funds and equity securities. Standard's current investment policy does not permit investment in stripped mortgage-backed securities or derivatives as defined in federal banking regulations or in other high-risk securities. Standard's investment policy expressly prohibits the use of its investment portfolio for market-oriented trading activities or speculative purposes unless otherwise approved by its Board of Directors. Standard does not currently have a trading account for investment securities.

Standard designates a security as either held to maturity, available for sale, or trading, based upon Standard's ability and intent. Securities available for sale and trading securities are reported at market value and securities held to maturity are reported at amortized cost. A periodic review and evaluation of the available for sale and held to maturity securities portfolios is conducted to determine if the fair value of any security has declined below its carrying value and whether such decline is other-than-temporary. At September 30, 2016, all of Standard's securities were classified as available for sale. Standard's securities portfolio at September 30, 2016, consisted primarily of securities with the following fair values: \$19.7 million of mortgage-backed securities issued by U.S. Government agencies and U.S. Government-sponsored enterprises; \$29.5 million of municipal obligations; \$10.0 million of U.S. government and agency obligations; \$2.5 million of corporate bonds and \$2.1 million of equity securities. At September 30, 2016, none of the collateral underlying Standard's securities portfolio was considered subprime or Alt-A. See "Management's Discussion of Financial Condition and Results of Operations—Balance Sheet Analysis: September 30, 2016 and September 30, 2015—Investment Securities Portfolio" for a discussion of the recent performance of Standard's securities portfolio.

Standard purchases mortgage-backed securities insured or guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae. Historically, Standard has invested in mortgage-backed securities to achieve positive interest rate spreads with minimal administrative expense and to lower its credit risk as a result of the guarantees provided by Freddie Mac, Fannie Mae or Ginnie Mae. However, in September 2008, the Federal Housing Finance Agency placed Freddie Mac and Fannie Mae into conservatorship. The U.S. Treasury Department has established financing agreements to ensure that Freddie Mac and Fannie Mae meet their obligations to holders of mortgage-backed securities that they have issued or guaranteed. These actions have not affected the markets for mortgage-backed securities issued by Freddie Mac or Fannie Mae. A number of proposals have been made for reforming these government-sponsored entities. Both agencies remain under government conservatorship.

Mortgage-backed securities are securities issued in the secondary market that are collateralized by pools of mortgages. Certain types of mortgage-backed securities are commonly referred to as “pass-through” certificates because the principal and interest of the underlying loans is “passed through” to investors, net of certain costs, including servicing and guarantee fees. Mortgage-backed securities typically are collateralized by pools of one- to four-family or multifamily (loans on properties with 5 or more units) mortgages, although Standard invests primarily in mortgage-backed securities backed by one- to four-family mortgages. The issuers of such securities pool and resell the participation interests in the form of securities to investors such as Standard Bank. The interest rate on the security is lower than the interest rates on the underlying loans to allow for payment of servicing and guaranty fees.

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Ginnie Mae, a U.S. Government agency, and government sponsored enterprises, such as Fannie Mae and Freddie Mac, either guarantee the payments or guarantee the timely payment of principal and interest to investors. Mortgage-backed securities are more liquid than individual mortgage loans since there is an active trading market for such securities. In addition, mortgage-backed securities may be used to collateralize borrowings. Investments in mortgage-backed securities involve a risk that actual payments will be greater or less than the prepayment rate estimated at the time of purchase, which may require adjustments to the amortization of any premium or accretion of any discount relating to such interests, thereby affecting the net yield on Standard's securities. Current prepayment speeds determine whether prepayment estimates require modification that could cause amortization or accretion adjustments.

Sources of Funds

General. Deposits traditionally have been Standard's primary source of funds for its investment and lending activities. Standard also borrows from the FHLB to supplement cash flow needs. Standard's additional sources of funds are scheduled loan payments, maturing investments, loan repayments, customer repurchase agreements, income on other earning assets and the proceeds of loan sales.

Deposits. Standard accepts deposits primarily from the areas in which its offices are located. Standard relies on its competitive pricing and products, convenient locations and quality customer service to attract and retain deposits. Standard offers a variety of deposit accounts with a range of interest rates and terms. Standard's deposit accounts consist of savings accounts, certificates of deposit and regular checking accounts. Interest rates, maturity terms, service fees and withdrawal penalties are established on a periodic basis. Deposit rates and terms are based primarily on current operating strategies and market interest rates, liquidity requirements and Standard's deposit growth goals.

Borrowings. Standard's borrowings consist of advances from the FHLB and funds borrowed from customers under repurchase agreements. At September 30, 2016, FHLB advances totaled \$48.9 million, or 11.6%, of total liabilities and Standard's repurchase agreements totalled \$2.0 million, or 0.5%, of total liabilities. At September 30, 2016, Standard had access to additional FHLB advances of up to \$150.1 million. Advances from the FHLB are collateralized by certain qualifying collateral such as loans, with weighted average collateral values determined by the FHLB equal to at least the unpaid amount of outstanding advances. Repurchase agreements are secured by mortgage-backed securities.

Subsidiary Activities

Standard Bank has one subsidiary, Westmoreland Investment Company, which is a Delaware corporation that holds residential mortgage loans originated and serviced by Standard Bank.

Expense and Tax Allocation

Standard Bank has entered into an agreement with Standard to provide it with certain administrative support services, whereby Standard Bank will be compensated at not less than the fair market value of the services provided. In addition, Standard Bank and Standard have entered into an agreement to establish a method for allocating and for reimbursing the payment of their consolidated tax liability.

Personnel

As of September 30, 2016, Standard had 85 full-time equivalent employees. Standard's employees are not represented by any collective bargaining group. Management believes that Standard has a good working relationship with its employees.

SUPERVISION AND REGULATION

General

Standard Bank is supervised and examined by the Pennsylvania Department of Banking as the issuer of its charter, and by the FDIC as the insurer of its deposits and its primary federal regulator. Standard Bank also is regulated to a lesser extent by the Federal Reserve Board, governing reserves to be maintained against deposits and

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other matters. This system of state and federal regulation and supervision establishes a comprehensive framework of activities in which an institution may engage and is intended primarily for the protection of the FDIC's deposit insurance fund and depositors, not for the protection of security holders. Standard Bank is periodically examined by the Pennsylvania Department of Banking and the FDIC to ensure that it satisfies applicable standards with respect to such matters as its capital adequacy, assets, management, earnings, liquidity and sensitivity to market interest rates. Following examinations, the Pennsylvania Department of Banking and the FDIC prepare reports for the consideration of Standard Bank's Board of Directors on any operating deficiencies. Standard Bank's relationship with its depositors also is regulated to a great extent by federal law and, to a much lesser extent, state law, especially in matters concerning the ownership of deposit accounts and the form and content of Standard Bank's loan documents.

As a bank holding company, Standard is required to file certain reports with, is subject to examination by, and otherwise must comply with the rules and regulations of the Pennsylvania Department of Banking and the Federal Reserve Board.

Any change in these laws or regulations, whether by the FDIC, the Pennsylvania Department of Banking, the Federal Reserve Board or Congress, could have a material adverse impact on Standard, Standard Bank and their operations.

Set forth below is a brief description of certain regulatory requirements that are applicable to Standard Bank and Standard. The description is limited to certain material aspects of the statutes and regulations addressed, and is not intended to be a complete description of such statutes and regulations and their effects on Standard Bank and Standard.

Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), significantly changed the bank regulatory structure and is affecting the lending, investment, trading and operating activities of depository institutions and their holding companies. Certain aspects of that legislation are discussed below.

The Dodd-Frank Act required the Federal Reserve Board to set minimum capital levels for depository institution holding companies that are as stringent as those required for the insured depository subsidiaries and with the components of Tier 1 capital restricted to capital instruments that are considered to be Tier 1 capital for insured depository institutions. The legislation also established a floor for capital of insured depository institutions, which cannot be lower than the standards then in effect and directed the federal banking regulators to implement new leverage and capital requirements taking into account off-balance sheet activities and other risks, including risks relating to securitized products and derivatives. Such regulations were issued in 2013 and became effective on January

1, 2015.

The Dodd-Frank Act also created a new Consumer Financial Protection Bureau with substantial power to implement and enforce consumer protection laws. The Consumer Financial Protection Bureau has broad rulemaking authority for a wide range of consumer protection laws that apply to all banks and savings institutions, including the authority to prohibit “unfair, deceptive or abusive” acts and practices. The Consumer Financial Protection Bureau has examination and enforcement authority over all banks and savings institutions with more than \$10 billion in assets. Banks and savings institutions with \$10 billion or less in assets, such as Standard Bank, continue to be examined by their applicable bank regulators.

The legislation broadened the base for FDIC insurance assessments. Assessments are now based on an institution’s average consolidated total assets less tangible equity capital. The Dodd-Frank Act also permanently increased the maximum amount of deposit insurance for banks, savings institutions and credit unions to \$250,000 per depositor. The legislation increased stockholder influence over boards of directors by requiring companies to give stockholders a non-binding vote on executive compensation and so-called “golden parachute” payments. It also directed the Federal Reserve Board to promulgate rules prohibiting excessive compensation paid to bank holding company executives, regardless of whether the company is publicly traded. The Dodd-Frank Act provided for originators of certain securitized loans to retain a percentage of the risk for transferred loan, directed the Federal Reserve Board to regulate pricing of certain debit card interchange fees, contained a number of reforms related to mortgage origination and authorized depository institutions to pay interest on business checking accounts.

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Many of the provisions of the Dodd-Frank Act had delayed effective dates and the legislation required various federal agencies to promulgate numerous and extensive implementing regulations over several years. Although the effects of these regulations cannot be completely determined at this time, it is expected that the legislation and implementing regulations will increase Standard Bank's operating and compliance costs.

Banking Regulation

Pennsylvania Savings Bank Law. The Pennsylvania Banking Code of 1965, as amended (the "Banking Code"), contains detailed provisions governing such matters as the organization, operations, corporate powers, lending, investment and deposit-taking authority, branching rights and responsibilities of directors, officers and employees of Pennsylvania savings banks. The Banking Code delegates extensive rulemaking power and administrative discretion to the Department of Banking in its supervision and regulation of state-chartered savings banks. The Pennsylvania Department of Banking may order any savings bank to discontinue any violation of law or unsafe or unsound business practice and may direct any trustee, officer, attorney, or employee of a savings bank engaged in an objectionable activity, after the Pennsylvania Department of Banking has ordered the activity to be terminated, to show cause at a hearing before the Pennsylvania Department of Banking why such person should not be removed. The Pennsylvania Department of Banking may also appoint a receiver or conservator for an institution in appropriate cases.

Capital Requirements. Under federal law, federally insured banks, including banks like Standard Bank that are not members of the Federal Reserve System ("state non-member banks"), are required to comply with minimum capital requirements. On January 1, 2015, the FDIC and the other federal bank regulatory agencies made effective a final rule which revised their risk-based capital requirements and the method for calculating risk-weighted assets to make them consistent with agreements that were reached by the Basel Committee on Banking Supervision and certain provisions of the Dodd-Frank Act. The revised requirements apply to all depository institutions and top-tier bank and savings and loan holding companies with total consolidated assets of \$1 billion or more.

The current risk-based capital standards require the maintenance of common equity Tier 1 capital, Tier 1 capital and total capital to risk-weighted assets of at least 4.5%, 6% and 8%, respectively. In determining the amount of risk-weighted assets, all assets, including certain off-balance sheet assets (e.g., recourse obligations, direct credit substitutes, residual interests) are multiplied by a risk weight factor (from 0% to 1,250%) assigned by the regulations based on the risks believed inherent in the type of asset. Higher levels of capital are required for asset categories believed to present greater risk. Common equity Tier 1 capital is generally defined as common stockholders' equity and retained earnings. Tier 1 capital is generally defined as common equity Tier 1 and additional Tier 1 capital. Additional Tier 1 capital includes certain noncumulative perpetual preferred stock and related surplus and minority interests in equity accounts of consolidated subsidiaries. Total capital includes Tier 1 capital (common equity Tier 1 capital plus additional Tier 1 capital) and Tier 2 capital. Tier 2 capital is comprised of capital instruments and related surplus, meeting specified requirements, and may include cumulative preferred stock and long-term perpetual preferred stock, mandatory convertible securities, intermediate preferred stock and subordinated debt. Also included in Tier 2 capital is the allowance for loan and lease losses limited to a maximum of 1.25% of risk-weighted assets and

for institutions, such as Standard Bank, that have exercised an opt-out election regarding the treatment of Accumulated Other Comprehensive Income, up to 45% of net unrealized gains on available-for-sale equity securities with readily determinable fair market values. Calculation of all types of regulatory capital is subject to deductions and adjustments specified in the regulations.

In addition to the risk-based requirements, the federal regulations also establish a separate leverage capital requirement of 4% Tier 1 capital to total adjusted assets. Further, in assessing an institution's capital adequacy, the FDIC takes into consideration, not only these numeric factors, but qualitative factors as well, and has the authority to establish higher capital requirements for individual banks where necessary.

In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a "capital conservation buffer" consisting of 2.5% of common equity Tier 1 capital to risk-weighted asset above the amount necessary to meet its minimum risk-based capital requirements. The capital conservation buffer requirement is

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being phased in beginning January 1, 2016 at 0.625% of risk-weighted assets and increasing each year until fully implemented at 2.5% on January 1, 2019.

Standard Bank is also subject to capital requirements established by of the Pennsylvania Department of Banking. Pennsylvania Department of Banking regulations establish a 4% Tier 1 capital to total assets requirement and incorporate by reference the FDIC's risk-based capital requirements. The Pennsylvania Department of Banking also has authority to establish institution-specific capital requirements where deemed appropriate.

Prompt Corrective Action Regulations. Under the federal prompt corrective action statute, the regulators are authorized and, under certain circumstances, required to take supervisory actions against undercapitalized banks. For this purpose, an institution is placed in one of five categories based on the institution's capital. The final capital rule effective in January 2015 revised the prompt corrective action categories to incorporate the enhanced regulatory capital requirements.

