

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
--	--	---

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: ☐ a multiemployer plan; ☒ a single-employer plan; ☐ a multiple-employer plan; or ☐ a DFE (specify) ____
B	This return/report is: ☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information
1a	Name of plan LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 03/01/1962
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) LORAIN NATIONAL BANK 457 BROADWAY LORAIN, OH 44052-1739
2b	Employer Identification Number (EIN) 34-0869480
2c	Sponsor's telephone number 440-244-6000
2d	Business code (see instructions) 522110

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2010	MARY E. MILES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") LORAIN NATIONAL BANK 457 BROADWAY LORAIN, OH 44052-1739	3b Administrator's EIN 34-0869480 3c Administrator's telephone number 440-244-6000
--	---

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year	5	196
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	97
b Retired or separated participants receiving benefits.....	6b	31
c Other retired or separated participants entitled to future benefits.....	6c	56
d Subtotal. Add lines 6a , 6b , and 6c	6d	184
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	8
f Total. Add lines 6d and 6e	6f	192
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 1I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ 0 **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
--	---	--

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

Round off amounts to nearest dollar.

Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan LORAIN NATIONAL BANK RETIREMENT PENSION PLAN		B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LORAIN NATIONAL BANK		D Employer Identification Number (EIN) 34-0869480	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month 01 Day 01 Year 2009			
2 Assets:			
a Market value		2a	5429729
b Actuarial value		2b	5429729
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment		3a	36 2224019
b For terminated vested participants		3b	56 445724
c For active participants:			
(1) Non-vested benefits		3c(1)	0
(2) Vested benefits		3c(2)	1882685
(3) Total active		3c(3)	104 1882685
d Total		3d	196 4552428
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate		5	8.14 %
6 Target normal cost		6	0

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		10/04/2010
	Signature of actuary	Date
RICHARD F MCCLEARY, EA, MAAA		08-06309
Type or print name of actuary		Most recent enrollment number
SUMMIT RETIREMENT PLAN SVCS INC		330-983-0539
Firm name		Telephone number (including area code)
13680 CLEVELAND AVENUE NW UNIONTOWN, OH 44685		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1537430	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	1537430	0
10	Interest on item 9 using prior year's actual return of <u>-15.18</u> %	-233382	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		374185
b	Interest on (a) using prior year's effective rate of <u>5.94</u> %		22227
c	Total available at beginning of current plan year to add to prefunding balance		396412
d	Portion of (c) to be added to prefunding balance.....		396412
12	Reduction in balances due to elections or deemed elections.....	242801	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	1061247	396412

Part III Funding percentages			
14	Funding target attainment percentage.....	14	87.25 %
15	Adjusted funding target attainment percentage.....	15	95.29 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.60 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/31/2010	1400000	0			
Totals ►			18(b)	1400000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 1232645
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	0
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	1210469	242801
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	242801
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	242801	0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	1232645
38 Interest-adjusted excess contributions for current year (see instructions).....	38	1232645
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan LORAIN NATIONAL BANK RETIREMENT PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 LORAIN NATIONAL BANK	D Employer Identification Number (EIN) 34-0869480	

Part I	Service Provider Information (see instructions)
---------------	--

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Enter name and EIN or address (see instructions)						
PLANTE & MORAN, PLLC 65 EAST STATE STREET SUITE 600 COLUMBUS, OH 43215 38-1357951						
(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	25725	Yes ☐ No ☒	Yes ☐ No ☐	0	Yes ☐ No ☐
(a) Enter name and EIN or address (see instructions)						
SUMMIT RETIREMENT PLAN SERVICES 13680 CLEVELAND AVE NW SUITE 600 UNIONTOWN, OH 44685 31-1498244						
(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	10735	Yes ☐ No ☒	Yes ☐ No ☐	0	Yes ☐ No ☐
(a) Enter name and EIN or address (see instructions)						
(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

a Name:	CBIZ BENEFITS & INSURANCE	b EIN:	31-1582098
c Position:	ACTUARY		
d Address:	6050 OAK TREE BLVD, SUITE 500 CLEVELAND, OH 44131	e Telephone:	216-447-9000
Explanation:		DETERMINED THAT THE ACTUARIAL SERVICES OF THE PENSION PLAN COULD BE BETTER MET THROUGH THE USE OF ANOTHER ACTUARIAL FIRM.	

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan LORAIN NATIONAL BANK RETIREMENT PENSION PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 LORAIN NATIONAL BANK	D Employer Identification Number (EIN) 34-0869480	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	400000	1400000
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	28537	13775
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	8552	29718
(2) U.S. Government securities.....	1c(2)	2042673	1765454
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	1692186	2295764
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	25239	25239

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	166210	129985
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	4363397	5659935

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	28250	17110
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	28250	17110

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	4335147	5642825
---	-----------	---------	---------

Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1400000	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1400000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	36106	
(B) U.S. Government securities	2b(1)(B)	16848	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		52954

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	63423	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		63423

(3) Rents	2b(3)		0
-----------------	--------------	--	---

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	1556391	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1556166	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		225

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	316015	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		316015
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		12462
d Total income. Add all income amounts in column (b) and enter total.....	2d		1845079

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	512081	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		512081
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	25320	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		25320
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		537401

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1307678
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		600000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>LORAIN NATIONAL BANK RETIREMENT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LORAIN NATIONAL BANK</u>	D Employer Identification Number (EIN) <u>34-0869480</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>34-1409078</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>4</u>

