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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089               |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    | <b>2012</b>                                   |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                            |

|                                                                                                                                                                                                                        |                                                                                                                                                                                                   |
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| <b>Part II</b>                                                                                                                                                                                                         | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                    |
| <b>1a</b> Name of plan<br><u>LORAIN NATIONAL BANK 401(K) PLAN</u>                                                                                                                                                      | <b>1b</b> Three-digit plan number (PN) ► <u>003</u><br><b>1c</b> Effective date of plan<br><u>09/01/1978</u>                                                                                      |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br><u>LORAIN NATIONAL BANK</u><br><br><u>457 BROADWAY AVENUE</u><br><u>LORAIN, OH 44052-1739</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>34-0869480</u><br><b>2c</b> Sponsor's telephone number<br><u>440-244-6000</u><br><b>2d</b> Business code (see instructions)<br><u>522110</u> |

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

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

|                                                                                                            |                                                          |                   |                                                              |
|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | <u>Filed with authorized/valid electronic signature.</u> | <u>07/30/2013</u> | <u>MARY E. MILES</u>                                         |
|                                                                                                            | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           |                                                          |                   |                                                              |
|                                                                                                            | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           |                                                          |                   |                                                              |
|                                                                                                            | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                          |                   | Preparer's telephone number (optional)                       |
|                                                                                                            |                                                          |                   |                                                              |

|                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address<br><br>LORAIN NATIONAL BANK<br>457 BROADWAY AVENUE<br>LORAIN, OH 44052-1739                                                                                                                                                                               | <b>3b</b> Administrator's EIN<br>34-0869480<br><b>3c</b> Administrator's telephone number<br>440-244-6000                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>4</b> 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:<br><b>a</b> Sponsor's name                                                                                                                                                                                                  | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                            | <b>5</b> 344                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>a</b> Active participants.....                                                                                                                                                                                                                                                                                                                                                                                  | <b>6a</b> 266                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                 | <b>6b</b> 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                  | <b>6c</b> 81                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                           | <b>6d</b> 348                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                          | <b>6e</b> 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                            | <b>6f</b> 350                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                     | <b>6g</b> 342                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                         | <b>6h</b> 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                               | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2H 2J 2K 2T 3D 3I<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                      | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                         |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                               |                                                                                                                                                                                                                |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                | <b>2012</b>                                    |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                              |                                                                    |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>LORAIN NATIONAL BANK 401(K) PLAN</u>                             | <b>B</b> Three-digit plan number (PN) ▶ <u>003</u>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>LORAIN NATIONAL BANK</u> | <b>D</b> Employer Identification Number (EIN)<br><u>34-0869480</u> |

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

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

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

PENTEGRA SERVICES, INC.

13-3745616

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 15                     | RECORDKEEPER                                                                                      | 16420                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 40955                                                                                                                                                                           | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

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

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

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

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

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

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

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

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

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

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

**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<br>(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<br>(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<br>(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 |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
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|                                                                          |                               |                                                                                     |