An institution is deemed to be "well capitalized" if it has a total risk-based capital ratio of 10.0% or greater, a Tier 1 risk-based capital ratio of 8.0% or greater, a leverage ratio of 5.0% or greater and a common equity Tier 1 ratio of 6.5% or greater. An institution is "adequately capitalized" if it has a total risk-based capital ratio of 8.0% or greater, a Tier 1 risk-based capital ratio of 6.0% or greater, a leverage ratio of 4.0% or greater and a common equity Tier 1 ratio of 4.5% or greater. An institution is "undercapitalized" if it has a total risk-based capital ratio of less than 8.0%, a Tier 1 risk-based capital ratio of less than 6.0%, a leverage ratio of less than 4.0% or a common equity Tier 1 ratio of less than 4.5%. An institution is deemed to be "significantly undercapitalized" if it has a total risk-based capital ratio of less than 6.0%, a Tier 1 risk-based capital ratio of less than 4.0%, a leverage ratio of less than 3.0% or a common equity Tier 1 ratio of less than 3.0%. An institution is considered to be "critically undercapitalized" if it has a ratio of tangible equity (as defined in the regulations) to total assets that is equal to or less than 2.0%.

At each successive lower capital category, an insured depository institution is subject to more restrictions and prohibitions, including restrictions on growth, restrictions on interest rates paid on deposits, restrictions or prohibitions on payment of dividends, and restrictions on the acceptance of brokered deposits. Furthermore, if an insured depository institution is classified in one of the undercapitalized categories, it is required to submit a capital restoration plan to the appropriate federal banking agency, and the holding company must guarantee the performance of that plan. Based upon its capital levels, an institution that is classified as well-capitalized, adequately capitalized, or undercapitalized may be treated as though it were in the next lower capital category if the appropriate federal banking agency, after notice and opportunity for hearing, determines that an unsafe or unsound condition, or an unsafe or unsound practice, warrants such treatment. An undercapitalized institution's compliance with a capital restoration plan is required to be guaranteed by any company that controls the undercapitalized institution in an amount equal to the lesser of 5.0% of the institution's total assets when deemed undercapitalized or the amount necessary to achieve the status of adequately capitalized. If an "undercapitalized" institution fails to submit an acceptable plan, it is treated as if it is "significantly undercapitalized." "Significantly undercapitalized" institutions must comply with one or more of a number of additional restrictions. Such restrictions may include, but are not limited to, an order by the regulator to: (i)

sell sufficient voting stock to become adequately capitalized, (ii) reduce total assets, (iii) cease receipt of deposits from correspondent banks, (iv) dismiss directors or officers, (v) restrict interest rates paid on deposits, (vi) limit compensation of executive officers and/or (vii) limit capital distributions by the parent holding company. “Critically undercapitalized” institutions are subject to additional measures including, subject to a narrow exception, the appointment of a receiver or conservator within 270 days after its capital falls to that level.

Loans-to-One-Borrower Limitation. Under applicable Pennsylvania law, with certain limited exceptions, a Pennsylvania chartered savings bank may lend to a single or related group of borrowers on an “unsecured” basis an amount equal to 15% of its unimpaired capital and surplus. Standard’s internal policy, however, is to make no loans either individually or in the aggregate to one entity in excess of \$5,476,000. However, in special circumstances this limit may be exceeded subject to the approval of the Board of Directors.

Activities and Investments of Insured State-Chartered Banks. Federal law generally limits the equity investments of state-chartered banks insured by the FDIC to those that are permissible for national banks. Under regulations dealing with equity investments, subject to certain grandfather clauses, an insured state bank generally

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may not, directly or indirectly, acquire or retain any equity investment of a type, or in an amount, that is not permissible for a national bank. An insured state bank is not prohibited from, among other things: (i) acquiring or retaining a majority interest in a subsidiary that is engaged in permissible activities; (ii) investing as a limited partner in a partnership the sole purpose of which is direct or indirect investment in the acquisition, rehabilitation, or new construction of a qualified housing project, provided that such limited partnership investments may not exceed 2% of the bank's total assets and (iii) acquiring up to 10% of the voting stock of a company that solely provides or reinsures liability insurance for directors, trustees or officers, or blanket bond group insurance coverage for insured depository institutions. The direct or indirect activities of a state bank are similarly generally limited to those of a national bank. Exceptions include where approval is received for the activity from the FDIC.

Dividends. The federal banking agencies have indicated that paying dividends that deplete a depository institution's capital base to an inadequate level is an unsafe and unsound banking practice. Under the FDIC Improvement Act of 1991, a depository institution may not pay any dividend if payment would cause it to become undercapitalized or if it already is undercapitalized. Moreover, the federal agencies have issued policy statements that provide that bank holding companies and insured banks should generally only pay dividends out of current operating earnings. Federal banking regulators have the authority to prohibit banks and bank holding companies from paying a dividend if the regulators deem such payment to be an unsafe or unsound practice. Standard Bank is also subject to regulatory restrictions on the payment and amounts of dividends under Pennsylvania law. The Pennsylvania law states, in part, that dividends may be declared and paid by Standard Bank only out of accumulated total net earnings.

Community Reinvestment Act and Fair Lending Laws. Under the Community Reinvestment Act of 1977 ("CRA"), the FDIC is required to assess the record of all non-member banks to determine if such institutions are meeting the credit needs of the communities (including low-and moderate-income areas) that they serve. CRA performance evaluations are based on a four-tiered rating system: Outstanding, Satisfactory, Needs to Improve and Substantial Noncompliance. CRA performance evaluations are considered in evaluating applications for such things as mergers, acquisitions and applications to open branches. Standard Bank's most recent CRA rating was "Satisfactory."

Transactions with Related Parties. Transactions between banks and their related parties or affiliates are limited by Sections 23A and 23B of the Federal Reserve Act. An affiliate of a bank is generally any company or entity that controls, is controlled by or is under common control with the bank. In a holding company context, the parent bank holding company and any companies controlled by the parent holding company are affiliates of the bank.

Generally, Sections 23A and 23B of the Federal Reserve Act and Federal Reserve Board Regulation W: (i) limit the extent to which a bank and its operating subsidiaries may engage in "covered transactions" with any one affiliate to an amount equal to 10.0% of such institution's capital stock and surplus, (ii) place an aggregate limit on all such transactions with all affiliates to an amount equal to 20.0% of such institution's capital stock and surplus and (iii) require that all such transactions be on terms substantially the same, or at least as favorable, to the institution or subsidiary as those provided to non-affiliates. The term "covered transaction" includes making a loan or extension of credit to or a guarantee on behalf of an affiliate, a purchase of assets from an affiliate and other similar transactions. In

addition, loans or other extensions of credit by the institution to the affiliate must be collateralized in accordance with requirements set forth in Section 23A of the Federal Reserve Act.

The Sarbanes-Oxley Act of 2002 generally prohibits loans by a company to its executive officers and directors. However, the law contains a specific exception for loans by a depository institution to its executive officers and directors in compliance with federal banking laws, assuming such loans are also permitted under the law of the institution's chartering state. Under such laws, Standard Bank's authority to extend credit to executive officers, directors and 10% shareholders ("insiders"), as well as entities under such person's control, is limited. The law limits both the individual and aggregate amount of loans Standard Bank may make to insiders based, in part, on Standard Bank's capital position and requires certain board of directors approval procedures to be followed. Such loans are required to be made on terms substantially the same as those offered to unaffiliated individuals and not involve more than the normal risk of repayment. There is an exception for loans made pursuant to a benefit or compensation program that is widely available to all employees of the institution and does not give preference to insiders over other employees. Loans to executive officers are further limited to specific categories.

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Standards for Safety and Soundness. Federal law requires each federal banking agency to prescribe certain standards for all insured depository institutions. These standards relate to, among other things, internal controls, information systems and audit systems, loan documentation, credit underwriting, interest rate risk exposure, asset growth, compensation, and other operational and managerial standards as the agency deems appropriate. Interagency guidelines set forth the safety and soundness standards that the federal banking agencies use to identify and address problems at insured depository institutions before capital becomes impaired. If the appropriate federal banking agency determines that an institution fails to meet any standard prescribed by the guidelines, the agency may require the institution to submit to the agency an acceptable plan to achieve compliance with the standard. If an institution fails to meet these standards, the appropriate federal banking agency may require the institution to implement an acceptable compliance plan. Failure to implement such a plan can result in further enforcement action, including the issuance of a cease and desist order or the imposition of civil money penalties.

Enforcement. The FDIC, has extensive enforcement authority over non-member banks, including Standard Bank. The enforcement authority includes, among other measures, the ability to assess civil money penalties, issue cease and desist orders and remove directors and officers. In general, these enforcement actions may be initiated in response to violations of laws and regulations, breaches of fiduciary duty and unsafe or unsound practices.

Insurance of Deposit Accounts. Deposit accounts in Standard Bank are insured by the FDIC's Deposit Insurance Fund, generally up to a maximum of \$250,000 per separately insured depositor and up to a maximum of \$250,000 for self-directed retirement accounts.

The FDIC assesses insured depository institutions to maintain the Deposit Insurance Fund. No institution may pay a dividend if in default of its deposit insurance assessment.

Under the FDIC's risk-based assessment system, insured institutions are assessed based on perceived risk to the Deposit Insurance Fund. Originally, each institution was assigned to a risk category based on supervisory evaluations, regulatory capital levels and certain other factors. An institution's assessment rate depended upon the category to which it is assigned and certain adjustments specified by FDIC regulations, with less risky institutions paying lower rates. Assessment rates (inclusive of possible adjustments) ranged from 2 1/2 to 45 basis points of each institution's total assets less tangible capital. In conjunction with the Deposit Insurance Fund's reserve ratio reaching 1.15%, the range of assessments for banks of less than \$10 billion in assets was reduced to 1 1/2 basis points to 30 basis points of total assets less tangible capital, effective July 1, 2016. In addition, the risk categories were eliminated in favor of a combination of examination ratings and financial modeling designed to estimate the probability that an institution fails over a three year period.

The FDIC has the authority to increase insurance assessments. A material increase would likely have an adverse effect on the operating expenses and results of operations of Standard Bank. Management cannot predict what insurance

assessment rates will be in the future.

In addition to the FDIC assessments, the Financing Corporation (“FICO”) is authorized to impose and collect, with the approval of the FDIC, assessments for anticipated payments, issuance costs and custodial fees on bonds issued by the FICO in the 1980s to recapitalize the former Federal Savings and Loan Insurance Corporation. For the quarter ended June 30, 2016, the annualized FICO assessment rate equaled 0.56 basis points of total assets less tier 1 capital. The bonds issued by the FICO are due to mature in 2017 through 2019.

Insurance of deposits may be terminated by the FDIC upon a finding that an institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC. Standard does not currently know of any practice, condition or violation that may lead to termination of its deposit insurance.

Federal Home Loan Bank System. Standard Bank is a member of the Federal Home Loan Bank System, which consists of 12 regional Federal Home Loan Banks. The Federal Home Loan Bank System provides a central credit facility primarily for member institutions as well as other entities involved in home mortgage lending. As a member of the Federal Home Loan Bank of Pittsburgh (“FHLB”), Standard Bank is required to acquire and hold

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shares of capital stock in the Federal Home Loan Bank. As of September 30, 2016, Standard Bank was in compliance with this requirement.

Federal Reserve System. Federal Reserve Board regulations require depository institutions to maintain non-interest-earning reserves against their transaction accounts (primarily NOW and regular checking accounts). The regulations generally require that reserves be maintained against aggregate transaction accounts as follows: for that portion of transaction accounts aggregating \$110.2 million or less (which may be adjusted annually by the Federal Reserve Board) the reserve requirement is 3.0%; the amounts greater than \$110.2 million require a 10.0% reserve (which may also be adjusted annually by the Federal Reserve Board between 8.0% and 14.0%). The first \$15.2 million of otherwise reservable balances are exempted from the reserve requirements. Standard Bank is in compliance with these requirements.

Other Regulations

Interest and other charges collected or contracted for by Standard Bank are subject to state usury laws and federal laws concerning interest rates. Standard Bank's operations are also subject to federal laws applicable to credit transactions.

Bank Holding Company Regulation

As a bank holding company, Standard is subject to regulation by the Pennsylvania Department of Banking, and the Federal Reserve Board pursuant to the Bank Holding Company Act of 1956, as amended (the "BHC Act"). Standard is required to file with the Federal Reserve Board financial and other reports and such additional information as the Federal Reserve Board may require. The BHC Act requires each bank holding company to obtain the prior approval of the Federal Reserve Board before it may acquire substantially all the assets of any bank, or acquire ownership or control of more than 5% of any class of voting shares of a bank or bank holding company. Such a transaction may also require approval of the Pennsylvania Department of Banking.

Pursuant to provisions of the BHC Act and regulations promulgated by the Federal Reserve Board, Standard may only engage in, or own companies that engage in, activities deemed by the Federal Reserve Board to be so closely related to the business of banking or managing or controlling banks as to be a proper incident thereto, and the holding company must obtain permission from the Federal Reserve Board prior to engaging in most new business activities. A bank holding company that meets specified criteria may become a "financial holding company" and thereby engage in a broader range of financial activities. Standard has not elected to become a financial holding company up to this time.

The Federal Reserve Board has adopted consolidated regulatory capital requirements that are generally applicable to bank holding companies with \$1.0 billion or more of consolidated assets. The Dodd-Frank Act required the Federal Reserve Board to revise its holding company capital requirements so that they are no less stringent, quantitatively and in terms of components of capital, than those applicable to the subsidiary depository institutions themselves. The previously discussed final rule that revised regulatory capital requirements for depository institutions also implemented the Dodd-Frank Act requirements for holding companies, effective January 1, 2015. Bank holding companies of \$1.0 billion or more in consolidated assets are now subject to regulatory capital requirements that are identical to those applicable to the institutions themselves. As is the case with the institution-level requirements, the capital conservation buffer is being phased in from 2016 to 2019. These consolidated regulatory capital requirements will apply to Standard when it reaches the required asset threshold.