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

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

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

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

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

The Lorain National Bank Retirement Pension Plan

**Financial Report
December 31, 2009**

The Lorain National Bank Retirement Pension Plan

Contents

Report Letter	I
Statement of Net Assets Available for Plan Benefits	2
Statement of Changes in Net Assets Available for Plan Benefits	3
Notes to Financial Statements	4-11
Schedule of Assets Held at End of Year	Schedule I
Schedule of Reportable Transactions	Schedule 2

Independent Auditor's Report

To the Plan Administrator
The Lorain National Bank
Retirement Pension Plan

We have audited the accompanying statement of net assets available for plan benefits of The Lorain National Bank Retirement Pension Plan (the "Plan") as of December 31, 2009 and 2008 and the related statement of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of December 31, 2009 and 2008 and the changes in net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year as of December 31, 2009 and schedule of reportable transactions for the year ended December 31, 2009 are presented for the purpose of additional analysis and are not required parts of the basic financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Columbus, Ohio
September 22, 2010

A handwritten signature in cursive script that reads "Plante & Moran, PLLC".

The Lorain National Bank Retirement Pension Plan

Statement of Net Assets Available for Plan Benefits

	December 31	
	2009	2008
Assets		
Investments (Note 5):		
Money market fund	\$ 29,718	\$ 8,552
Common stocks	2,425,749	1,858,396
U.S. government bonds	1,765,454	2,042,673
Total investments	4,220,921	3,909,621
Contribution receivable	1,400,000	400,000
Interest and dividends receivable	13,775	28,537
Other assets	25,239	25,239
Total assets	5,659,935	4,363,397
Liabilities - Accrued administrative expenses	17,110	28,250
Net Assets Available for Plan Benefits	\$ 5,642,825	\$ 4,335,147

The Lorain National Bank Retirement Pension Plan

Statement of Changes in Net Assets Available for Plan Benefits

	Year Ended December 31	
	2009	2008
Additions		
Investment income (loss):		
Interest	\$ 52,954	\$ 74,318
Dividends	63,423	81,567
Net realized and unrealized appreciation (depreciation) in fair value of investments (Note 5)	316,240	(1,154,757)
Other income	12,462	-
	<u>445,079</u>	<u>(998,872)</u>
Employer contribution	<u>1,400,000</u>	<u>400,000</u>
Total additions - Net	1,845,079	(598,872)
Deductions		
Benefits paid to participants	512,081	494,362
Other expenses	<u>25,320</u>	<u>26,295</u>
Total deductions	<u>537,401</u>	<u>520,657</u>
Net Increase (Decrease)	1,307,678	(1,119,529)
Net Assets Available for Plan Benefits - Beginning of year	<u>4,335,147</u>	<u>5,454,676</u>
Net Assets Available for Plan Benefits - End of year	<u><u>\$ 5,642,825</u></u>	<u><u>\$ 4,335,147</u></u>

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 1 - Description of Plan

The following description of The Lorain National Bank Retirement Pension Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined benefit plan sponsored by The Lorain National Bank (the "Bank"), a wholly owned subsidiary of LNB Bancorp, Inc., covering substantially all employees of the Bank hired prior to December 31, 2002. An employee is eligible to participate in the Plan on January 1 or July 1 after the attainment of age 21 and completion of one year of service, as defined in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective December 31, 2002, participation in the Plan and benefits under the Plan were frozen. No additional participants will be enrolled in the Plan and no additional benefits will be accrued.

Benefit Payments - Participants are eligible for normal retirement upon reaching age 65. Monthly benefit payments are determined as a percentage of a participant's average monthly compensation for the five consecutive plan years that yield the highest average salary. Participants in the Plan prior to January 1, 1989 will have benefit payments reduced if they have less than 15 years of continuous employment upon retirement. Participants who join the Plan after January 1, 1989 will have benefit payments reduced if they have less than 25 years of continuous employment upon retirement. Benefit payments are available as a joint and survivor annuity or as a lump-sum distribution. Benefits become fully vested after a participant has completed five years of service.

The Plan also provides for the payment of early retirement, death, disability, and deferred vested benefits.

Note 2 - Summary of Significant Accounting Policies

Investments - Under the terms of the Plan, the trust department of the Bank acts as trustee for the Plan and, as such, manages a trust fund, which holds all of the Plan's assets on behalf of the Plan. The trustee has been granted discretionary authority concerning purchases and sales of investments in the trust fund. The fair value of common stock and bond investments and changes therein are determined through the use of current quoted market values. Investments in money market funds are valued at their outstanding balances, which approximates fair value. Purchases and sales are recorded on a trade date basis. Interest and dividend income is recorded on the accrual method of accounting. See Note 8 for additional information related to the valuation of investments.

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on an employee's average compensation for the five consecutive plan years that yield the highest salary. The accumulated plan benefits for active employees are based on their average compensation during the five years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by consulting actuaries and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, termination, or retirement) between the valuation date and the expected date of payment. The significant assumptions underlying the actuarial computations used in the valuations as of January 1, 2009 and 2008 include (a) assumed rate of return on investments is 8.14 percent and 8.0 percent in 2009 and 2008, respectively, (b) salary growth of 0 percent for both 2009 and 2008, (c) assumed retirement beginning with rates at age 55 and ending at greater of age 65 or age on valuation date, (d) life expectancy of participants (the IRS 2009 Combined Static Annuity Mortality), and (e) assumed employee rates of termination, which are combined with the assumed mortality rates for active lives, from Table T-5 from *The Actuary's Pension Handbook* for all ages.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Administrative Expenses - Trust service expenses of the Plan are paid by the Bank. All other administrative expenses are paid by the Plan.