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                           |                                                                                                                                                                                                                              |                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection.</b> |
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                                     |                                                                            |            |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>LORAIN NATIONAL BANK 401(K) PLAN</u>                                    | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>003</u> |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>LORAIN NATIONAL BANK</u> | <b>D</b> Employer Identification Number (EIN)<br><u>34-0869480</u>         |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                               |                               |                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>INVESCO STABLE VALUE FUND</u>               |                               |                                                                                                                                                       |
| <b>b</b> Name of sponsor of entity listed in (a): <u>INVESCO NATIONAL TRUST COMPANY</u>       |                               |                                                                                                                                                       |
| <b>c</b> EIN-PN <u>84-1142974-001</u>                                                         | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>430953</u></span>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>S&amp;P LRG CAP GRW R INDEX SL SF CL I</u>  |                               |                                                                                                                                                       |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>         |                               |                                                                                                                                                       |
| <b>c</b> EIN-PN <u>90-0337987-002</u>                                                         | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>347859</u></span>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>NASDAQ 100 INDEX R NL SF CL A</u>           |                               |                                                                                                                                                       |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>         |                               |                                                                                                                                                       |
| <b>c</b> EIN-PN <u>90-0337987-032</u>                                                         | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>349873</u></span>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>S&amp;P LRG CAP VALUE R INDX SL SF CL I</u> |                               |                                                                                                                                                       |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>         |                               |                                                                                                                                                       |
| <b>c</b> EIN-PN <u>90-0337987-003</u>                                                         | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>346397</u></span>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>AGGRESSIVE STRATEGIC BALANCED SL FD</u>     |                               |                                                                                                                                                       |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>         |                               |                                                                                                                                                       |
| <b>c</b> EIN-PN <u>04-0025081-112</u>                                                         | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>317387</u></span>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>CONSERVATIVE STRATEGIC BAL SL FUND</u>      |                               |                                                                                                                                                       |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>         |                               |                                                                                                                                                       |
| <b>c</b> EIN-PN <u>04-0025081-110</u>                                                         | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>119839</u></span>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>MODERATE STRATEGIC BALANCED SL FUND</u>     |                               |                                                                                                                                                       |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>         |                               |                                                                                                                                                       |
| <b>c</b> EIN-PN <u>04-0025081-111</u>                                                         | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>1544785</u></span> |

|                                                                                |                        |                                                                                                            |
|--------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: S&P MIDCAP R INDEX NL SF CL A   |                        |                                                                                                            |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS |                        |                                                                                                            |
| <b>c</b> EIN-PN 04-0025081-089                                                 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 903261 |

  

|                                                                                |                        |                                                                                                            |
|--------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: S&P 500 R INDEX NL SF CL A      |                        |                                                                                                            |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS |                        |                                                                                                            |
| <b>c</b> EIN-PN 04-0025081-097                                                 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 436445 |

  

|                                                                                    |                        |                                                                                                            |
|------------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL SMALL CAP R INDX NL SF CL A |                        |                                                                                                            |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS     |                        |                                                                                                            |
| <b>c</b> EIN-PN 04-0025081-096                                                     | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 410395 |

  

|                                                                                |                        |                                                                                                            |
|--------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: REIT INDEX NL SF CL A           |                        |                                                                                                            |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS |                        |                                                                                                            |
| <b>c</b> EIN-PN 04-0025081-352                                                 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 128321 |

  

|                                                                                    |                        |                                                                                                           |
|------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: US INFLATION PRO BD INDX NL SF CL A |                        |                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS     |                        |                                                                                                           |
| <b>c</b> EIN-PN 04-0025081-076                                                     | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 98362 |

  

|                                                                                  |                        |                                                                                                            |
|----------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: US LONG TREASURY INDEX NL SF CL A |                        |                                                                                                            |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS   |                        |                                                                                                            |
| <b>c</b> EIN-PN 90-0337987-183                                                   | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 208224 |

  

|                                                                                |                        |                                                                                                            |
|--------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: US BOND INDEX NL SF CL A        |                        |                                                                                                            |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS |                        |                                                                                                            |
| <b>c</b> EIN-PN 90-0337987-177                                                 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 238608 |

  

|                                                                                  |                        |                                                                                                            |
|----------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2015 NL SF CL A |                        |                                                                                                            |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS   |                        |                                                                                                            |
| <b>c</b> EIN-PN 90-0337987-189                                                   | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 167408 |

  

|                                                                                  |                        |                                                                                                            |
|----------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2025 NL SF CL A |                        |                                                                                                            |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS   |                        |                                                                                                            |
| <b>c</b> EIN-PN 90-0337987-193                                                   | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 159642 |