The Federal Reserve Board has issued a policy statement regarding the payment of dividends by bank holding companies. In general, the Federal Reserve Board's policies provide that dividends should be paid only out of current earnings and only if the prospective rate of earnings retention by the bank holding company appears consistent with the organization's capital needs, asset quality and overall financial condition. Federal Reserve Board regulations and guidance also provide for prior regulatory review of dividends and stock repurchases and redemptions under certain circumstances. The Federal Reserve Board's policies, codified by the Dodd-Frank Act, require that a bank holding company serve as a source of strength to its subsidiary banks by standing ready to use available resources to provide capital funds to those banks during periods of financial stress or adversity and by maintaining the financial flexibility and capital-raising capacity to obtain additional resources to assist its subsidiary

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banks where necessary. Under the prompt corrective action laws, the ability of a bank holding company to pay dividends may be restricted if a subsidiary bank becomes undercapitalized. These regulatory policies could affect the ability of Standard to pay dividends or otherwise engage in capital distributions.

Change in Control Regulations. Under the Change in Bank Control Act, no person may acquire control of a bank holding company unless the Federal Reserve Board has been given 60 days' prior written notice and has not issued a notice disapproving the proposed acquisition, taking into consideration certain factors, including the financial and managerial resources of the acquirer and the competitive effects of the acquisition. Control, as defined under federal regulations, means ownership, control of or holding more than 25% of any class of voting stock, control in any manner of the election of a majority of the institution's directors, or a determination by the regulator that the acquirer has the power, directly or indirectly, to exercise a controlling influence over the management or policies of the institution. Acquisition of more than 10% of any class of a bank holding company's voting stock constitutes a rebuttable determination of control under the regulations under certain circumstances, including where the issuer has registered securities under Section 12 of the Exchange Act. No existing bank holding company may acquire more than 5% of a class of voting stock of Standard or Standard Bank without application to and approval of the Federal Reserve Board pursuant to the BHC Act.

TAXATION

Federal Taxation

General. Standard and Standard Bank are subject to federal income taxation in the same general manner as other corporations, with some exceptions discussed below. The following discussion of federal taxation is intended only to summarize material federal income tax matters and is not a comprehensive description of the tax rules applicable to Standard and Standard Bank.

Method of Accounting. For federal income tax purposes, Standard Bank will file a consolidated tax return with Standard, will report its income and expenses on the accrual method of accounting and use a calendar year ending December 31st for filing their consolidated federal income tax returns.

Minimum Tax. The Code imposes an alternative minimum tax at a rate of 20% on a base of regular taxable income plus certain tax preferences, referred to as "alternative minimum taxable income." The alternative minimum tax is payable to the extent alternative minimum taxable income is in excess of an exemption amount. Net operating losses can, in general, offset no more than 90% of alternative minimum taxable income. Certain payments of alternative minimum tax may be used as credits against regular tax liabilities in future years. At September 30, 2016, Standard

had no alternative minimum tax credit carryforward.

Net Operating Loss Carryovers. Generally, a financial institution may carry back net operating losses to the preceding two taxable years and forward to the succeeding 20 taxable years. However, subject to certain limitations, the carryback period for net operating losses incurred in 2008 or 2009 (but not both years) has been expanded to five years. At September 30, 2016, Standard had no net operating loss carryforward for federal income tax purposes.

Corporate Dividends. Standard will be able to exclude from its income 100% of dividends received from Standard Bank as a member of the same affiliated group of corporations.

Audit of Tax Returns. Standard's 2010 federal income tax return was audited by the IRS in 2012 with no changes to the return as filed. The 2014 federal tax return was audited in 2016 with no changes to the return as filed.

State Taxation

The Bank is subject to the Pennsylvania and Maryland Thrift Institutions tax which is allocated between the states and calculated at 11.5% and 8.25%, respectively, based on taxable income applicable to the individual states. Standard's state income tax returns, as applicable, have not been audited in the most recent five year period.

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Standard Bank operates from its nine full service branches located in the Pennsylvania counties of Allegheny, Westmoreland and Bedford and Allegany County, Maryland. Standard Bank considers its primary market area to be eastern Allegheny, Westmoreland, northern Fayette and southern Bedford counties in Pennsylvania and Allegany County, Maryland. The net book value of Standard's premises, land and equipment was \$3.2 million at September 30, 2016. The following table sets forth information with respect to Standard Bank's full-service banking offices, including the expiration date of leases with respect to leased facilities.

Branch Name	Address	Owned or Leased
Murrysville (Bank headquarters)	4785 Old William Penn Hwy. Murrysville, PA 15668	Owned
Mount Pleasant	659 W. Main Street Mt. Pleasant, PA 15666	Owned
Ligonier	211 W. Main Street Ligonier, PA 15658	Owned
Monroeville (Executive office)	2640 Monroeville Blvd. Monroeville, PA 15146	Owned
Scottdale	100 Pittsburgh Street Scottdale, PA 15683	Owned
Hyndman	3945 Center Street Hyndman, PA 15545	Owned
Greensburg	5150 Route 30 Greensburg, PA 15601	Leased (expires April 30, 2021)
LaVale	1275 National Hwy. LaVale, MD 21502	Owned

Cumberland
200 N. Mechanic Street
Cumberland, MD 21502

Owned

Legal Proceedings

Standard, Standard Bank and its subsidiaries are not parties to any legal proceedings that could have a material effect on the financial condition or operating results of Standard. In addition, Standard, Standard Bank and its subsidiaries are not parties to any legal proceedings under federal and state environmental laws.

Information about Standard's Directors

The following provides information, as of September 30, 2016, about the current directors of Standard.

Terence L. Graft has served as Chairman of the Board of Standard Bank since 2008. Mr. Graft is the owner of Kepple-Graft Funeral Home located in Greensburg, Pennsylvania and Graft-Jacquillard Funeral Home located in Scottdale, Pennsylvania. He is a member of the National and Pennsylvania Funeral Directors Associations, as well as the Funeral Directors Associations of Armstrong, Westmoreland and Indiana, Pennsylvania. Mr. Graft's experience as a local business owner and his knowledge of the local business community led to his election to the Board in 1991. Age 66.

Horace G. Cofer is President of Horace Cofer Associates, Inc., an engineering consulting service located in Murrysville, Pennsylvania. Mr. Cofer's experience managing a local business and his knowledge of the local business community led to his election to the Board in 1991. Age 78.

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William T. Ferri is a pharmacist and the owner of Ferri Pharmacy located in Murrysville, Pennsylvania. He is also the Chief Executive Officer of Ferri Enterprises, a property development and management company, and the President of Ferri Supermarkets, Inc. He is Director-Secretary of Value Drug Company, a pharmacy wholesale co-op distributor in Altoona, PA, and is also a member of the Pennsylvania Pharmacists Association, the National Association of Retail Pharmacists, the Murrysville Community Economic Development Corporation, the Westmoreland Chamber of Commerce and the Murrysville Business Association. Mr. Ferri's experience owning a local business and his knowledge of the local business community led to his election to the Board in 2007. Age 71.

David C. Mathews is the Business Development Coordinator of Standard Bank since January 2006. Prior to joining Standard Bank, Mr. Mathews served as the President and Chief Executive Officer of Hoblitzell National Bank ("HNB") from 1998 until HNB was acquired by Standard Bank in January 2006. Mr. Mathews has 34 years of experience in banking. Mr. Mathews is a board member of the Western Maryland Health System Hospital and the Western Maryland Health System Foundation, and is also a member of the Frostburg State Business Advisory Board and The Greater Cumberland Committee. He is a former board member of the YMCA of Cumberland. Mr. Mathews experience with commercial lending and with the markets served by HNB led to his election to the Board in 2006. Age 62.

Thomas J. Rennie is a certified public accountant and the owner of a public accounting firm offering tax, accounting and consulting services with offices in Ligonier, Latrobe and Greensburg, Pennsylvania. He is a member and past President of the Ligonier Chamber of Commerce, past President of the Southwest Chapter of the Pennsylvania Institute of Certified Public Accountants and a past President of Ligonier Rotary Club and presently serves on the finance council of St. Benedict Church in Greensburg. Mr. Rennie's accounting experience and knowledge of the local business community led to his election to the Board in 2008. Age 66.

Dale A. Walker is a certified public accountant and is the owner of Dale A. Walker, CPA, an accounting firm in Mount Pleasant, Pennsylvania. He is a member of the American and Pennsylvania Institutes of Certified Public Accountants, a director and Treasurer of Penn Laurel Holdings, a real estate investment company, past Chairman of the Board of Excelsa Health, a not-for-profit health care system in western Pennsylvania, Treasurer of Mount Pleasant Business District Authority and Mount Pleasant Parking Authority, Elder at Reunion Presbyterian Church and a past president and member of the Mount Pleasant Rotary. Mr. Walker's accounting experience and knowledge of the local business community led to his election to the Board in 1999. Age 67.

Timothy K. Zimmerman is President and Chief Executive Officer of Standard Bank since 1992 and a director since 1993. Prior to joining Standard Bank, Mr. Zimmerman served at Landmark Savings Association, Pittsburgh (and predecessors) from 1977 to 1992, including service as Senior Vice President and Chief Financial Officer from 1985 to 1992. Mr. Zimmerman is a Certified Public Accountant and worked for KPMG Peat Marwick from 1973 to 1977. Mr. Zimmerman is very active in not for profit organizations, serving on boards and committees of the Pittsburgh Civic Light Opera and others in the Greater Pittsburgh Area. He is a member of the Board of Directors of the Pennsylvania Association of Community Bankers. Currently he is serving as Vice Chairman of the Independent Community

Bankers of America (“ICBA”). During his affiliation with ICBA, he has served in many leadership roles including as Chairman of ICBA Securities, Vice Chairman of the Bank Education Committee, Vice Chairman of the Policy Development Committee and Chairman of the ICBA’s Federal Home Loan Bank Task Force. In addition, he has served as Chairman and Vice Chairman of the Consumer Financial Protection Bureau’s Community Bank Advisory Council and is currently a member of the National Association of Home Builders Mortgage Roundtable. He worked on ICBA’s task force for the Financial Accounting Standards Board’s (“FASB”) Current Expected Credit Loss Model (“CECL”) and was appointed by FASB to the Transition Resource Group for CECL. Mr. Zimmerman’s extensive experience in financial accounting, financial institutions and management experience led to his election to the board of directors. Age 65.

The following provides information, as of September 30, 2016, about the current executive officers of Standard, who are expected to be executive officers of Standard AVB Financial Corp. and Standard Bank upon consummation of the merger:

Susan A. Parente, CPA, age 54, is Senior Vice President, Chief Financial Officer, Controller and Operations Officer of Standard. Ms. Parente joined Standard in 1998 as Controller of the bank and in 2000 was appointed Assistant Treasurer. In 2008 she earned the officer designation of Vice President and assumed direction of the newly combined Finance and Operations Department. In 2014 she earned the officer designation of Senior Vice

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President and in October, 2016 was appointed Chief Financial Officer. Ms. Parente has 31 years of banking and accounting experience. Prior to joining Standard Bank, Ms. Parente worked as Manager of Profit Planning and as a Senior Accountant with Equitable Resources, Pittsburgh, from 1990 to 1998. Prior banking experience includes service as an Internal Auditor and Senior Accountant with Landmark Savings Association, Pittsburgh, from 1985 to 1990. Ms. Parente is a certified public accountant and member of the American and Pennsylvania Institutes of Certified Public Accountants.

Sheila D. Crystaloski, CISM, age 53, is Senior Vice President, Chief Technology Officer. Ms. Crystaloski joined the bank in 1998 as Director of Technology. In 2000 she earned the officer designation of Assistant Vice President. In 2006 she earned the officer designation of Vice President. Ms. Crystaloski has over 31 years in the technology field and over 23 years in banking technology. Prior to joining Standard Bank, Ms. Crystaloski worked as Senior Systems Analyst and Assistant Vice President for Commercial National Bank, Latrobe from 1991 to 1998. Prior experience includes Computer Operator and Network Specialist for Latrobe Area Hospital from 1984 to 1991. Ms. Crystaloski is a Certified Information Security Manager and a member of ISACA.

The following provides information, as of September 30, 2016, about the current directors of Allegheny who will be joining the Standard board of directors upon the closing of the merger.

Information about Allegheny Designees to the Standard and Standard Bank Boards

The information below, as of September 30, 2016, about each current director of Allegheny who are expected to be appointed to the boards of directors of Standard and Standard Bank upon consummation of the merger. The information presented includes information each director has given Allegheny about his age, all positions he holds, and his principal occupation for the past five years. The following also includes certain individual qualifications and skills that contribute to the board's effectiveness as a whole. Allegheny believes that each director has a reputation for integrity, honesty, and adherence to high ethical standards. They each have demonstrated business insight and an ability to exercise sound judgement as well as a commitment to service. None of the directors below is a director of any other publically-traded company.

Andrew W. Hasley, CPA, MBA, age 52, has been a director of Allegheny and Allegheny Valley Bank of Pittsburgh since 2006. Mr. Hasley is a Class II director of Allegheny and his current term expires in 2017. Mr. Hasley is the President and CEO of Allegheny Valley Bank of Pittsburgh and Allegheny. He has served in this capacity since January 2006.

Mr. Hasley was previously the President of NorthSide Bank and its holding company, NSD Bancorp, Inc. Prior to NorthSide Bank, Mr. Hasley was the President of Pennsylvania Capital Bank. His banking industry experience dates back to his graduation from college in December 1985. He audited financial institutions while employed at Ernst and Whinney, and earned the Federal Thrift Regulator designation while employed by the Office of Thrift Supervision.

Through his years of experience in this industry, Mr. Hasley has gained significant knowledge in all areas of executive bank management. He has been elected as Chairman of the Board of Directors of the Pennsylvania Association of Community Bankers and has taught continuing professional education for Pennsylvania State University on various banking-related subjects. Mr. Hasley has been active in local charities and his church, currently serving as President of the Board of Trustees of the Mt. Lebanon Evangelical Presbyterian Church, and is a board member of the Pittsburgh Zoo and PPG Aquarium, also sitting on the Zoo's strategic planning and donor relations committees.

Mr. Hasley is a 1985 graduate of Duquesne University in Pittsburgh, Pennsylvania, and obtained his MBA from Duquesne University in 1991. He successfully passed the Uniform CPA Exam in 1986 and is a CPA. Mr. Hasley is a member of the Pennsylvania Institute of Certified Public Accountants and the American Institute of Certified Public Accountants.

Mr. Hasley's vast experience leading financial institutions throughout his career and extensive technical background and management experience make him a valuable member of the board of directors.