Payment of Benefits - Benefit payments to participants are recorded when paid.

Risks and Uncertainties - Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, employee compensation, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the statement of net assets available for plan benefits.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including September 22, 2010, which is the date the financial statements were available to be issued.

Note 3 - Funding Policy and Plan Termination

The Bank has voluntarily agreed to make contributions to the Plan sufficient to provide the Plan with assets with which to pay pension benefits to plan participants. Although the Bank has not expressed any intent to terminate the pension plan agreement, it may do so at any time. Under the provisions of ERISA, if the Plan is terminated, the Bank may be obligated to make termination payments to the Plan and participants may be eligible for continuation of benefits under insurance provided by the Pension Benefit Guaranty Corporation. In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations.

The contributions of the Bank are designed to fund the Plan's current service costs on a current basis and to fund over a period of up to 40 years the estimated accrued benefit cost arising from qualifying service prior to establishment of the Plan. The Bank's contributions meet the minimum funding requirements of ERISA.

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 4 - Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits at January 1, 2009 and 2008 is summarized as follows:

	January 1	
	2009	2008
Vested benefits:		
Participants currently receiving payments	\$ 2,224,019	\$ 2,688,050
Other participants	2,238,330	3,121,476
Total vested benefits	4,462,349	5,809,526
Nonvested benefits	90,079	128,547
Total actuarial present value of accumulated plan benefits	<u>\$ 4,552,428</u>	<u>\$ 5,938,073</u>

The change in actuarial present value of accumulated plan benefits as of January 1, 2009 and 2008 is as follows:

	January 1	
	2009	2008
Actuarial present value of accumulated plan benefits - Beginning of year	\$ 5,938,073	\$ 4,755,893
(Decrease) increase during the year attributable to:		
Benefits paid	(494,362)	(657,782)
Actuarial (losses) gains	(1,228,098)	1,574,694
Increase for interest due to the decrease in the discount period	336,815	265,268
Net (decrease) increase	<u>(1,385,645)</u>	<u>1,182,180</u>
Actuarial present value of accumulated plan benefits - End of year	<u>\$ 4,552,428</u>	<u>\$ 5,938,073</u>

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 5 - Investments

The following table presents significant investments of the Plan at fair value as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
U.S. government bonds:		
Federal Home Loan Bank - 3.530%, due 08/26/2011, \$250,000 par	\$ -	\$ 252,605
Federal Home Loan Bank - 4.125%, due 01/7/2011, \$250,000 par	-	250,107
Federal National Mortgage Assoc. - 3.625%, due 02/13/2012, \$250,000 par	-	250,535
Federal National Mortgage Assoc. - 4.150%, due 03/5/2013, \$250,000 par	-	250,678

During the years ended December 31, 2009 and 2008, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value as follows:

	<u>2009</u>	<u>2008</u>
Common stocks:		
LNB Bancorp, Inc.	\$ (30,086)	\$ (297,598)
Other common stocks	373,252	(882,189)
U.S. government securities	(26,926)	25,030
Total	<u>\$ 316,240</u>	<u>\$ (1,154,757)</u>

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 6 - Federal Income Taxes

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

Note 7 - Party-in-interest Transactions

The following summarizes transactions in common stock of LNB Bancorp, Inc., the 100 percent owner of the Bank, during the years ended December 31, 2009 and 2008:

	Number of Shares	Fair Value
Balance at December 31, 2007	31,659	\$ 463,808
Net depreciation	-	(297,598)
Balance at December 31, 2008	31,659	166,210
Sales	(1,500)	(6,139)
Net depreciation	-	(30,086)
Balance at December 31, 2009	30,159	\$ 129,985

Note 8 - Fair Value

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

Level I - In general, fair values determined by Level I inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 8 - Fair Value (Continued)

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

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

Assets Measured at Fair Value on a Recurring Basis at December 31, 2009

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2009
Assets				
Money market fund (I)	\$ -	\$ 29,718	\$ -	\$ 29,718
Common stocks	2,425,749	-	-	2,425,749
U.S. government bonds	-	1,765,454	-	1,765,454
Total	\$ 2,425,749	\$ 1,795,172	\$ -	\$ 4,220,921

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 8 - Fair Value (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2008

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2008
Assets				
Money market fund (1)	\$ -	\$ 8,552	\$ -	\$ 8,552
Common stocks	1,858,396	-	-	1,858,396
U.S. government bonds	-	2,042,673	-	2,042,673
Total	\$ 1,858,396	\$ 2,051,225	\$ -	\$ 3,909,621

(1) Short-term investments are valued at \$1.00/unit, which approximates fair value.