  

|                                                                                  |                        |                                                                                                           |
|----------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2035 NL SF CL A |                        |                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS   |                        |                                                                                                           |
| <b>c</b> EIN-PN 90-0337987-197                                                   | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 45126 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2045 NL SF CL A**b** Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS

|                                |                        |                                                                                                          |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 90-0337987-201 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7537 |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2050 NL SF CL A**b** Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS

|                                |                        |                                                                                                          |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 90-0337987-203 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1574 |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2030 NL SF CL A**b** Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS

|                                |                        |                                                                                                          |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 90-0337987-195 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3464 |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2020 NL SF CL A**b** Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS

|                                |                        |                                                                                                          |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 90-0337987-191 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5701 |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2010 NL SF CL A**b** Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS

|                                |                        |                                                                                                          |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 90-0337987-187 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1798 |
|--------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: INTERNATIONAL INDEX NL SF CL A**b** Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS

|                                |                        |                                                                                                            |
|--------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 90-0337987-157 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 329807 |
|--------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**Part II Information on Participating Plans (to be completed by DFEs)**

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

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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="font-size: 1.5em; font-weight: bold;">2012</div><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2012 or fiscal plan year beginning <span style="color: blue;">01/01/2012</span> and ending <span style="color: blue;">12/31/2012</span>                                                                                                           |                                                                                                                                                                                                                                                                              |                                                                                                                                            |
| <b>A</b> Name of plan<br><span style="color: blue;">LORAIN NATIONAL BANK 401(K) PLAN</span>                                                                                                                                                                              | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <span style="color: blue; font-size: 1.2em;">003</span>                                                                                    |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><span style="color: blue;">LORAIN NATIONAL BANK</span>                                                                                                                                                  | <b>D</b> Employer Identification Number (EIN)<br><br><span style="color: blue;">34-0869480</span>                                                                                                                                                                            |                                                                                                                                            |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement                                                                     |                 | (a) Beginning of Year | (b) End of Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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. |                                                                                                   |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Assets</b>                                                                                     |                 |                       |                 |
| <b>a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total noninterest-bearing cash .....                                                              | <b>1a</b>       | 15202                 | 1296            |
| <b>b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Receivables (less allowance for doubtful accounts):                                               |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    | 0                     | 0               |
| <b>c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General investments:                                                                              |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    | 180709                | 208164          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    | 364642                | 524062          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    | 5929758               | 6602765         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 2114727               | 2742615         |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 8605038               | 10078902        |

**Liabilities**

|                                                                           |           |     |     |
|---------------------------------------------------------------------------|-----------|-----|-----|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |     |     |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |     |     |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |     |     |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 332 | 826 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 332 | 826 |

**Net Assets**

|                                                           |           |         |          |
|-----------------------------------------------------------|-----------|---------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 8604706 | 10078076 |
|-----------------------------------------------------------|-----------|---------|----------|

**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: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 409616     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 818298     |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 72515      |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 1300429   |

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

|                                                                                                      |                 |       |       |
|------------------------------------------------------------------------------------------------------|-----------------|-------|-------|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> | 1     |       |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |       |       |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> |       |       |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |       |       |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> | 19149 |       |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |       |       |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |       | 19150 |

|                                                                                           |                 |       |       |
|-------------------------------------------------------------------------------------------|-----------------|-------|-------|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |       |       |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> | 18349 |       |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> |       |       |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |       | 18349 |

|                 |              |  |  |
|-----------------|--------------|--|--|
| (3) Rents ..... | <b>2b(3)</b> |  |  |
|-----------------|--------------|--|--|

|                                                                                           |                 |        |       |
|-------------------------------------------------------------------------------------------|-----------------|--------|-------|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> | 307309 |       |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> | 252094 |       |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |        | 55215 |

|                                                                                                       |                 |        |        |
|-------------------------------------------------------------------------------------------------------|-----------------|--------|--------|
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                    | <b>2b(5)(A)</b> |        |        |
| <b>(B)</b> Other .....                                                                                | <b>2b(5)(B)</b> | 464277 |        |
| <b>(C)</b> Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> ..... | <b>2b(5)(C)</b> |        | 464277 |

|                                                                                                |        | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                             | 2b(6)  |            | 795896    |
| (7) Net investment gain (loss) from pooled separate accounts .....                             | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                     | 2b(8)  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                           | 2b(9)  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) |            |           |
| c Other income.....                                                                            | 2c     |            |           |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 2653316   |