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Paul A. Iurlano, age 62, has been a director of Allegheny and Allegheny Valley Bank of Pittsburgh since 2004. Mr. Iurlano is a Class II director of Allegheny and his current term expires in 2017. Mr. Iurlano is Chief Facilities Officer and Legal Counsel of the Property Planning and Development Office for the Catholic Diocese of Pittsburgh.

In his current position at the Catholic Diocese, Mr. Iurlano is involved in all aspects of the acquisition, development, and disposal of real estate as well as owner oversight of major construction and renovation projects.

Prior to working at the Catholic Diocese, Mr. Iurlano had extensive experience in general construction and construction management of projects principally involving all types of parking structures, mid-rise and high-rise apartment buildings, retail buildings, and commercial build-outs.

Since 1995, Mr. Iurlano has served as a construction arbitrator on over 150 cases administrated by the American Arbitration Association. Disputes have ranged from \$10,000 to \$3 million and involved contract interpretation, change orders, performance deficiencies, and lost opportunity. Mr. Iurlano is also a Trustee of the Pittsburgh Catholic Newspaper Publishing Corp., Director of the Central Catholic High School Corp., Director of the Cardinal Wuerl North Catholic High School Corp., and a Director and President of the Fox Chapel Authority. In addition to his law degree, Mr. Iurlano has degrees in engineering and public administration.

Mr. Iurlano's significant involvement in construction, property management, contract resolution, and other outside board involvement make him a valuable board member.

John M. Lally, CPA, MBA, CVA, age 61, has been a director of Allegheny and Allegheny Valley Bank of Pittsburgh since 2009. Mr. Lally is a Class I director of Allegheny and his current term expires in 2019. Mr. Lally is the managing partner of Lally & Co., LLC, a Pittsburgh-based certified public accounting and business advisory firm.

Mr. Lally has been an owner/partner in the CPA practice since its founding in 1983. He has extensive experience with small and middle market businesses, overseeing their tax compliance and business planning needs, as well as those of their owners. In addition to his duties as managing partner, Mr. Lally oversees all business valuation and litigation support engagements. The firm comprises 40 individuals and has consistently ranked in the top 25 firms in the Greater Pittsburgh area. Mr. Lally is a member of the American and Pennsylvania Institutes of Certified Public Accountants. He is active in local charities, serving boards and committees of the YMCA of Greater Pittsburgh, Saint Vincent College, and the Benedictine Sisters of Pittsburgh.

Mr. Lally is a 1977 graduate of Saint Vincent College in Latrobe, Pennsylvania, and obtained his MBA from The George Washington University in Washington, D.C., in 1978. He successfully passed the Uniform CPA Exam in 1981, the Certified Financial Planner examinations in 1986, and the Certified Valuation Analyst examination in 2001.

Mr. Lally brings valued practical and technical experience as well as strong business community relationships to our board and the committees on which he serves.

Ronald J. Mock, CPA, age 60, has been a director of Allegheny and Allegheny Valley Bank of Pittsburgh since 2009. Mr. Mock is a Class I director of Allegheny and his current term expires in 2019. Mr. Mock is the President of Mock Bosco & Associates, P.C., a regional public accounting firm, and CEO of Independent Controller Services, Inc.

Throughout his 30-year career, Mr. Mock has provided audit and tax services to a variety of private, publicly held, and foreign-owned companies in the manufacturing, professional services, real estate, and construction industries. Previous to owning his own firm, he was employed by Deloitte & Touche in Pittsburgh, an international accounting and consulting firm, where he was a Manager in the Audit Department.

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Mr. Mock is a member of the American and Pennsylvania Institutes of Certified Public Accountants. He formerly served as Chairman of the SMC Business Council, a regional business trade association, and currently is a member of the Association's Audit Committee.

Mr. Mock's professional experience, inquisitive nature, strong ties to the communities served by the Bank, and integrity all provide valuable resources to the board.

Gregory J. Saxon, age 52, has been a director of Allegheny since 2002 and Allegheny Valley Bank of Pittsburgh since 2001. The board appointed Mr. Saxon as Chairman of the Board of the Allegheny and Allegheny Valley Bank of Pittsburgh on January 12, 2006. Mr. Saxon is a Class II director of Allegheny and his current term expires in 2017. Mr. Saxon is President of Conco Services, Corp., a privately held manufacturing and energy services company.

Previous to his current employment, Mr. Saxon served as Vice President of Manufacturing at Conco, while filling a second position as President of Global Heat Exchanger Services Co., a manufacturing and petrochemical services company affiliated with Conco Services, Corp. He has also functioned as the manufacturing manager and plant manager at Conco and has been a member of the Board of Directors for all Conco companies since 1990.

As an officer, director, and major shareholder at Conco Services, Corp., Mr. Saxon has overseen a trend of continual revenue growth at Conco, including three acquisitions and product development. With Conco being headquartered in the Pittsburgh area, Mr. Saxon and his company are very active in the Pittsburgh business community network.

Mr. Saxon graduated from Robert Morris College with a Bachelor of Science degree in Marketing and has been a member of the Society of Manufacturing Engineers as well as the National Tooling and Machining Association since 1987. He has also participated in additional Executive Educational Programs at Wharton, University of Pennsylvania, for additional education at both the Executive and Directorship levels.

Mr. Saxon's wide range of business experience, leadership qualities, and ongoing interaction with the local Pittsburgh business community make him a valuable contributor to Allegheny's Board of Directors.

R. Craig Thomasmeyer, age 52, has been a director of Allegheny and Allegheny Valley Bank of Pittsburgh since 2004 and is Chairman of the Audit Committee. Mr. Thomasmeyer is a Class III director of Allegheny and his current term expires in 2018. Mr. Thomasmeyer is the Executive Vice President of Miller Information Systems (MIS), a Pittsburgh-based telecommunications contractor and services provider.

Prior to joining MIS in 1992, Mr. Thomasmeyer worked at Davenport, Marvin, Joyce & Co., CPAs located in North Carolina. As a certified public accountant, he served their base of local clients in the audit and special accounting needs fields. With his experience, Mr. Thomasmeyer provides the Board with valuable expertise in dealing with accounting principles and financial reporting rules and regulations, evaluating financial results, and generally overseeing the financial reporting process of corporations.

Mr. Thomasmeyer's experience and knowledge make him a skilled advisor and a valuable contributor to our Board of Directors.

Standard's Compensation Policies and Practices as They Relate to Risk Management

The board of directors of Standard has reviewed its compensation policies and practices and has determined that the policies and practices do not motivate imprudent risk taking and are not reasonably likely to have a material adverse effect on Standard.

Standard's Compensation Committee Interlocks and Insider Participation

During fiscal 2016, Standard's compensation committee was comprised of at least three members, two of which are independent directors. An "independent" director is a director who is independent, as determined by the board, within the meaning of applicable stock exchange listing standards. Additionally, at least two members of the Committee must qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act, and as

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“outside directors” for purposes of Section 162(m) of the Code. There are no interlocking board memberships between officers of Standard and any member of the compensation committee.

Director Independence

The provisions of Standard’s Corporate Governance Guidelines regarding director independence meet the independence standards of the Nasdaq Stock Market.

Pursuant to the Guidelines, the board undertook its annual review of director independence in December 2015. During this review, the board considered transactions and relationships between each director or any member of his immediate family and the Company and its subsidiaries and affiliates. The board also considered whether there were any transactions or relationships between directors or any member of their immediate family (or any entity of which a director or an immediate family member is an executive officer, general partner or significant equity holder) and members of Standard’s senior management or their affiliates. As provided in the Guidelines, the purpose of this review was to determine whether any such relationships or transactions existed that were inconsistent with a determination that the director is independent.

As a result of this review, the board affirmatively determined that all of its current directors other than Timothy Zimmerman and David C. Matthews are independent of Standard and its management under the standards set forth in the Corporate Governance Guidelines.

In determining the independence of each director, the board considered the following relationships, which it determined were immaterial to the directors’ independence. The board considered that Standard and its subsidiaries in the ordinary course of business have, during the last three years, purchased products and services from companies at which some of Standard’s directors or their immediate family members were officers or employees during 2016. In each case, the amount paid to or received from these companies in each of the last three years did not approach the 2% of total revenue threshold in the Guidelines. The board also considered employment relationships with immediate family members of directors that involved compensation of less than the threshold of \$120,000 in Standard’s Guidelines. The board determined that none of the relationships it considered impaired the independence of the directors.

Table of Contents**Executive Officer Compensation**

Summary Compensation Table. The table below summarizes the total compensation paid to or earned by Standard's named executive officers for the fiscal years ended September 30, 2016 and 2015.

Name and Principal Position	Year	Salary ⁽¹⁾	Bonus ⁽²⁾	Non-Equity			Nonqualified		Total
				Stock Option Awards ⁽³⁾	Incentive Plan Awards ⁽³⁾	Deferred Compensation Earnings	All Other Compensation		
Timothy K. Zimmerman President and Chief Executive Officer	2016	\$305,000	\$75,375	\$ —	\$ —	\$ —	\$ —	\$ 13,852	(4) \$394,227
	2015	\$294,634	\$72,650	\$ —	\$ —	\$ —	\$ —	\$ 14,363	\$381,647
Susan Parente ⁽⁸⁾ Senior Vice President and Chief Financial Officer	2016	\$112,500	\$10,000	\$ —	\$ —	\$ 11,712	\$ —	\$ 5,895	(5) \$140,107
	2015	\$108,302	\$—	\$ —	\$ —	\$ 6,315	\$ —	\$ 5,438	\$120,055
Colleen M. Brown ⁽⁸⁾ Senior Vice President and Chief Financial Officer	2016	\$131,683	\$—	\$ —	\$ —	\$ 17,350	\$ —	\$ 385,020	(6) \$534,053
	2015	\$164,383	\$—	\$ —	\$ —	\$ 26,891	\$ —	\$ 12,479	\$203,753
Paul A. Knapp Senior Vice President and Chief Commercial Lending Officer	2016	\$125,500	\$—	\$ —	\$ —	\$ 14,634	\$ —	\$ 7,295	(7) \$147,429
	2015	\$111,225	\$—	\$ —	\$ —	\$ 16,636	\$ —	\$ 24,079	\$151,940

(1) Amounts in this column include contributions by the named executive officers to the 401(k) Plan. For 2016, Ms. Brown's salary decreased since she voluntarily elected to work a reduced schedule.

(2) Reflects the cash bonus as determined at the discretion of Standard's Compensation Committee. Refer to "Cash Incentives/Bonuses" for additional information related to these payments.

(3) No grants of restricted stock or stock options were made in 2015 and 2016.

For 2016, includes \$7,510 for 401(k) Plan matching contributions, \$312 for premiums paid by Standard Bank for group term life insurance, \$4,061 in dividends paid on unvested restricted stock shares and \$1,969 for premiums paid by Standard Bank for long-term disability insurance.

For 2016, includes \$4,026 for 401(k) Plan matching contributions, \$378 for premiums paid by Standard Bank for group term life insurance, \$881 in dividends paid on unvested restricted stock shares and \$610 for premiums paid by Standard Bank for long-term disability insurance.

For 2016, includes \$11,254 for 401(k) Plan matching contributions, \$378 for premiums paid by Standard Bank for group term life insurance, \$1,739 received by Ms. Brown for opting out of Standard Bank's medical insurance plan, (6) \$1,728 in dividends paid on unvested restricted stock shares and \$1,705 for premiums paid by Standard Bank for long-term disability insurance. In addition, this amount includes \$368,216, which was paid in connection with Ms. Brown's separation from employment.

For 2016, includes \$3,878 for 401(k) Plan matching contributions, \$378 for premiums paid by Standard Bank for (7) group term life insurance, \$625 for loan origination commissions, \$1,159 in dividends paid on unvested restricted stock shares and \$1,255 for premiums paid by Standard Bank for long-term disability insurance.

(8) On August 25, 2016, Ms. Brown resigned and Susan Parente was appointed Senior Vice President and Interim Chief Financial Officer. On September 22, 2016, Susan Parente was appointed Chief Financial Officer.

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Outstanding Equity Awards at Fiscal Year-End. The following table sets forth information with respect to Standard's outstanding equity awards for its named executive officers for the fiscal year ended September 30, 2016.

Outstanding Equity Awards at Fiscal Year-End⁽¹⁾

Name	Option Awards		Equity incentive plan awards: number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Stock Awards	
	Number of securities underlying unexercised options (#)	Number of securities underlying unexercised options (#)				Number of shares or units of stock that have not vested (#) ⁽²⁾	Market value of shares or units of stock that have not vested (\$) ⁽³⁾
Timothy K. Zimmerman, President and Chief Executive Officer	56,400	14,100	—	\$ 16.50	7/25/2022	5,640	\$ 128,592
Susan Parente, Senior Vice President and Chief Financial Officer	12,320	3,080	—	\$ 16.50	7/25/2022	1,224	\$ 27,907
Colleen M. Brown, Former Senior Vice President and Chief Financial Officer	24,000	6,000	—	\$ 16.50	7/25/2022	2,400	\$ 54,720
Paul A. Knapp, Senior Vice President and Chief Commercial Lending Officer	16,000	4,000	—	\$ 16.50	7/25/2022	1,610	\$ 36,708

(1) All equity awards noted in this table were granted pursuant to the Standard Financial Corp. 2012 Equity Incentive Plan, and represent all awards held at September 30, 2016 by Standard's Named Executive Officers.

(2) All option awards and stock awards vest at a rate of 20% per year, commencing on the first anniversary of the date of grant.

(3) The market value of unvested stock awards is based on the closing price of Standard's common stock on September 30, 2016 of \$22.80.

Employment Agreements. Standard and Standard Bank entered into an employment agreement with each of Timothy K. Zimmerman and Paul A. Knapp, effective October 6, 2010, and Susan A. Parente, effective June 17, 2014 (referred to below as the “executives” or “executive”). Standard’s continued success depends to a significant degree on the skills and competence of these officers, and the employment agreements are intended to ensure that Standard maintains a stable management base. The discussion below addresses the employment agreements entered into with the executives.