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan No. 001 December 31, 2009

(a)(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Goldman Sachs	Federal Instruments Fund - Money market fund	\$ 29,718	\$ 29,718
Bonds:			
U.S. government bonds	Federal Farm Credit Bank - 2.250% due 07/29/2013, \$200,000 par	200,000	197,490
U.S. government bonds	Federal Farm Credit Bank - 2.250% due 04/24/2012, \$200,000 par	200,000	203,434
U.S. government bonds	Federal Farm Credit Bank - 2.125% due 06/18/2012, \$200,000 par	200,000	201,748
U.S. government bonds	Federal Farm Credit Bank - 2.700% due 06/24/2013, \$200,000 par	200,000	200,528
U.S. government bonds	Federal National Mortgage Assoc. - 2.50% due 05/15/2014, \$150,000 par	150,000	149,505
U.S. government bonds	Federal National Mortgage Assoc. - 2.625% due 11/20/2014, \$100,000 par	100,000	98,935
U.S. government bonds	U.S. Treasury note - 0.875% due 03/31/2011, \$200,000 par	199,707	200,376
U.S. government bonds	U.S. Treasury note - 3.875%, due 09/15/2010, \$200,000 par	199,025	204,876
U.S. government bonds	U.S. Treasury note - 4.000 %, due 04/15/2010, \$100,000 par	100,691	101,078
U.S. government bonds	U.S. Treasury note - 4.250%, due 01/15/2011, \$200,000 par	200,000	207,484
Total bonds		1,749,424	1,765,454
Common stocks:			
LNB Bancorp, Inc.*	Common shares - 30,159	217,178	129,985
3M Co.	Common shares - 1,000	79,839	82,670
AT&T	Common shares - 1,000	24,211	28,030
Abbott Laboratories	Common shares - 800	34,485	43,192
Altria Group Inc.	Common shares - 800	14,751	15,704
American Electric Power Co.	Common shares - 700	17,654	24,353
Apache Corp.	Common shares - 700	24,593	72,219
Avon Products Inc.	Common shares - 700	22,465	22,050
BP Amoco PLC ADR	Common shares - 800	33,143	46,376
Bank America Corp.	Common shares - 2,200	95,326	33,132

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Item 4i

EIN 34-0869480, Plan No. 001

December 31, 2009

(a)(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Common stocks (Continued):			
Bristol Myers Squibb Co.	Common shares - 1,200	\$ 29,848	\$ 30,300
Burlington Northern Sante Fe Corp.	Common shares - 500	23,015	49,310
CBS Corp New CI B	Common shares - 700	12,998	9,835
Caterpillar Inc.	Common shares - 1,000	40,055	56,990
Chevron Corp.	Common shares - 800	40,503	61,592
Cisco Systems Inc.	Common shares - 1,800	35,292	43,092
Colgate Palmolive Co.	Common shares - 700	35,606	57,505
Conoco Phillips	Common shares - 700	35,073	35,749
Danaher Corp.	Common shares - 1,300	62,628	97,760
Dentsply International Inc.	Common shares - 2,000	52,270	70,340
Dominion Resources Inc. Va New	Common shares - 2,000	74,420	77,840
Duke Energy Corp. New	Common shares - 1,000	17,960	17,210
Eaton Corp	Common shares - 800	52,846	50,896
Emerson Electric Company	Common shares - 800	31,691	34,080
Exelon Corp.	Common shares - 1,500	54,536	73,305
Exxon Mobil Corp.	Common shares - 600	40,162	40,914
Fiserv Inc.	Common shares - 500	18,766	24,240
General Electric Company	Common shares - 1,500	48,681	22,695
Hartford Financial Services Group	Common shares - 800	50,361	18,608
Intel Corporation	Common shares - 3,500	84,665	71,400
Joy Global Inc.	Common shares - 1,000	21,306	51,570
Kraft Foods Inc.	Common shares - 600	16,080	16,308
Lilly Eli & Co.	Common shares - 2,000	121,503	71,420
Lowe's Cos. Inc.	Common shares - 2,000	52,809	46,780
Marathon Oil Corporation	Common shares - 700	17,289	21,854
Microsoft	Common shares - 2,000	51,185	60,960
Peabody Energy Corp.	Common shares - 1,000	20,098	45,210
Pepsico Incorporated	Common shares - 1,600	79,044	97,280
Pfizer Inc.	Common shares - 2,985	73,083	54,298
Procter & Gamble Co.	Common shares - 2,000	103,538	121,260
Rockwell Automation Inc.	Common shares - 500	17,629	23,490
Royal Dutch Shell PLC	Common shares - 500	23,972	30,055
Schlumberger Ltd.	Common shares - 600	23,472	39,054
Southern Company	Common shares - 900	28,562	29,988
Spectra Energy	Common shares - 800	21,440	16,408

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Item 4i

EIN 34-0869480, Plan No. 001

December 31, 2009

(a)(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Common stocks (Continued):			
Target Corp.	Common shares - 800	\$ 36,447	\$ 38,696
United Technologies Corp.	Common shares - 500	20,835	34,705
Verizon Communications	Common shares - 1,000	35,333	33,130
Walgreen Co.	Common shares - 1,600	56,063	58,752
Waste Management Inc.	Common shares - 600	18,527	20,286
Wells Fargo & Co.	Common shares - 2,700	79,238	72,873
	Total common stocks	<u>2,322,473</u>	<u>2,425,749</u>
	Total investments	<u>\$ 4,101,615</u>	<u>\$ 4,220,921</u>

* Party-in-interest

The Lorain National Bank Retirement Pension Plan

Schedule of Reportable Transactions Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan No. 001 Year Ended December 31, 2009