**Expenses**

|                                                                                     |       |         |         |
|-------------------------------------------------------------------------------------|-------|---------|---------|
| e Benefit payment and payments to provide benefits:                                 |       |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....     | 2e(1) | 1115771 |         |
| (2) To insurance carriers for the provision of benefits .....                       | 2e(2) |         |         |
| (3) Other .....                                                                     | 2e(3) |         |         |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                        | 2e(4) |         | 1115771 |
| f Corrective distributions (see instructions) .....                                 | 2f    |         |         |
| g Certain deemed distributions of participant loans (see instructions).....         | 2g    |         |         |
| h Interest expense.....                                                             | 2h    |         |         |
| i Administrative expenses: (1) Professional fees .....                              | 2i(1) |         |         |
| (2) Contract administrator fees .....                                               | 2i(2) | 40955   |         |
| (3) Investment advisory and management fees .....                                   | 2i(3) | 6800    |         |
| (4) Other .....                                                                     | 2i(4) | 16420   |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |         | 64175   |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |         | 1179946 |

**Net Income and Reconciliation**

|                                                         |       |  |         |
|---------------------------------------------------------|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 1473370 |
| 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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

**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.).....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                              | Yes | No | Amount  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>c</b> 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  |         |
| <b>d</b> 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  |         |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                      | X   |    | 5000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                      |     | X  |         |
| <b>g</b> 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  |         |
| <b>h</b> 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  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                | X   |    |         |
| <b>j</b> 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   |    |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                           |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                           |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                  |     | X  |         |
| <b>n</b> 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) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |
|              |             |

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

|                                                                                                                                                                                                                                                                                                                                                                  |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------|-----|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation                                                                                                                                        |  | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> |  | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection.</b> |     |
| For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012                                                                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>A</b> Name of plan<br>LORAIN NATIONAL BANK 401(K) PLAN                                                                                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                            |  | <b>B</b> Three-digit plan number (PN) ▶                                                    | 003 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>LORAIN NATIONAL BANK                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                            |  | <b>D</b> Employer Identification Number (EIN)<br>34-0869480                                |     |
| <b>Part I Distributions</b>                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| All references to distributions relate only to payments of benefits during the plan year.                                                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                            |  | 1                                                                                          | 0   |
| <b>2</b> 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):<br><br>EIN(s): 58-1428634                                                                                                      |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                                                                                                                 |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                                                                                                                  |  |                                                                                                                                                                                                                                                                                            |  | 3                                                                                          |     |
| <b>Part II Funding Information</b> (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)                                                                                                                                                                             |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A<br>If the plan is a defined benefit plan, go to line 8.                                                                                                |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.      |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                                   |  |                                                                                                                                                                                                                                                                                            |  | 6a                                                                                         |     |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                                            |  | 6b                                                                                         |     |
| <b>c</b> 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.                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A                                                                                                                                                                         |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>Part III Amendments</b>                                                                                                                                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> No         |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>Part IV ESOPs</b> (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.                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                  |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>11 a</b> Does the ESOP hold any preferred stock? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                               |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>b</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.)..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                             |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                          |  |                                                                                                                                                                                                                                                                                            |  |                                                                                            |     |
| For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.                                                                                                                                                                                                                                                                  |  |                                                                                                                                                                                                                                                                                            |  | Schedule R (Form 5500) 2012<br>v. 120126                                                   |     |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

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

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

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

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

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

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

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

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

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

**c** What duration measure was used to calculate line 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

**The Lorain National Bank**  
**401(k) Plan**  
**Financial Report**  
**December 31, 2012**

## **The Lorain National Bank 401(k) Plan**

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| Report Letter                                                  | <a href="#"><u>1</u></a>          |
| Statement of Net Assets Available for Plan Benefits            | <a href="#"><u>3</u></a>          |
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| Schedule of Reportable Transactions                            | <a href="#"><u>Schedule 2</u></a> |

## Independent Auditor's Report

To the Plan Administrator  
The Lorain National Bank 401(k) Plan

We have audited the accompanying financial statements of The Lorain National Bank 401(k) Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2012 and 2011 and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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, 2012 and 2011 and the changes in net assets for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplemental Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held at end of year as of December 31, 2012 and the schedule of reportable transactions for the year ended December 31, 2012 are presented for the purpose of additional analysis and are not a required part of the 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. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