The employment agreement with Mr. Zimmerman provides for a three-year term and the employment agreement with Ms. Parente and Mr. Knapp provides for a two-year term, subject to daily renewal. The current base salaries are \$305,000 for Mr. Zimmerman, \$150,000 for Ms. Parente and \$125,500 for Mr. Knapp. The agreements also provide for participation in employee benefit plans and programs maintained for the benefit of senior management personnel, including discretionary bonuses, participation in stock-based benefit plans, and certain fringe benefits as described in the agreements.

Upon termination of an executive’s employment for cause, as defined in each of the agreements, the executive will receive no further compensation or benefits under the agreement. If Standard terminates the executive for reasons other than for cause or if the executive terminates voluntarily under specified circumstances that constitute a good reason constructive termination (as defined in each of the agreements), the executive will receive an amount equal to the base salary, cash bonus and employer contributions to benefit plans that would have been payable for the remaining term of the agreement, payable in a lump sum. Standard will also continue to pay for each executive’s life, health, vision and dental coverage for up to three years (two years for Ms. Parente and Mr. Knapp), with the executive responsible for their share of the employee insurance premium.

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In the event of a change in control, followed within 12 months by the executive's termination for a reason other than for cause or if the executive terminates voluntarily under specified circumstances that constitute a good reason constructive termination (as defined in each of the agreements), the executive will receive an amount equal to the greater of (a) the payments described in the immediately preceding paragraph, or (b) an amount equal to the three times (two times for Ms. Parente and Mr. Knapp) annual compensation (as defined in each of the agreements, and includes taxable income and employer contributions to tax-qualified and non-qualified deferred compensation plans) that would have been payable for 36 months (24 months for Ms. Parente and Mr. Knapp), payable in a lump sum. Standard will also continue to pay for each executive's life, health, vision and dental coverage for up to three years (two years for Ms. Parente and Mr. Knapp), with the executive responsible for the executive's share of the employee insurance premium.

Upon termination of employment that would entitle the executive to a severance payment (other than a termination in connection with a change in control), the executive will be required to adhere to a one-year non-competition provision. The executive will be required to release Standard from any and all claims in order to receive any payments and benefits under their agreements. Standard will agree to pay all reasonable costs and legal fees of the executives in relation to the enforcement of the employment agreements, provided the executives succeed on the merits in a legal judgment, arbitration proceeding or settlement. The employment agreements also provide for indemnification of the executives to the fullest extent legally permissible.

Assuming the executives had been terminated in connection with a change in control, Mr. Zimmerman, Ms. Parente and Mr. Knapp would have received aggregate severance payments of approximately \$1,236,000, \$374,000 and \$313,000, respectively, based upon each executive's current level of compensation.

Cash Incentives/Bonuses. The purpose of offering cash incentives is to provide structured annual cash award opportunities to key management personnel for their contributions to the achievement of strategic organizational objectives of Standard as well as specific individual performance goals. The participants' incentives are determined primarily based on company-wide performance measures, and are adjusted at the discretion of the Compensation Committee. The company-wide performance measures include profitability, asset quality, risk management and peer group comparison components. The target amount of the bonus for the participants is the sum of the percentage achievement of company-wide performance measures and individual performance goals expressed as a percentage of base salary, with a target incentive of 25% for Mr. Zimmerman, 12.5% for Ms. Parente and 15% for Mr. Knapp.

Phantom Stock Agreements. Standard Bank entered into substantially identical Phantom Stock Appreciation Rights Agreements ("Phantom Stock Agreement") with executives and directors in 2002 to provide participants with an incentive opportunity to share in Standard Bank's performance and value creation. Directors Graft, Walker, Cofer and Standard's Named Executive Officers, Mr. Zimmerman, Ms. Parente and Mr. Knapp, have each entered into a Phantom Stock Agreement. Under each Phantom Stock Agreement, a participant was initially credited with a one-time allocation of phantom stock. Phantom stock is used solely as a measurement tool and it represents a *hypothetical* share of Standard Bank ("Phantom Stock"). Each year, a participant's phantom stock account is credited with a dollar amount

equal to the annual appreciation in the Phantom Stock share price times the number of shares of Phantom Stock initially credited to the participant. The Phantom Stock share price is determined by dividing the Capital Account, as defined in the Phantom Stock Agreement, by the total number of outstanding Phantom Stock shares. Participants were entitled to the appreciation in the price of the Phantom Stock, and not the value of the one-time grant of Phantom Stock that was credited to the participants' accounts in connection with implementing the Phantom Stock Agreements.

In connection with the mutual to stock conversion on October 6, 2010, the Phantom Stock Agreements were frozen with no future benefits accruing. Participants began to receive cash distributions pursuant to their distribution elections, commencing on January 1, 2012. A participant's interest in his or her phantom stock account vested over 5 years, at 20% each year, and consequently all directors and executives are 100% vested.

Equity Incentive Plan. In 2012, Standard's stockholders approved the Standard Financial Corp. 2012 Equity Incentive Plan (the "Equity Incentive Plan"), which provides officers, employees and directors of Standard with additional incentives to promote Standard's growth and performance. Most of the companies that Standard competes with for directors and management-level employees are public companies that offer equity compensation

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as part of their overall director and officer compensation programs. By approving the Equity Incentive Plan, Standard's stockholders have given Standard the flexibility it needs to continue to attract and retain highly qualified officers and directors by offering a competitive compensation program that is linked to the performance of its common stock.

The Equity Incentive Plan authorizes the issuance of up to 486,943 shares of Standard common stock pursuant to grants of restricted stock awards, incentive stock options and non-qualified stock options; provided, however, that the maximum number of shares of stock that may be delivered pursuant to the exercise of stock options is 347,817 (all of which may be granted as incentive stock options) and the maximum number of shares of stock that may be issued as restricted stock awards is 139,126.

The Equity Incentive Plan is administered by the members of Standard's Compensation Committee of the Board of Directors (the "Committee") who are "Disinterested Board Members," as defined in the Equity Incentive Plan. The Committee has the authority and discretion to select the persons who will receive awards; establish the terms and conditions relating to each award; adopt rules and regulations relating to the Equity Incentive Plan; and interpret the Equity Incentive Plan. The Equity Incentive Plan also permits the Committee to delegate all or any portion of its responsibilities and powers.

Standard's employees and outside directors were eligible to receive awards under the Equity Incentive Plan. Awards may be granted in a combination of restricted stock awards, incentive stock options and non-qualified stock options. The exercise price of stock options granted under the Equity Incentive Plan may not be less than the fair market value on the date the stock option is granted. Stock options are subject to vesting conditions and restrictions as determined by the Committee.

The Committee approved awards under the Equity Incentive Plan on July 26, 2012. All stock options and restricted stock awards are subject to time-based vesting. The stock option grants and time-based restricted stock awards made to date vest over a five-year period, with 20% of the awards vesting each year. The recipients of restricted stock awards are entitled to receive the cash dividends paid on all restricted stock awards, whether such awards are vested or not.

Stock awards under the Equity Incentive Plan will be granted only in whole shares of common stock. All restricted stock and stock option grants will be subject to conditions established by the Committee that are set forth in the award agreement. All awards granted under the Equity Incentive Plan will vest upon death, disability or involuntary termination of employment or service following a change in control (as defined in the Equity Incentive Plan) of Standard.

Tax-Qualified Benefit Plans

401(k) Plan. Standard Bank participates in the Pentegra Financial Institutions Thrift Plan, a multi-employer 401(k) plan, which provides benefits to substantially all of Standard's employees (the "401(k) Plan"). Employees of Standard Bank who are 21 or older and have completed one year of service are eligible to participate in the 401(k) Plan ("Participants"). Participants may contribute up to 50% of their annual compensation to the 401(k) Plan on a pre-tax basis, subject to limits prescribed by law. Standard Bank provides a 401(k) match equal to 50% of the Participant's salary deferral on the first 6% of compensation, for a maximum employer matching contribution of 3% of a Participant's pre-tax compensation. Employer contributions are subject to a six-year graded vesting schedule, with 20% vesting after two years of service and an additional 20% vest after each following year of credited service, so that a participant is 100% vested after six years of credited service. Participants are always 100% vested in their salary deferrals. Participants will also become 100% vested in the employer contributions allocated to their accounts upon attainment of normal retirement age or in the event of the participant's death or disability. Participants may invest their accounts in the investment options provided under the 401(k) Plan. Participants may request a withdrawal from their accounts in the event they incur a financial hardship. A Participant will become eligible for distribution of his or her 401(k) Plan benefit upon termination of employment and a Participant that satisfies certain eligibility requirements may request distributions of certain portions of their account balance while employed. Participants may elect to receive payments of their benefits in a lump sum or in installments, provided that their account balance equal or exceeds \$500. During the fiscal years ended September 30, 2016 and 2015, Standard Bank recognized \$104,000 and \$92,000, respectively, as a 401(k) Plan expense.

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Defined Benefit Pension Plan. Standard Bank maintains the Standard Bank, PaSB Defined Benefit Pension Plan and Trust (the “Pension Plan”), a noncontributory defined benefit pension plan, which was frozen effective August 1, 2005. Freezing the Pension Plan eliminated all future benefit accruals; however, the accrued benefit as of August 1, 2005 remains. As a frozen plan, future service or salary changes will not increase retirement benefits.

Employee Stock Ownership Plan. In connection with the mutual to stock conversion, Standard Bank adopted an ESOP for eligible employees. Eligible employees commenced participation in the ESOP on the later of October 6, 2010 or upon the first entry date commencing on or after the eligible employee’s completion of 1,000 hours of service during a continuous 12-month period and the attainment of age 21.

The ESOP trustee purchased, on behalf of the ESOP, 178,254 shares of Standard common stock issued in the offering and an additional 100,000 shares in the secondary market, for a total of 278,254 shares. The ESOP funded its stock purchase with a loan from Standard equal to the aggregate purchase price of the common stock. The loan is repaid principally through Standard Bank’s contribution to the ESOP and dividends payable on common stock held by the ESOP over the 20 year term of the loan. The interest rate for the loan is an annually adjustable rate equal to the prime rate, as published in *The Wall Street Journal*, which is currently 3.50%.

The trustee holds the shares purchased by the ESOP in an unallocated suspense account, and shares are released from the suspense account on a pro-rata basis as Standard repays the loan. The trustee will allocate the shares released among participants on the basis of each participant’s proportional share of compensation relative to all participants. Participants will become 100% vested upon the completion of six years of service. Participants who were employed by Standard Bank immediately prior to the offering received credit for vesting purposes for years of service prior to adoption of the ESOP. Participants also will become fully vested automatically upon normal retirement, death or disability, a change in control, or termination of the ESOP. Generally, participants receive distributions from the ESOP upon separation from service.

The ESOP permits participants to direct the trustee as to how to vote the shares of common stock allocated to their accounts. The trustee votes unallocated shares and allocated shares for which participants do not provide instructions on any matter in the same ratio as those shares for which participants provide instructions, subject to fulfillment of the trustee’s fiduciary responsibilities.

Under applicable accounting requirements, Standard records a compensation expense for the ESOP at the fair value of the shares as they are committed to be released from the unallocated suspense account to participants’ accounts. The compensation expense resulting from the release of the common stock from the suspense account and allocation to plan participants result in a corresponding reduction in Standard’s earnings. During the fiscal years ended September 30, 2016 and 2015, Standard Bank recognized \$357,000 and \$310,000, respectively, as ESOP expense.

Director Compensation

Director Fees. Each director of Standard, other than Messrs. Mathews and Zimmerman, is paid an annual fee of \$29,000. The Chairman of the Board of Directors receives an additional \$7,250 retainer annually and the Vice Chairman of the Board of Directors receives an additional \$3,900 retainer annually. Directors do not receive committee fees, attendance fees or other fees.

Directors' Summary Compensation Table. The following table sets forth for the fiscal year ended September 30, 2016 certain information as to the total remuneration Standard paid to its directors. Neither Mr. Zimmerman nor Mr. Mathews receives compensation for service on the Board of Directors.

Table of Contents**Director Compensation Table for the Fiscal Year Ended September 30, 2016**

Name	Fees Earned or	Stock	Option	All Other	Total
	Paid in Cash	Awards ⁽¹⁾	Awards ⁽¹⁾	Compensation ⁽¹⁾	
Terence L. Graft	\$ 36,250	—	—	\$ 962	\$37,212
Dale A. Walker	\$ 32,900	—	—	\$ 962	\$33,862
H.G. Cofer	\$ 29,000	—	—	\$ 962	\$29,962
David C. Mathews ⁽²⁾	—	—	—	\$ 212,709	\$212,709
William T. Ferri	\$ 29,000	—	—	\$ 962	\$29,962
Thomas J. Rennie	\$ 29,000	—	—	\$ 962	\$29,962

As of September 30, 2016, Directors Graft, Walker, Cofer, Mathews, Ferri and Rennie had 1,336, 1,336, 1,336, 1,336, 1,336 and 1,336 unvested shares of restricted stock, respectively, and 3,339, 3,339, 3,339, 3,339, 3,339 and 3,339 of stock options, respectively. The amount in all other compensation, except for Mr. Mathews, represents dividends paid on unvested restricted stock shares.

Mr. Mathews is not paid any fees for his service as a director. Mr. Mathews receives compensation for his services as an employee of Standard Bank. Mr. Mathews is the Business Development Coordinator for Standard Bank and he is primarily responsible for originating commercial real estate loans. The amount shown in this column includes \$194,000 for base salary, \$9,000 bonus payment, \$5,202 for 401(k) Plan matching contributions, \$378 for premiums paid by Standard Bank for group term life insurance, \$1,843 in dividends paid on unvested restricted stock shares and \$2,286 for premiums paid by Standard Bank for long-term disability insurance

Non-Compete Agreement with David C. Mathews. Standard Bank has entered into a Non-Compete Agreement with Mr. Mathews, which provides that in order to protect the business, confidential and other proprietary information of Standard Bank, for a period of two years following his termination of employment, Mr. Mathews will not (i) directly or indirectly solicit any officer or employee to terminate their employment with Standard Bank; (ii) accept employment or become affiliated with any competitor of Standard Bank within 100 miles of where Standard Bank operates (except this provision shall not apply if he is terminated without cause); and (iii) solicit or cause any customer of Standard Bank to terminate an existing business relationship with Standard Bank.