(a) Identity of Party Involved	(b) Description of Asset (Including Interest Rate and Maturity in Case of a Loan)	(c) Purchase		(d) Selling Price	(g) Cost of Asset	(h) Current Value of		(i) Realized Net Gain (Loss)
		Price				Asset on	Transaction Date	
Category (i) - A single transaction that in the aggregate amounts to more than 5 percent of the beginning value of plan assets:								
U.S. government bonds	Federal Home Loan Bank - 4.125% due 01/07/11 callable 01/07/09	\$	-	\$	250,000	\$	250,000	\$ -
U.S. government bonds	Federal Home Loan Bank - 3.530% due 08/26/11 callable 08/26/09		-		250,000		250,000	-
U.S. government bonds	Federal National Mortgage Assoc - 3.625% due 02/13/12 callable 02/13/09		-		250,000		250,000	-
U.S. government bonds	Federal National Mortgage Assoc - 4.150% due 03/05/13 callable 03/05/09		-		250,000		250,000	-

The Lorain National Bank Retirement Pension Plan

Schedule of Reportable Transactions (Continued) Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan No. 001 Year Ended December 31, 2009

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset (Including Interest Rate and Maturity in Case of a Loan)	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Realized Net Gain (Loss)
Category (iii) - A series of transactions that in the aggregate amount to more than 5 percent of the beginning value of plan assets:						
Goldman Sachs	GSFS Federal Instruments Fund - Money market fund:					
	89 purchases	\$ 2,068,879	-	\$ 2,068,879	\$ 2,068,879	-
	29 sales	-	2,047,712	2,047,712	2,047,712	-
U.S. government bonds	Federal Home Loan Bank - 4.125% due 01/07/11 callable 01/07/09	-	250,000	250,000	250,000	-
U.S. government bonds	Federal Home Loan Bank - 3.530% due 08/26/11 callable 08/26/09	-	250,000	250,000	250,000	-
U.S. government bonds	Federal National Mortgage Assoc - 3.625% due 02/13/12 callable 02/13/09	-	250,000	250,000	250,000	-
U.S. government bonds	Federal National Mortgage Assoc - 4.150% due 03/05/13 callable 03/05/09	-	250,000	250,000	250,000	-

There were no Category (ii) or (iv) transactions during the year.

Plan Name: The Lorain National Bank Retirement Pension Plan
 EIN: 34-0869480
 Plan Number: 001

Schedule SB, Line 26--Schedule of Active Participant Data

YEARS OF CREDITED SERVICE

	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
Attained Age	No.	Avg. Comp.*	No.	Avg. Comp.*	No.	Avg. Comp.*	No.	Avg. Comp.*	No.	Avg. Comp.*	No.	Avg. Comp.*	No.	Avg. Comp.*	No.	Avg. Comp.*	No.	Avg. Comp.*	No.	Avg. Comp.*
		Average Cash Bal		Average Cash Bal		Average Cash Bal		Average Cash Bal		Average Cash Bal		Average Cash Bal		Average Cash Bal		Average Cash Bal		Average Cash Bal		Average Cash Bal
Under 25	0		0		0		0		0		0		0		0		0		0	
25 to 29	0		0		4		1		0		0		0		0		0		0	
30 to 34	0		0		1		4		0		0		0		0		0		0	
35 to 39	0		0		2		3		2		0		0		0		0		0	
40 to 44	0		0		3		4		1		2		0		0		0		0	
45 to 49	0		0		3		5		5		4		2		2		0		0	
50 to 54	0		0		2		5		7		6		3		3		0		0	
55 to 59	0		0		1		2		0		4		3		0		2		0	
60 to 64	0		0		2		2		6		3		0		1		3		0	
65 to 69	0		0		0		0		0		0		0		0		0		0	
70 & up	0		0		0		0		1		0		0		0		0		0	

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
Schedule SB Statement of Actuarial Assumptions/Methods
Plan Name: The Lorain National Bank Retirement Pension Plan
Plan EIN: 34-0869480
Plan Number: 001

A summary of the actuarial assumptions used in the valuation is presented below:

Valuation Assets - Market value.

Mandated Discount Rates

The October 2008 full yield curve was used.

Plan's Effective Interest Rate: 8.140%

Financial Accounting Standards Board No. 35 Rates:

Mandated Discount Rates (above)

Salary Scale - Salary increases were not assumed in the valuation.

Taxable Wage Base Increase Assumption - Increases to the taxable wage base were not assumed.

Retirement Rates - Employees were assumed to retire at age 65.

Termination - T-5 LESS GA51M - Termination rates were assumed in the valuation. Employees were assumed to terminate in accordance with the rates shown below:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	0.0794	0.0794
25	0.0772	0.0772
30	0.0722	0.0722
35	0.0628	0.0628
40	0.0515	0.0515
45	0.0398	0.0398
50	0.0256	0.0256
55	0.0094	0.0094
60	0.0009	0.0009

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
Schedule SB Statement of Actuarial Assumptions/Methods
Plan Name: The Lorain National Bank Retirement Pension Plan
Plan EIN: 34-0869480
Plan Number: 001