Auburn Hills, Michigan  
June 27, 2013

**The Lorain National Bank 401(k) Plan**

**Statement of Net Assets Available for Plan Benefits**

|                                                                                                                                                             | December 31          |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
|                                                                                                                                                             | 2012                 | 2011                |
| <b>Assets</b>                                                                                                                                               |                      |                     |
| Cash                                                                                                                                                        | \$ 1,296             | \$ 15,202           |
| Investments—At fair value (Notes 3, 5, and 7):                                                                                                              |                      |                     |
| Nonparticipant-directed—Common stock—LNB Bancorp, Inc.                                                                                                      | 2,742,615            | 2,114,727           |
| Participant-directed:                                                                                                                                       |                      |                     |
| Short-term cash investments                                                                                                                                 | 208,164              | 180,709             |
| Common collective trust funds                                                                                                                               | 6,619,206            | 5,941,559           |
| Total investments                                                                                                                                           | 9,569,985            | 8,236,995           |
| Participant notes receivable                                                                                                                                | 524,062              | 364,642             |
| Total assets                                                                                                                                                | 10,095,343           | 8,616,839           |
| <b>Liabilities—Other expense payable</b>                                                                                                                    | (826)                | (332)               |
| <b>Net Assets Available for Plan Benefits at Fair Value</b>                                                                                                 | 10,094,517           | 8,616,507           |
| <b>Adjustment from Fair Value to Contract Value for Interest in Common Collective Trust Funds Relating to Fully Benefit-responsive Investment Contracts</b> | (16,441)             | (11,801)            |
| <b>Net Assets Available for Plan Benefits</b>                                                                                                               | <b>\$ 10,078,076</b> | <b>\$ 8,604,706</b> |

See Notes to Financial Statements.  
**The Lorain National Bank 401(k) Plan**

**Statement of Changes in Net Assets Available for Plan Benefits**

|                                                                       | Year Ended December 31 |                     |
|-----------------------------------------------------------------------|------------------------|---------------------|
|                                                                       | 2012                   | 2011                |
| <b>Additions</b>                                                      |                        |                     |
| Investment (loss) income:                                             |                        |                     |
| Dividends                                                             | \$ 18,349              | \$ 17,230           |
| Net (depreciation) appreciation in fair value of investments (Note 3) | 1,315,388              | (39,394)            |
| Total investment (loss) income                                        | 1,333,737              | (22,164)            |
| Contributions:                                                        |                        |                     |
| Employer                                                              | 409,616                | 395,158             |
| Participants                                                          | 818,298                | 776,990             |
| Participant rollovers                                                 | 72,515                 | —                   |
| Total contributions                                                   | 1,300,429              | 1,172,148           |
| Interest from participant notes receivable                            | 19,150                 | 13,394              |
| Total additions                                                       | 2,653,316              | 1,163,378           |
| <b>Deductions</b>                                                     |                        |                     |
| Distributions to participants                                         | (1,115,771)            | (458,831)           |
| Other expense                                                         | (64,175)               | (60,860)            |
| Total deductions                                                      | (1,179,946)            | (519,691)           |
| <b>Net Increase in Net Assets Available for Plan Benefits</b>         | 1,473,370              | 643,687             |
| <b>Net Assets Available for Plan Benefits—Beginning of year</b>       | 8,604,706              | 7,961,019           |
| <b>Net Assets Available for Plan Benefits—End of year</b>             | <b>\$ 10,078,076</b>   | <b>\$ 8,604,706</b> |

**Note 1—Description of Plan**

The following is a general description of The Lorain National Bank 401(k) Plan (the “Plan”). Participants should refer to the plan agreement for a more complete description of the Plan’s provisions.

**General**—The Plan is a defined contribution plan sponsored by The Lorain National Bank (the “Bank”), a wholly owned subsidiary of LNB Bancorp, Inc. (the “Bancorp” or the “Corporation”), covering substantially all employees of the Bank and related Bancorp affiliates for which the Bank acts as common paymaster. An employee is eligible to participate in the Plan after the attainment of age 19 and completion of 90 days of service, as defined in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Under the terms of the Plan, the Investment and Trust Services Division of the Bank acts as trustee for the Plan and, as such, provides oversight for a trust fund, which includes all of the Plan’s assets.