In exchange for the non-compete and non-solicitation provisions, upon termination of Mr. Mathews' employment, Standard Bank will pay Mr. Mathews (i) \$80,000, payable in eight equal quarterly installments, if Mr. Mathews terminates employment prior to age 64, or (ii) \$40,000, payable in four equal quarterly installments, if Mr. Mathews terminates employment on or after age 64 but before age 65, or (iii) nothing if Mr. Mathews terminates employment on or after age 65. The first payment shall be made on the date of Mr. Mathews' termination of employment and each subsequent payment shall be made on each three month anniversary of the date of his termination of employment. The first payment may be delayed by six months in order to comply with Section 409A of the Code.

Security Ownership of Certain Beneficial Ownership of Standard

Principal Owners

The following table sets forth as of January 13, 2017 the name and address of each person who owns of record or who is known by Standard's board of directors to be the beneficial owner of more than five percent (5%) of Standard's outstanding common stock, the number of shares beneficially owned by such persons, and the percentage of the Standard's outstanding common stock so owned. Footnote disclosure is set forth under the section titled, "Beneficial Ownership by Directors and Executive Officers."

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class	
Standard Bank, PaSB Employee Stock Ownership Plan 2640 Monroeville Boulevard Monroeville, PA 15146	272,237	10.44	%
Raffles Associates, LP 2 Penn Plaza, Suite 1920A New York, NY 10022	219,508	8.42	%(1)
Maltese Capital Management, LLC 150 East 52 nd Street New York, NY 10022	210,000	8.06	%(1)

(1) Shares reported on Nasdaq and Yahoo Financial

Beneficial Ownership by Directors and Executive Officers

The following table sets forth as of January 13, 2017 the amount and percentage of the common stock of Standard beneficially owned by each director, each named executive officer and all directors and executive officers of Standard as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class	
Horace G. Cofer	20,536	(2)	* %
William T. Ferri	41,375	(3)	1.59 %
Terence L. Graft	46,586	(4)	1.79 %
David C. Mathews	64,048	(5)	2.46 %
Thomas J. Rennie	24,436	(6)	* %
Dale A. Walker	30,815	(7)	1.18 %
Sheila D. Crystaloski	24,881	(8)	* %
Susan A. Parente	21,261	(9)	* %
Timothy K. Zimmerman	113,282	(10)	4.35 %
Directors and Executive Officers as a Group	387,220		14.85 %

*Less than 1%

The securities “beneficially owned” by an individual are determined in accordance with the definitions of “beneficial ownership” set forth in the General Rules and Regulations of the Securities and Exchange Commission (“SEC”) and may include securities owned by or for the individual’s spouse and minor children and any other relative who has the same home, as well as securities to which the individual has or shares voting or investment power or has the right to acquire beneficial ownership within sixty (60) days after September 30, 2016. Beneficial ownership may be disclaimed as to certain of the securities.

(1) Includes 6,680 shares of restricted stock over which Mr. Cofer has voting control and 13,356 shares that can be acquired through the exercise of presently exercisable stock options.

(2) Includes 6,842 shares held in an individual retirement account, 4,147 shares in a spouse’s individual retirement account, 6,680 shares of restricted stock over which Mr. Ferri has voting control and 13,356 shares that can be acquired through the exercise of presently exercisable stock options.

(3) Includes 12,550 shares held in an individual retirement account, 6,680 shares of restricted stock over which Mr. Graft has voting control and 13,356 shares that can be acquired through the exercise of presently exercisable stock options.

(4) Includes 7,000 shares held in an individual retirement account, 7,971 shares in a spouse’s individual retirement account; 7,680 shares of restricted stock over which Mr. Mathews has voting control, 25,360 shares that can be acquired through the exercise of presently exercisable stock options, 3,910 shares held by the ESOP for the account of Mr. Mathews and 12,127 shares held in a 401(k) plan.

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Includes 5,000 shares held in an individual retirement account, 100 shares held in custodial accounts, 5,480 shares (6) of restricted stock over which Mr. Rennie has voting control and 13,356 shares that can be acquired through the exercise of presently exercisable stock options.

Includes 2,286 shares held in an individual retirement account, 2,393 shares in a spouse's individual retirement (7) account, 6,680 shares of restricted stock over which Mr. Walker has voting control and 13,356 shares that can be acquired through the exercise of presently exercisable stock options.

Includes 2,929 shares of restricted stock over which Ms. Crystaloski has voting control, 6,880 shares that can be (8) acquired through the exercise of presently exercisable stock options, 1,973 shares held by the ESOP for the account of Ms. Crystaloski and 9,099 shares held in a 401(k) plan.

Includes 4,038 shares of restricted stock over which Ms. Parente has voting control, 12,320 shares that can be (9) acquired through the exercise of presently exercisable stock options, 2,227 shares held by the ESOP for the account of Ms. Parente and 2,276 shares held in a 401(k) plan.

Includes 5,000 shares held in a spouse's simplified employee pension account, 25,041 shares of restricted stock (10) over which Mr. Zimmerman has voting control, 56,400 shares that can be acquired through the exercise of presently exercisable stock options, 5,173 shares held by the ESOP for the account of Mr. Zimmerman and 21,668 shares held in a 401(k) plan.

Management's Discussion and Analysis of Financial Condition and Results of Operations

of Standard Financial Corp.

Year Ended September 30, 2016 and 2015

Management's Discussion and Analysis appearing on the following pages should be read in conjunction with the Consolidated Financial Statements contained in this Registration Statement.

Forward-Looking Discussion:

In addition to the historical information contained in this document, the discussion presented may contain and, from time to time, may make, certain statements that constitute forward-looking statements. Words such as "expects," "anticipates," "believes," "estimates" and other similar expressions or future or conditional verbs such as "will," "should," "wo and "could" are intended to identify such forward-looking statements. These statements are not historical facts, but instead represent the current expectations, plans or forecasts of Standard and its subsidiaries regarding its future operating results, financial position, asset quality, credit reserves, credit losses, capital levels, dividends, liquidity, service charges, cost savings, effective tax rate, impact of changes in fair value of financial assets and liabilities, impact of new accounting and regulatory guidance, legal proceedings and other matters relating to Standard and the securities that Standard may offer from time to time. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict, change over time and are often beyond Standard control. Actual outcomes and results may differ materially from those expressed in, or implied by, forward-looking statements.

You should not place undue reliance on any forward-looking statement and should consider the uncertainties and risks discussed in the section entitled “Risk Factors,” in this Registration Statement, among others, and in any of Standard subsequent SEC filings. Forward-looking statements speak only as of the date they are made, and Standard undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made. Notes to the Consolidated Financial Statements referred to in the Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) are incorporated by reference into the MD&A. Certain prior period amounts have been reclassified to conform with the current year’s presentation.

Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of the factors affecting Standard’s financial condition at September 30, 2016 and 2015, and its consolidated results of operations for the fiscal years ended September 30, 2016 and 2015. This section should be read in conjunction with the audited consolidated financial statements and notes that appear elsewhere in this Registration Statement.

Overview

Historically, Standard Bank has operated as a traditional community bank. At September 30, 2016, \$163.2 million, or 42.1% of its loan portfolio, consisted of one- to four-family residential real estate loans, of which \$106 million, or 64.9%, were fixed rate loans and \$57.2 million, or 35.1% were adjustable rate loans. This resulted in

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Standard being particularly vulnerable to increases in interest rates, as its interest-bearing liabilities mature or reprice more quickly than its interest-earning assets. In recent years, Standard has increased its focus on the origination of commercial real estate loans, which generally provide higher yields than one- to four-family residential mortgage loans, have shorter durations and are usually originated with adjustable interest rates.

Other than Standard's loans for the construction of one- to four-family residential properties and home equity lines of credit, it does not offer "interest only" mortgage loans on one- to four-family residential properties (where the borrower pays interest but no principal for an initial period, after which the loan converts to a fully amortizing loan). Standard also does not offer loans that provide for negative amortization of principal, such as "Option ARM" loans, where the borrower can pay less than the interest owed on their loan, resulting in an increased principal balance during the life of the loan. Standard does not offer "subprime loans" (loans that generally target borrowers with weakened credit histories typically characterized by payment delinquencies, previous charge-offs, judgments, bankruptcies, or borrowers with questionable repayment capacity as evidenced by low credit scores or high debt-burden ratios) or Alt-A loans (traditionally defined as loans having less than full documentation). Standard also does not own any private label mortgage-backed securities that are collateralized by Alt-A, low or no documentation or subprime mortgage loans.

At September 30, 2016, 91.1% of Standard's mortgage-backed securities have been issued by Freddie Mac, Fannie Mae or Ginnie Mae, U.S. government agencies or government-sponsored enterprises. These entities guarantee the payment of principal and interest on Standard's mortgage-backed securities.

Standard's non-performing assets totaled \$970,000, or 0.20%, of total assets at September 30, 2016, compared to \$1.0 million, or 0.22%, of total assets at September 30, 2015. Standard had \$1.1 million and \$1.6 million of loans delinquent 60 days or greater at September 30, 2016 and September 30, 2015, respectively. A \$105,000 provision for loan losses was recorded during the fiscal year ended September 30, 2016 compared to no provision recorded during the fiscal year ended September 30, 2015.

Critical Accounting Policies

Standard considers accounting policies that require management to exercise significant judgment or discretion or make significant assumptions that have, or could have, a material impact on the carrying value of certain assets or on income, to be critical accounting policies. Standard considers the following to be its critical accounting policies.

Allowance for Loan Losses. Standard maintains an allowance for loan losses in an amount it believes is appropriate to absorb probable losses inherent in the portfolio at a balance sheet date. Management's periodic determination of the adequacy of the allowance is based on the size and current risk characteristics of the loan portfolio, an assessment of

individual problem loans and actual loss experience, current economic events in relevant industries and other pertinent factors such as regulatory guidance and general economic conditions. However, this evaluation is inherently subjective, as it requires an estimate of the loss content for each risk rating and for each impaired loan, an estimate of the amounts and timing of expected future cash flows, and an appraisal or other estimate of the value of collateral on impaired loans and estimated losses on pools of homogenous loans based on the balance of loans in each loan category, changes in the inherent credit risk due to portfolio growth, historical loss experience and consideration of current economic trends. Based on Standard's estimate of the level of allowance for loan losses required, Standard records a provision for loan losses to maintain the allowance for loan losses at an appropriate level.

The determination of the allowance for loan losses is based on management's current judgments about the loan portfolio credit quality and management's consideration of all known relevant internal and external factors that affect loan collectability, as of the reporting date. Standard cannot predict with certainty the amount of loan charge-offs that will be incurred. Standard does not currently determine a range of loss with respect to the allowance for loan losses. In addition, various banking regulatory agencies, as an integral part of their examination processes, periodically review Standard's allowance for loan losses. Such agencies may require that Standard recognize additions to the allowance for loan losses based on their judgments about information available to them at the time of their examination. Accordingly, actual results could differ from those estimates.

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Other-Than-Temporary Impairment. In estimating other-than-temporary impairment of investment securities, securities are evaluated periodically, and at least quarterly, to determine whether a decline in their value is other than temporary. Standard considers numerous factors when determining whether potential other-than-temporary impairment exists and the period over which a debt security is expected to recover. The principal factors considered are (1) the length of time and the extent to which the fair value has been less than the amortized cost basis, (2) the financial condition of the issuer (and guarantor, if any) and adverse conditions specifically related to the security, industry or geographic area, (3) failure of the issuer of the security to make scheduled interest or principal payments, (4) any changes to the rating of a security by a rating agency, and (5) the presence of credit enhancements, if any, including the guarantee of the federal government or any of its agencies.

For debt securities, other-than-temporary impairment is considered to have occurred if (1) Standard intends to sell the security, (2) it is more likely than not Standard will be required to sell the security before recovery of its amortized cost basis, or (3) if the present value of expected cash flows is not sufficient to recover the entire amortized cost basis. In determining the present value of expected cash flows, Standard discounts the expected cash flows at the effective interest rate implicit in the security at the date of acquisition or, for debt securities that are beneficial interests in securitized financial assets, at the current rate used to accrete the beneficial interest. In estimating cash flows expected to be collected, Standard uses available information with respect to security prepayment speeds, expected deferral rates and severity, whether subordinated interests, if any, are capable of absorbing estimated losses and the value of any underlying collateral.

Deferred Tax Assets. Standard uses an estimate of future earnings to support its position that the benefit of its deferred tax assets will be realized. If future income should prove non-existent or less than the amount of the deferred tax assets within the tax years to which they may be applied, the asset may not be realized and Standard's net income will be reduced.

Goodwill and Other Intangible Assets. Standard must assess goodwill and other intangible assets for impairment. This assessment involves estimating the fair value of Standard's reporting units. If the fair value of the reporting unit is less than its carrying value including goodwill, Standard would be required to take a charge against earnings to write down the assets to the lower value.

Pension Plan. Standard Bank maintains a noncontributory defined benefit pension plan covering employees whose benefits were frozen effective August 1, 2005. No future benefits are accrued, however the plan calls for benefits to be paid to eligible employees at retirement based primarily upon years of service with Standard Bank.

Balance Sheet Analysis: September 30, 2016 and September 30, 2015

General. Standard's total assets increased \$26.7 million, or 5.7%, to \$495.2 million at September 30, 2016 from \$468.6 million at September 30, 2015. The increase was due primarily to a \$30.5 million increase in net loans receivable and a \$3.1 million increase in cash and cash equivalents. Partly offsetting these increases was a \$7.1 million decrease in mortgage-backed securities. Total liabilities increased \$27.9 million, or 7.1%, to \$422.2 million at September 30, 2016 from \$394.3 million at September 30, 2015 due to net deposit inflows of \$37.4 million partly offset by a \$7.3 million decrease in FHLB advances and a \$2.5 million decrease in securities purchased not settled.

Cash and Cash Equivalents. Cash and cash equivalents increased \$3.1 million, or 20.7%, to \$18.2 million at September 30, 2016 from \$15.0 million at September 30, 2015. This increase was due mainly to net deposit inflows remaining after the use of cash to fund net loan growth.

Loans. At September 30, 2016, net loans were \$378.1 million, or 76.3% of total assets, an increase of \$30.5 million from \$347.6 million at September 30, 2015. This increase was primarily due to increases in 1-4 family residential and commercial real estate loans.