Pre-retirement Mortality - IRS 2009 P.V. M Optional Combined Table and IRS 2009 P.V. F Optional Combined Table - Pre-retirement mortality was assumed in the valuation. Sample rates are as follows:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	0.0002	0.0001
25	0.0003	0.0001
30	0.0004	0.0002
35	0.0007	0.0004
40	0.0009	0.0005
45	0.0011	0.0008
50	0.0015	0.0011
55	0.0024	0.0023
60	0.0050	0.0046

Post-retirement Mortality - IRS 2009 P.V. M Optional Combined Table and IRS 2009 P.V. F Optional Combined Table - Post-retirement mortality was assumed in the valuation. Sample rates are as follows:

<u>Age</u>	<u>Males</u>	<u>Females</u>
65	0.0101	0.0089
70	0.0172	0.0152
75	0.0301	0.0246
80	0.0548	0.0410
85	0.0990	0.0703
90	0.1720	0.1255
95	0.2591	0.1884
100	0.3391	0.2337
105	0.3979	0.2931

Rates of Disablement - IRS 2009 P.V. M Optional Combined Table and IRS 2009 P.V. F Optional Combined Table - Rates of disablement were assumed. Sample rates are as follows:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	0.0002	0.0001
25	0.0003	0.0001
30	0.0004	0.0002
35	0.0007	0.0004
40	0.0009	0.0005
45	0.0011	0.0008
50	0.0015	0.0011
55	0.0024	0.0023
60	0.0050	0.0046

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
Schedule SB Statement of Actuarial Assumptions/Methods
Plan Name: The Lorain National Bank Retirement Pension Plan
Plan EIN: 34-0869480
Plan Number: 001

Post-Disablement Mortality - IRS 2009 P.V. M Optional Combined Table and IRS 2009 P.V. F Optional Combined Table - Post-disablement mortality was assumed in the valuation. Sample rates are as follows:

<u>Age</u>	<u>Males</u>	<u>Females</u>
65	0.0101	0.0089
70	0.0172	0.0152
75	0.0301	0.0246
80	0.0548	0.0410
85	0.0990	0.0703
90	0.1720	0.1255
95	0.2591	0.1884
100	0.3391	0.2337
105	0.3979	0.2931

Administrative Expenses - None assumed.

Percent Married - 100% of males and 100% of females were assumed to be married.

Age of Spouse - The female spouse is assumed to be 3 years younger than the male spouse.

The Lorain National Bank Retirement Pension Plan

Schedule of Reportable Transactions Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan No. 001 Year Ended December 31, 2009

(a) Identity of Party Involved	(b) Description of Asset (Including Interest Rate and Maturity in Case of a Loan)	(c) Purchase		(d) Selling		(g) Cost of		(h) Current Value of		(i) Realized Net Gain (Loss)
		Price		Price		Asset		Asset on Transaction Date		
Category (i) - A single transaction that in the aggregate amounts to more than 5 percent of the beginning value of plan assets:										
U.S. government bonds	Federal Home Loan Bank - 4.125% due 01/07/11 callable 01/07/09	\$	-	\$	250,000	\$	250,000	\$	250,000	-
U.S. government bonds	Federal Home Loan Bank - 3.530% due 08/26/11 callable 08/26/09		-		250,000		250,000		250,000	-
U.S. government bonds	Federal National Mortgage Assoc - 3.625% due 02/13/12 callable 02/13/09		-		250,000		250,000		250,000	-
U.S. government bonds	Federal National Mortgage Assoc - 4.150% due 03/05/13 callable 03/05/09		-		250,000		250,000		250,000	-

The Lorain National Bank Retirement Pension Plan

Schedule of Reportable Transactions (Continued) Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan No. 001 Year Ended December 31, 2009

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset (Including Interest Rate and Maturity in Case of a Loan)	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Realized Net Gain (Loss)
Category (iii) - A series of transactions that in the aggregate amount to more than 5 percent of the beginning value of plan assets:						
Goldman Sachs	GSFS Federal Instruments Fund - Money market fund:					
	89 purchases	\$ 2,068,879	-	\$ 2,068,879	\$ 2,068,879	-
	29 sales	-	2,047,712	2,047,712	2,047,712	-
U.S. government bonds	Federal Home Loan Bank - 4.125% due 01/07/11 callable 01/07/09	-	250,000	250,000	250,000	-
U.S. government bonds	Federal Home Loan Bank - 3.530% due 08/26/11 callable 08/26/09	-	250,000	250,000	250,000	-
U.S. government bonds	Federal National Mortgage Assoc - 3.625% due 02/13/12 callable 02/13/09	-	250,000	250,000	250,000	-
U.S. government bonds	Federal National Mortgage Assoc - 4.150% due 03/05/13 callable 03/05/09	-	250,000	250,000	250,000	-

There were no Category (ii) or (iv) transactions during the year.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan LORAIN NATIONAL BANK RETIREMENT PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LORAIN NATIONAL BANK	D Employer Identification Number (EIN) 34-0869480
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I Basic Information			
1 Enter the valuation date: Month 01 Day 01 Year 2009			
2 Assets:			
a Market value.....		2a	5429729
b Actuarial value.....		2b	5429729
3 Funding target/participant count breakdown		(1) Number of participants (2) Funding Target	
a For retired participants and beneficiaries receiving payment.....		3a	36 2224019
b For terminated vested participants.....		3b	56 445724
c For active participants:			
(1) Non-vested benefits.....		3c(1)	0
(2) Vested benefits.....		3c(2)	1882685
(3) Total active.....		3c(3)	104 1882685
d Total.....		3d	196 4552428
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions.....		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate.....		5	8.14%
6 Target normal cost.....		6	0