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Loan Portfolio Composition. The following table sets forth the composition of Standard's loan portfolio at the dates indicated, excluding loans held for sale.

	At September 30,		2015		2014		2013		2012	
	2016		Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
(Dollars in thousands)										
Real estate loans:										
One- to four-family residential	\$163,162	42.1 %	\$138,156	38.6 %	\$124,513	39.2 %	\$126,480	42.4 %	\$141,018	47.5 %
Commercial Home equity loans and lines of credit	119,879	30.9	114,203	31.9	102,643	32.3	95,771	32.1	92,027	31.0
Construction Commercial loans	10,228	2.7	10,538	2.9	1,849	0.6	1,216	0.4	1,168	0.4
Other loans	14,779	3.8	12,035	3.4	12,537	4.0	11,539	3.9	12,257	4.1
	553	0.1	824	0.2	1,313	0.4	1,686	0.6	2,158	0.7
Total loans	387,758	100.0%	358,010	100.0%	317,269	100.0%	298,279	100.0%	296,627	100.0%
Other items:										
Deferred loan costs (fees), net	150		64		(93)		(179)		(244)	
Loans in process	(6,028)		(6,581)		(1,131)		(561)		(796)	
Allowance for loan losses	(3,800)		(3,879)		(3,919)		(3,875)		(4,474)	
Total loans, net	\$378,080		\$347,614		\$312,126		\$293,664		\$291,113	

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Loan Portfolio Maturities and Yields. The following table summarizes the scheduled repayments of Standard's loan portfolio at September 30, 2016. Demand loans, loans having no stated repayment schedule or maturity, and overdraft loans are reported as being due in one year or less.

Due During the Twelve Months Ending September 30,	One- to four-family residential real estate		Commercial real estate		Home equity loans and lines of credit		Construction		
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	
	(Dollars in thousands)								
2017	\$1,039	1.21 %	\$7,181	4.34 %	\$198	4.85 %	\$—	—	
2018	477	3.20 %	4,594	4.70 %	312	4.16 %	—	—	
2019	872	4.13 %	1,060	4.47 %	656	4.65 %	—	—	
2020 to 2021	2,960	3.97 %	3,931	4.73 %	2,570	5.11 %	—	—	
2022 to 2026	16,961	3.75 %	20,221	4.36 %	21,422	3.59 %	—	—	
2027 to 2031	43,390	3.10 %	21,998	4.47 %	52,414	3.36 %	330	2.63 %	
2032 and beyond	97,463	3.99 %	60,894	4.54 %	1,585	3.83 %	9,898	3.42 %	
Total	\$163,162	3.71 %	\$119,879	4.50 %	\$79,157	3.47 %	\$10,228	3.39 %	

Due During the Twelve Months Ending September 30,	Commercial		Other loans		Total	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
	(Dollars in thousands)					
2017	\$5,504	3.56	% \$70	7.72	% \$13,992	3.82 %
2018	2,674	3.12	% 135	6.96	% 8,192	4.10 %
2019	1,139	3.72	% 151	5.25	% 3,878	4.23 %
2020 to 2021	4,710	3.65	% 99	4.39	% 14,270	4.10 %
2022 to 2026	752	3.85	% 98	3.42	% 59,454	3.90 %
2027 to 2031	—	—	% —	—	% 118,132	3.47 %
2032 and beyond	—	—	% —	—	% 169,840	4.15 %
Total	\$14,779	3.54	% \$553	5.50	% \$387,758	3.89 %

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Fixed and Adjustable Rate Loans. The following table sets forth the scheduled repayments of fixed- and adjustable-rate loans at September 30, 2016 that are contractually due after September 30, 2017.

	Due After September 30, 2017		
	Fixed	Adjustable	Total
	(In thousands)		
Real estate loans:			
One- to four-family residential	\$ 105,859	\$ 56,264	\$ 162,123
Commercial	88,772	23,926	112,698
Home equity loans and lines of credit	78,959	—	78,959
Construction	7,050	3,178	10,228
Commercial	9,198	77	9,275
Other loans	483	—	483
Total loans	\$290,321	\$ 83,445	\$373,766

Investment Securities Portfolio. The following table sets forth the composition of Standard's investment securities portfolio at the dates indicated.

	At September 30, 2016		2015		2014	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)					
Municipal obligations	\$28,676	\$ 29,545	\$28,804	\$ 29,569	\$32,917	\$ 34,101
U.S. government and agency obligations	10,000	10,027	11,000	10,938	15,000	14,604
Corporate bonds	2,539	2,535	1,509	1,519	7,000	7,042
Mortgage-backed securities:						
Ginnie Mae pass through certificates	5,695	5,715	3,845	3,864	7,432	7,478
Fannie Mae pass through certificates	5,806	6,017	12,766	13,127	17,816	18,136
Freddie Mac pass through certificates	6,051	6,164	7,462	7,537	4,460	4,547
Collateralized mortgage obligations	1,663	1,670	2,110	2,122	2,535	2,492
Private pass through certificates	86	86	96	95	105	104
Equity securities	2,052	2,144	2,073	2,046	2,017	2,198
Total securities	\$62,568	\$ 63,903	\$69,665	\$ 70,817	\$89,282	\$ 90,702

At September 30, 2016 and September 30, 2015, all of Standard's investment securities were classified as available for sale and recorded at current fair value. Purchases of securities during the fiscal year ended September 30, 2016 of \$20.3 million were offset by maturities, repayments, calls and sales of \$19.6 million.

At September 30, 2016 and September 30, 2015, Standard held 34 securities and 43 securities in unrealized loss positions of \$184,000 and \$323,000, respectively. The decline in the fair value of these securities resulted primarily from the volatility in the commodity price of oil and interest rate fluctuations. Standard does not intend to sell these securities nor is it more likely than not that Standard would be required to sell these securities before their anticipated recovery and Standard believes the collection of the investment and related interest is probable. Based on this analysis, Standard considers all of the unrealized losses to be temporary impairment losses.

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Portfolio Maturities and Yields. The composition and maturities of the investment securities portfolio at September 30, 2016 are summarized in the following table. Maturities are based on the final contractual payment dates, and do not reflect the impact of prepayments or early redemptions that may occur. State and municipal securities yields have not been adjusted to a tax-equivalent basis.

	One Year or Less		More than One Year through Five Years		More than Five Years through Ten Years		More than Ten Years		Total Securities		
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield
Municipal obligations	\$978	5.96%	\$3,784	3.67 %	\$12,144	3.23 %	\$11,769	2.63 %	\$28,675	\$29,545	3.14%
U.S. government and agency obligations	—	—	10,000	1.39 %	—	—	—	—	10,000	10,027	1.39%
Corporate bonds	—	—	2,032	1.85 %	507	1.66 %	—	—	2,539	2,534	1.82%
Mortgage-backed securities:											
Ginnie Mae pass through certificates	—	—	—	—	—	—	5,695	1.85 %	5,695	5,715	1.85%
Fannie Mae pass through certificates	—	—	263	4.47 %	2,569	2.53 %	2,974	1.82 %	5,806	6,017	2.26%
Freddie Mac pass through certificates	—	—	544	4.74 %	—	—	5,507	1.57 %	6,051	6,164	1.85%
Collateralized mortgage obligations	—	—	37	4.75 %	30	1.52 %	1,596	1.85 %	1,663	1,670	1.91%
Private pass through certificates	—	—	—	—	87	1.13 %	—	—	87	87	1.13%
Equity securities	—	—	—	—	—	—	2,052	2.79 %	2,052	2,144	2.79%
Total	\$978	5.96%	\$16,660	20.87%	\$15,337	10.07%	\$29,593	12.51%	\$62,568	\$63,903	2.43%

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Bank Owned Life Insurance. Standard invests in bank owned life insurance to provide it with a funding source for its benefit plan obligations. Bank owned life insurance also generally provides Standard noninterest income that is non-taxable. At September 30, 2016, Standard had invested \$14.9 million in bank owned life insurance of which none was purchased during the year ended September 30, 2016.

Deposits. Standard accepts deposits primarily from the areas in which its offices are located. Standard has consistently focused on building broader customer relationships and targeting small business customers to increase its core deposits. Standard also relies on its customer service to attract and retain deposits. Standard offers a variety of deposit accounts with a range of interest rates and terms. Standard's deposit accounts consist of savings accounts, certificates of deposit, money market accounts, commercial and regular checking accounts and individual retirement accounts. Interest rates, maturity terms, service fees and withdrawal penalties are established on a periodic basis. Deposit rates and terms are based primarily on current operating strategies and market interest rates, liquidity requirements and Standard's deposit growth goals. Standard does not accept brokered deposits.

Deposits increased \$37.3 million, or 11.3%, to \$368.6 million at September 30, 2016 from \$331.3 million at September 30, 2015. The increase resulted from a \$12.7 million, or 10.2% increase in certificate accounts and a \$24.6 million, or 11.9% increase in demand and savings accounts. The increase in certificate of deposit accounts was due primarily to inflows into a three year flexible rate product. Customers' preferences from short-term deposits to longer term certificates has shifted as we are still experiencing historically low interest rates. The increase in demand and savings accounts is due to a \$15 million deposit relationship established with the Commonwealth of Pennsylvania and an increase in business checking accounts.

At September 30, 2016, Standard had a total of \$137.3 million in certificates of deposit, of which \$18.0 million had remaining maturities of one year or less. Based on historical experience and current market interest rates, Standard believes Standard will retain upon maturity a large portion of its certificates of deposit with maturities of one year or less as of September 30, 2016.

The following table sets forth the distribution of total deposit accounts, by account type, at the dates indicated.

	At September 30, 2016			2015			2014		
	Balance	Percent	Weighted Average Rate	Balance	Percent	Weighted Average Rate	Balance	Percent	Weighted Average Rate
	(Dollars in thousands)								
Deposit type:									
Savings accounts	\$102,393	27.78 %	0.06 %	\$105,713	31.91 %	0.06 %	\$106,450	33.22 %	0.06 %

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Certificates of deposit	137,256	37.23 %	1.71 %	124,519	37.59 %	1.84 %	121,567	37.93 %	2.20 %
Money market accounts	25,891	7.02 %	0.33 %	9,830	2.97 %	0.10 %	9,243	2.88 %	0.10 %
Demand and NOW accounts	103,094	27.97 %	0.09 %	91,217	27.53 %	0.00 %	83,218	25.97 %	0.00 %
Total deposits	\$368,634	100.00 %	0.70 %	\$331,279	100.00 %	0.74 %	\$320,478	100.00 %	0.88 %

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As of September 30, 2016, the aggregate amount of outstanding certificates of deposit in amounts greater than or equal to \$100,000 was \$54.3 million. The following table sets forth the maturity of those certificates as of September 30, 2016.

	At September 30, 2016 (In thousands)
Three months or less	\$ 754
Over three months through six months	1,518
Over six months through one year	2,798
Over one year to three years	25,326
Over three years	23,924
Total	\$ 54,320

Borrowings. Standard's borrowings consist of advances from the FHLB and funds borrowed under repurchase agreements. At September 30, 2016, Standard had access to additional FHLB advances of up to \$150.1 million. During the fiscal year ended September 30, 2016, new FHLB advances totaling \$12.7 million were obtained which replaced \$20.0 million of advances that matured and were repaid.

The following table sets forth information concerning balances and interest rates on Standard's repurchase agreements at the dates and for the years indicated.

	At or For the Years Ended September 30,					
	2016		2015		2014	
	(Dollars in thousands)					
Balance at year end	\$ 1,964		\$ 1,671		\$ 2,228	
Average balance outstanding during the year	\$ 2,004		\$ 2,391		\$ 2,887	
Maximum amount outstanding at any month-end	\$ 2,520		\$ 2,980		\$ 4,050	
Weighted average interest rate at year end	0.08	%	0.09	%	0.10	%

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Average interest rate during the year	0.10	%	0.08	%	0.10	%
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Total Stockholders' Equity. Stockholders' equity decreased \$1.3 million, or 1.7%, to \$73.0 million at September 30, 2016 from \$74.3 million at September 30, 2015. The decrease was due primarily to the repurchase of Standard's common stock totaling \$4.1 million and dividends paid totaling \$1.0 million. These decreases were partly offset by net income of \$3.0 million for the fiscal year ended September 30, 2016.

Table of Contents**Average Balance and Yields**

The following table sets forth average balance sheets, average yields and costs, and certain other information for the years indicated. No tax-equivalent yield adjustments were made, as the effect thereof was not material. All average balances are daily average balances. Non-accrual loans were included in the computation of average balances, but have been reflected in the table as loans carrying a zero yield. The yields set forth below include the effect of deferred fees, discounts and premiums that are amortized or accreted to interest income or expense.

	For the Years Ended September 30,							
	2016			2015				
	Average Outstanding Balance	Interest	Yield/ Rate	Average Outstanding Balance	Interest	Yield/ Rate		
	(Dollars in thousands)							
Interest-earning assets:								
Loans	\$364,284	14,430	3.96	% \$334,349	\$13,704	4.10	%	
Investment and mortgage-backed securities	65,739	1,613	2.45	% 82,461	2,006	2.43	%	
Interest earning deposits	13,318	34	0.26	% 5,546	3	0.05	%	
Total interest-earning assets	443,341	16,077	3.63	% 422,356	15,713	3.72	%	
Noninterest-earning assets	34,358			34,361				
Total assets	\$477,699			\$456,717				
Interest-bearing liabilities:								
Savings accounts	\$103,423	146	0.14	% \$107,180	168	0.16	%	
Certificates of deposit	131,090	2,328	1.78	% 121,885	2,354	1.93	%	
Money market accounts	18,169	44	0.24	% 8,394	8	0.10	%	
Demand and NOW accounts	61,305	86	0.09	% 58,002	77	0.09	%	
Total deposits	313,987	2,604	0.83	% 295,461	2,607	0.88	%	
Federal Home Loan Bank advances	55,590	842	1.51	% 55,201	631	1.14	%	
Securities sold under agreements to repurchase	2,004	2	0.10	% 2,391	2	0.08	%	
Total interest-bearing liabilities	371,581	3,448	0.93	% 353,053	3,240	0.92	%	
Noninterest-bearing deposits	29,961			26,346				
Noninterest-bearing liabilities	2,715			3,008				
Total liabilities	404,257			382,407				
Stockholders' equity	73,442			74,310				
Total liabilities and stockholders' equity	\$477,699			\$456,718				
Net interest income		\$12,629			\$12,473			
Net interest rate spread ⁽¹⁾			2.70	%			2.80	%
Net interest-earning assets ⁽²⁾	\$71,760			\$69,303				
Net interest margin ⁽³⁾			2.85	%			2.95	%
Average interest-earning assets to interest-bearing liabilities	119.31	%			119.63	%		

- (1) Net interest rate spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.
- (2) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities.
- (3) Net interest margin represents net interest income divided by average total interest-earning assets.

Table of Contents**Rate/Volume Analysis**

The following table presents the effects of changing rates and volumes on Standard's net interest income for the years indicated. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The total column represents the sum of the prior columns. For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately, based on the changes due to rate and the changes due to volume.

	For the Years Ended September 30, 2016 vs. 2015		
	Increase (Decrease) Due to		Total
	Volume	Rate	Increase
	(In thousands)		
Interest-earning assets:			
Loans	\$ 1,197	\$ (471)	\$ 726
Investment and mortgage-backed securities	(410)	17	(393)
Interest earning deposits	8	23	31
Total interest-earning assets	795	(431)	364
Interest-bearing liabilities:			
Savings accounts	(6)	(16)	(22)
Certificates of deposit	172	(196)	(24)
Money market accounts	15	20	35
Demand and NOW accounts	4	4	8
Total deposits	185	(188)	(3)
Federal Home Loan Bank advances	4	207	211
Securities sold under agreements to repurchase	—	—	—
Total interest-bearing liabilities	189	19	208
Change in net interest income	\$ 606	\$ (450)	\$ 156

Comparison of Operating Results for the Fiscal Years Ended September 30, 2016 and 2015

General. Net income for the fiscal year ended September 30, 2016 was \$3.0 million or \$1.26 per share compared to \$3.5 million or \$1.40 per share for the fiscal year ended September 30, 2015. Return on average assets and average equity were 0.64% and 4.13%, respectively, for the fiscal year ended September 30, 2016 compared to 0.77% and 4.76%, respectively, for the fiscal year ended September 30, 2015.

Net Interest Income. Net interest income increased \$156,000, or 1.3%, to \$12.6 million for the fiscal year ended September 30, 2016 from \$12.5 million for the fiscal year ended September 30, 2015. Standard's net interest rate spread and net interest margin were 2.77% and 2.85%, respectively for the fiscal year ended September 30, 2016 compared to 2.87% and 2.95% for the prior year. The decreases in the net interest rate spread and net interest margin were the result of the yield on interest-earning assets declining more rapidly than the cost of interest-bearing liabilities and an increase in the average balance of interest bearing liabilities, partially offset by an increase in the average balance of interest earning assets.

Interest and Dividend Income. Total interest and dividend income of \$16.1 million for the fiscal year ended September 30, 2016 increased \$364,000, or 2.3%, from the prior fiscal year. The increase was due to an increase in the average balance of interest-earning assets, partially offset by a decline in the average yield on interest-earning assets. The average yield on interest-earning assets decreased to 3.63% for the fiscal year ended September 30, 2016 from 3.72% for the prior year. The average yield on loans and investments decreased from the previous fiscal year due to the low interest rate environment, while the average yield on interest earning deposits increased reflecting the 25 basis point increase in short-term rates by the Federal Reserve during the current fiscal year. Average interest-earning assets increased by \$20.9 million, or 4.96%, to \$443.3 million for the fiscal year ended September 30, 2016 from \$422.4 million for 2015 due mainly to an increase in loans and interest earning deposits, partially offset by a decline in investments and mortgage-backed securities.

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Interest income on loans increased \$726,000 or 5.3%, to \$14.4 million for the fiscal year ended September 30, 2016 from \$13.7 million for fiscal year ended September 30, 2015. The average yield on loans receivable decreased to 3.96% for the fiscal year ended September 30, 2016 from 4.10% for the fiscal year 2015. The decrease in the average yield on loans was primarily attributable to Standard's variable rate loans adjusting downward as prime and short-term interest rates remained low as well as the origination of new loans in a generally lower interest rate environment and repayment/refinance of higher rate loans. Average loans receivable increased by \$29.9 million, or 8.9%, to \$364.3 million for the fiscal year ended September 30, 2016 from \$334.3 million for the fiscal year 2015 due mainly to an increase in originations of one-to-four family residential and commercial real estate loans.

Interest income on investment and mortgage-backed securities decreased by \$393,000, or 19.6%, to \$1.6 million for the fiscal year ended September 30, 2016 from \$2.0 million for the fiscal year ended September 30, 2015. This decrease was due to a decline in the average balance of investment and mortgage-backed securities of \$16.7 million, or 20.2%, to \$65.7 million for the fiscal year ended September 30, 2016 compared to the prior year due primarily to a higher level of investment and mortgage-backed security calls during the year. The average yield earned on investments and mortgage-backed securities increased to 2.45% for the fiscal year ended September 30, 2016 from 2.43% for the prior year.

Interest Expense. Total interest expense increased by \$208,000, or 6.4%, to \$3.4 million for the fiscal year ended September 30, 2016 from \$3.2 million for the fiscal year ended September 30, 2015. This increase in interest expense was due to an increase in the average cost of FHLB Advances and an increase in the average balance of certificates of deposit, partially offset by a decrease in the average cost of deposits. The average cost of interest bearing liabilities increased to 0.86% for fiscal 2016 from 0.85% for the prior fiscal year due to the continued low interest rate environment. Average interest-bearing liabilities increased by \$22.1 million, or 5.8%, to \$401.5 million for the fiscal year ended September 30, 2016 from \$379.4 million for the fiscal year 2015.

Interest expense on deposits decreased by \$3,000, or 0.10%, to \$2.6 million for the fiscal year ended September 30, 2016 from \$2.6 million for the fiscal year ended September 30, 2015. The average cost of deposits declined from 0.88% for the fiscal year ended September 30, 2015 to 0.83% for the fiscal year ended September 30, 2016. The continued low level of market interest rates enabled Standard to reduce the rates of interest paid on deposit products. The average balance of deposits increased by \$22.1 million, or 6.9%, for the fiscal year ended September 30, 2016 compared to the fiscal year ended September 30, 2015.

Interest expense on FHLB advances increased \$211,000, or 33.4%, to \$842,000 for the fiscal year ended September 30, 2016 from \$631,000 for the fiscal year ended September 30, 2015. The average cost of advances increased to 1.51% in fiscal year 2016 from 1.14% in fiscal year 2015. Maturing advances were replaced with longer term, higher rate advances in anticipation of a Federal Reserve rate hike. The average balance of advances increased \$389,000, or 0.70%, to \$55.6 million for the fiscal year ended September 30, 2016. During the fiscal year ended September 30, 2016, \$12.7 million in new advances were obtained while \$20.0 million of maturing advances were repaid.

Provision for Loan Losses. A provision for loan losses of \$105,000 was recorded for the fiscal year ended September 30, 2016 compared to no provision recorded for September 30, 2015. Non-performing loans at September 30, 2016 were \$689,000 or 0.18% of total loans compared to \$675,000 or 0.19% of total loans at September 30, 2015. The allowance for loan losses to non-performing loans was 551.5% at September 30, 2016 compared to 574.7% at September 30, 2015. Management analyzes the allowance for loan losses as described in the section entitled “–Allowance for Loan Losses.” Standard experienced significant loan growth during the year ended September 30, 2016. The provision that was recorded was sufficient, in management’s judgment, to bring the allowance for loan losses to a level that reflects the losses inherent in Standard’s loan portfolio relative to loan mix, economic conditions and historical loss experience. Management believes, to the best of their knowledge, that all known losses as of the balance sheet dates have been recorded.

Noninterest Income. Noninterest income decreased \$357,000, or 11.6%, to \$2.7 million for the fiscal year ended September 30, 2016 compared to the fiscal year ended September 30, 2015. The decrease was due mainly to lower gains on sales of securities, lower FHLB dividends due to a special dividend recorded in the prior year and lower annuity and mutual fund fees. Sales of annuity and mutual funds were lower industry-wide in anticipation of the Department of Labor’s final rule expanding the definition of “investment advice fiduciary” under ERISA and modifying exemptions for investment activities.

Noninterest Expense. Noninterest expense increased by \$472,000, or 4.5%, to \$11.0 million for the fiscal year ended September 30, 2016 compared to the prior year. This increase was due primarily to merger related expenses of \$709,000, which was offset by lower real estate owned expenses and completion of the amortization of core deposit intangibles from a 2006 acquisition.

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Income Tax Expense. The provision for income taxes for the fiscal year ended September 30, 2016 was \$1.2 million (effective tax rate of 28.2%) compared to \$1.5 million (effective tax rate of 29.4%) for the fiscal year ended September 30, 2015. This decrease in income tax expense was due in part to a higher level of nontaxable income related to tax exempt municipals and bank-owned life insurance.

Non-Performing and Problem Assets

When a residential mortgage loan, home equity loan or line of credit or consumer loan is past due, Standard sends a late notice and contacts the borrower to inquire as to why the loan is past due. When a loan is 30 days or more past due, Standard mails a second late notice and attempts additional personal, direct contact with the borrower to determine the reason for the delinquency and establish the procedures by which the borrower will bring the loan current. When the loan is 45 days past due, Standard explores the customer's situation and repayment options and inspects the collateral. In addition, when a loan reaches 90 days past due, Standard's management determines and recommends to Standard's Board of Directors whether to initiate foreclosure proceedings, which will be initiated by counsel if the loan is not brought current. Procedures for avoiding foreclosure can include restructuring the loan in a manner that provides concessions to the borrower to facilitate payment.

Commercial business loans and commercial real estate loans are generally handled in the same manner as the loans discussed above. Additionally, when a loan is 30 days past due, Standard contacts the borrower, visually inspects the property(ies) and inquires of the principals the status of the loan and what actions are being implemented to bring the loan current. Depending on the type of loan, the borrower's cash flow statements, internal financial statements, tax returns, rent rolls, new or updated independent appraisals, online databases and other relevant information in Bank and third-party loan reviews are analyzed to help determine a course of action. In addition, legal counsel is consulted and an approach for resolution is determined and aggressively pursued.

Loans are placed on non-accrual status when payment of principal or interest is 90 days or more delinquent. Loans are also placed on non-accrual status if collection of principal or interest in full is in doubt. When loans are placed on a non-accrual status, unpaid accrued interest is fully reversed, and further income is recognized only to the extent received. The loan may be returned to accrual status if payments are brought to less than 90 days delinquent and full payment of principal and interest is expected.

Impaired loans are commercial and commercial real estate loans for which it is probable that Standard will not be able to collect all amounts due according to the contractual terms of the loan agreement. Standard individually evaluates such loans for impairment rather than aggregate loans by major risk classifications. The definition of impaired loans is not the same as the definition of non-accrual loans, although the two categories overlap. Standard may choose to place a loan on non-accrual status due to payment delinquency or uncertain collectability, while not classifying the loan as impaired. Factors considered in determining impairment include payment status and collateral value. The amount of

impairment for these types of impaired loans is determined by the difference between the present value of the expected cash flows related to the loan, using current interest rates, and its recorded value. In the case of collateralized loans, the impairment is the difference between the fair value of the collateral and the recorded amount of the loan. When foreclosure is probable, impairment is measured based on the fair value of the collateral. Mortgage loans on one- to four-family properties, home equity loans and lines of credit and consumer loans are generally considered as larger groups of homogeneous loans and are measured for impairment collectively. Loans that experience insignificant payment delays, which are defined as less than 90 days, generally are not classified as impaired. Management determines the significance of payment delays on a case-by-case basis, taking into consideration all circumstances surrounding the loan and the borrower including the length of the delay, the borrower's prior payment record and the amount of shortfall in relation to the principal and interest owed.

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The table below sets forth the amounts and categories of Standard's non-performing assets at the dates indicated. At September 30, 2016, 2015, 2014, 2013 and 2012, Standard had no troubled debt restructurings (loans for which a portion of interest or principal has been forgiven and loans modified at interest rates materially less than current market rates).

	At September 30,				
	2016	2015	2014	2013	2012
	(Dollars in thousands)				
Non-accrual loans:					
Real estate loans:					
One- to four-family residential and construction	\$516	\$574	\$536	\$582	\$1,089
Commercial	100	—	33	1,165	2,362
Home equity loans and lines of credit	73	96	50	224	66
Commercial	—	—	—	40	451
Other loans	—	5	—	—	3
Total non-accrual loans	689	675	619	2,011	3,971
Loans delinquent 90 days or greater and still accruing:					
Real estate loans:					
One- to four-family residential and construction	—	—	—	—	—
Commercial	—	—	—	—	—
Home equity loans and lines of credit	—	—	—	—	—
Commercial	—	—	—	—	—
Other loans	—	—	—	—	—
Total loans delinquent 90 days or greater and still accruing	—	—	—	—	—
Foreclosed real estate:					
One- to four-family residential and construction	95	319	415	527	47
Commercial	156	38	60	80	416
Home equity loans and lines of credit	—	—	—	—	—
Commercial	30	—	—	—	—
Other loans	—	—	—	—	—
Total foreclosed real estate	281	357	475	607	463
Total non-performing assets	\$970	\$1,032	\$1,094	\$2,618	\$4,434
Ratios:					
Non-performing loans to total loans	0.18 %	0.19 %	0.20 %	0.68 %	1.34 %
Non-performing assets to total assets	0.20 %	0.22 %	0.25 %	0.60 %	1.00 %

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Delinquent Loans. The following table sets forth certain information with respect to Standard's loan portfolio delinquencies at the dates indicated.

	Loans Delinquent For				Total	
	60-89 Days Number	Amount	90 Days and Over Number	Amount	Number	Amount
At September 30, 2016						
Real estate loans:						
One- to four-family residential and construction	3	\$ 294	6	\$ 516	9	\$ 810
Commercial	1	61	3	100	4	161
Home equity loans and lines of credit	2	81	4	73	6	154
Commercial	—	—	—	—	—	—
Other loans	—	—	—	—	—	—
Total loans	6	\$ 436	13	\$ 689	19	\$ 1,125