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	RFM	10/4/2010
Signature of actuary		Date
Richard F McCleary, EA, MAAA		0806309
Type or print name of actuary		Most recent enrollment number
SUMMIT RETIREMENT PLAN SVCS INC		330-983-0539
Firm name		Telephone number (including area code)
13680 CLEVELAND AVENUE NW		
UNIONTOWN OH 44685		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1537430	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	1537430	0
10 Interest on item 9 using prior year's actual return of <u>-15.18%</u>	-233382	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		374185
b Interest on (a) using prior year's effective rate of <u>5.94%</u>		22227
c Total available at beginning of current plan year to add to prefunding balance		396412
d Portion of (c) to be added to prefunding balance.....		396412
12 Reduction in balances due to elections or deemed elections.....	242801	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	1061247	396412

Part III Funding percentages		
14 Funding target attainment percentage.....	14	87.25 %
15 Adjusted funding target attainment percentage.....	15	95.29 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.60 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/31/2010	1400000	0			
Totals ▶			18(b)	1400000	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	1232645

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost			
21 Discount rate:			
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: % ☒ N/A, full yield curve used
b Applicable month (enter code)			21b
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute			
Part VI Miscellaneous items			
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No			
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No			
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No			
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27		
Part VII Reconciliation of unpaid minimum required contributions for prior years			
28 Unpaid minimum required contribution for all prior years	28		0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29		0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30		0
Part VIII Minimum required contribution for current year			
31 Target normal cost, adjusted, if applicable (see instructions)	31		0
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	1210469		242801
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34		242801
	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	242801	0	242801
36 Additional cash requirement (item 34 minus item 35)	36		0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37		1232645
38 Interest-adjusted excess contributions for current year (see instructions)	38		1232645
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39		0
40 Unpaid minimum required contribution for all years	40		0

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
Schedule SB Summary of Plan Provisions
Plan Name: The Lorain National Bank Retirement Pension Plan
Plan EIN: 34-0869480
Plan Number: 001

A summary of the major plan provisions used in the valuation is presented below:

Plan effective date: March 1, 1962.

Latest plan amendment: November 19, 2002.

Eligibility requirements: Upon attainment of age 21.0 and completion of 1.0 years of employment.

Accrued benefit: The accrued benefit is determined as follows:

Benefits were frozen as of December 31, 2002.

Normal retirement eligibility: Upon the attainment of age 65 and completion of 5 years of vesting service.

Normal retirement benefit: Unreduced accrued benefit payable immediately.

Normal form of benefit:

Married members - A pension payable for life with the first 10 years guaranteed. Upon the death of the member and after the guarantee period, the surviving spouse will receive 50.00% continuance of the pension for life.

Single members - A pension payable for life with the first 10 years guaranteed.

Early retirement eligibility: Upon the attainment of age 55 and completion of 10 years of service.

Early retirement benefit: The accrued benefit reduced 6.67% for each of the first 5 years and 3.33% for each of the next five years that commencement precedes age 65.

Disability retirement eligibility: Upon disablement after attainment of both age 21 and completion of 0.5 years of service.

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
Schedule SB Summary of Plan Provisions
Plan Name: The Lorain National Bank Retirement Pension Plan
Plan EIN: 34-0869480
Plan Number: 001

Disability retirement benefit: The benefit accrued to date of disablement payable immediately without reduction for early commencement.

Death benefit eligibility: Upon death after attainment of both age 21 and completion of 5 years of service.

Death benefit: 50.000% of the accrued benefit unreduced for early commencement but reduced for form of payment. Said pension shall commence at normal retirement age.

Vesting eligibility: Accrued benefit is 100% vested upon completion of 5 years of service.

Vested benefit: The vested benefit is payable upon attainment of normal retirement age.

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan No. 001 December 31, 2009

(a)(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Goldman Sachs	Federal Instruments Fund - Money market fund	\$ 29,718	\$ 29,718
	Bonds:		
U.S. government bonds	Federal Farm Credit Bank - 2.250% due 07/29/2013, \$200,000 par	200,000	197,490
U.S. government bonds	Federal Farm Credit Bank - 2.250% due 04/24/2012, \$200,000 par	200,000	203,434
U.S. government bonds	Federal Farm Credit Bank - 2.125% due 06/18/2012, \$200,000 par	200,000	201,748
U.S. government bonds	Federal Farm Credit Bank - 2.700% due 06/24/2013, \$200,000 par	200,000	200,528
U.S. government bonds	Federal National Mortgage Assoc. - 2.50% due 05/15/2014, \$150,000 par	150,000	149,505
U.S. government bonds	Federal National Mortgage Assoc. - 2.625% due 11/20/2014, \$100,000 par	100,000	98,935
U.S. government bonds	U.S. Treasury note - 0.875% due 03/31/2011, \$200,000 par	199,707	200,376
U.S. government bonds	U.S. Treasury note - 3.875%, due 09/15/2010, \$200,000 par	199,025	204,876
U.S. government bonds	U.S. Treasury note - 4.000 %, due 04/15/2010, \$100,000 par	100,691	101,078
U.S. government bonds	U.S. Treasury note - 4.250%, due 01/15/2011, \$200,000 par	200,000	207,484
	Total bonds	1,749,424	1,765,454
	Common stocks:		
LNB Bancorp, Inc.*	Common shares - 30,159	217,178	129,985
3M Co.	Common shares - 1,000	79,839	82,670
AT&T	Common shares - 1,000	24,211	28,030
Abbott Laboratories	Common shares - 800	34,485	43,192
Altria Group Inc.	Common shares - 800	14,751	15,704
American Electric Power Co.	Common shares - 700	17,654	24,353
Apache Corp.	Common shares - 700	24,593	72,219
Avon Products Inc.	Common shares - 700	22,465	22,050
BP Amoco PLC ADR	Common shares - 800	33,143	46,376
Bank America Corp.	Common shares - 2,200	95,326	33,132

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Item 4i

EIN 34-0869480, Plan No. 001

December 31, 2009

(a)(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Common stocks (Continued):			
Bristol Myers Squibb Co.	Common shares - 1,200	\$ 29,848	\$ 30,300
Burlington Northern Sante Fe Corp.	Common shares - 500	23,015	49,310
CBS Corp New CI B	Common shares - 700	12,998	9,835
Caterpillar Inc.	Common shares - 1,000	40,055	56,990
Chevron Corp.	Common shares - 800	40,503	61,592
Cisco Systems Inc.	Common shares - 1,800	35,292	43,092
Colgate Palmolive Co.	Common shares - 700	35,606	57,505
Conoco Phillips	Common shares - 700	35,073	35,749
Danaher Corp.	Common shares - 1,300	62,628	97,760
Dentsply International Inc.	Common shares - 2,000	52,270	70,340
Dominion Resources Inc. Va New	Common shares - 2,000	74,420	77,840
Duke Energy Corp. New	Common shares - 1,000	17,960	17,210
Eaton Corp	Common shares - 800	52,846	50,896
Emerson Electric Company	Common shares - 800	31,691	34,080
Exelon Corp.	Common shares - 1,500	54,536	73,305
Exxon Mobil Corp.	Common shares - 600	40,162	40,914
Fiserv Inc.	Common shares - 500	18,766	24,240
General Electric Company	Common shares - 1,500	48,681	22,695
Hartford Financial Services Group	Common shares - 800	50,361	18,608
Intel Corporation	Common shares - 3,500	84,665	71,400
Joy Global Inc.	Common shares - 1,000	21,306	51,570
Kraft Foods Inc.	Common shares - 600	16,080	16,308
Lilly Eli & Co.	Common shares - 2,000	121,503	71,420
Lowe's Cos. Inc.	Common shares - 2,000	52,809	46,780
Marathon Oil Corporation	Common shares - 700	17,289	21,854
Microsoft	Common shares - 2,000	51,185	60,960
Peabody Energy Corp.	Common shares - 1,000	20,098	45,210
Pepsico Incorporated	Common shares - 1,600	79,044	97,280
Pfizer Inc.	Common shares - 2,985	73,083	54,298
Procter & Gamble Co.	Common shares - 2,000	103,538	121,260
Rockwell Automation Inc.	Common shares - 500	17,629	23,490
Royal Dutch Shell PLC	Common shares - 500	23,972	30,055
Schlumberger Ltd.	Common shares - 600	23,472	39,054
Southern Company	Common shares - 900	28,562	29,988
Spectra Energy	Common shares - 800	21,440	16,408

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Item 4i

EIN 34-0869480, Plan No. 001

December 31, 2009

(a)(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Common stocks (Continued):			
Target Corp.	Common shares - 800	\$ 36,447	\$ 38,696
United Technologies Corp.	Common shares - 500	20,835	34,705
Verizon Communications	Common shares - 1,000	35,333	33,130
Walgreen Co.	Common shares - 1,600	56,063	58,752
Waste Management Inc.	Common shares - 600	18,527	20,286
Wells Fargo & Co.	Common shares - 2,700	79,238	72,873
	Total common stocks	<u>2,322,473</u>	<u>2,425,749</u>
	Total investments	<u>\$ 4,101,615</u>	<u>\$ 4,220,921</u>

* Party-in-interest

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
Schedule SB, line 32 - Schedule of Amortization Bases
Plan Name: The Lorain National Bank Retirement Pension Plan
Plan EIN: 34-0869480
Plan Number: 001

<u>Type</u>	<u>Initial Period</u>	<u>Initial Amount</u>	<u>Remaining Period</u>	<u>Remaining Amount</u>	<u>Annual Payment</u>
Shortfall Bases					
	7 \$	1,443,621	6.00 \$	1,210,469 \$	242,801

The Lorain National Bank
Line 19- Discounted Employer Contributions
Plan Name: The Lorain National Bank Retirement Pension Plan
Plan EIN: 34-0869480
Plan Number: 001

Date	Amount	Plan Year	Effective Rate of Interest	Discounted Amount	Penalty Rate of Interest	Additional Discounted Amount	Value As of Valuation Date
07/30/2010	\$ 1,400,000.00	2009	8.14%	\$ 147,998.77	13.14%	\$ 19,356.07	\$ 1,232,645.16

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
Schedule SB, line 22 - Description of Weighted Average Retirement Age
Plan Name: The Lorain National Bank Retirement Pension Plan
Plan EIN: 34-0869480
Plan Number: 001

Each participant is assumed to retire at his/her normal retirement age of 65.