**Contributions**—The Plan allows participants to make pretax contributions up to the maximum dollar limits set by the Internal Revenue Code (the “IRC”). The plan also allows any participant who has attained the age of 50 by the end of the plan year to make catch-up contributions. Based on the number of hours worked or paid, certain participants in the Plan are eligible to receive employer contributions. Each year the employer will make a safe harbor matching contribution to the Plan equal to 3.0 percent of the employee’s annual compensation regardless of the employee’s participation in the Plan. Contributions are subject to certain IRC limitations. Participants may also make contributions to the Plan in the form of a rollover of funds from another qualified plan.

Employee contributions are invested according to participant investment elections for pretax contributions. If an employee has not made investment elections, the employee contributions will be invested in the State Street Global Advisors’ Moderate Strategic Balanced SL Fund (Growth & Income Asset Allocation Fund). Employer contributions are not participant-directed and are invested in LNB Bancorp, Inc. common stock.

To receive an employer contribution, a participant must be eligible to participate in the plan. A participant’s account also receives the employer contribution for the year in which the participant retires, becomes disabled, or dies.

**Note 1—Description of Plan (Continued)**

**Participant Accounts**—Each participant's account is credited with the participant's contribution, the Bank's contribution, and an allocation of plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Forfeitures**—At December 31, 2012 and 2011, there were no outstanding forfeited nonvested accounts. Forfeitures are used to reduce future employer contributions.

**Vesting**—Participants are immediately vested in their voluntary contribution and the employer's contribution for the current plan year plus any earnings accrued thereon.

**Payment of Benefits**—Upon termination of service due to death, disability, retirement, or other reasons, the vested amount of the Bank's contributions and earnings thereon is paid at the election of the participant in cash. Participants can elect to receive the vested portion of their account in a single lump-sum cash payment or in substantially equal installments over a period of not more than the assumed life expectancy of the participant and the participant's beneficiary. In addition, the Plan allows for hardship distributions for payment of expenses for medical care, costs directly related to the purchase of a principal residence, amounts necessary to prevent eviction from a principal residence, and tuition and room and board expenses.

**Withdrawals**—Aside from normal retirement distributions, in-service withdrawals relative to the pre-2000 after-tax savings and company match may be withdrawn at any time. In accordance with plan provisions, pretax savings may also be withdrawn for reasons of extreme financial hardship as defined under federal law. An employee can make only one withdrawal in any 12-month period, relative to the Stock Purchase Plan provision of pre-2000 after-tax dollars and employer match.

**Participant Notes Receivable** – Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance, as determined by the Internal Revenue Service ("IRS"). The notes receivable are secured by the balance in the participant's account and are charged a rate of interest commensurate with local prevailing rates as determined by the plan administrator. Principal and interest are paid ratably through biweekly payroll deductions.

**Party-in-interest Transactions**—The Plan invests in employer stock as well as certain investment funds managed by the custodian or its affiliates. Reliance Trust Company is the custodian of the Plan and State Street Global Advisors is the fund manager and therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

**Termination**—Although the Bank has not expressed the intent to do so, the Bank has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to the provisions of ERISA and its related regulations. In the event of a plan termination, participants will become 100 percent vested in their accounts.

**Note 2—Significant Accounting Policies**

**Investment Valuation and Income Recognition**—The Plan's investments are stated at fair value, except for a common collective trust fund that invests in benefit-responsive investment contracts (commonly referred to as a stable value fund), which is valued at contract value. Contract value represents investments at cost plus accrued interest income less amounts withdrawn to pay benefits. The fair value of the stable value common collective trust fund is based on discounting the related cash flows of the underlying guaranteed investment contracts based on current yields of similar instruments with comparable durations. Investments in other common collective trust funds are valued at net asset value per share (or its equivalent) of the funds, which are based on the fair value of the funds' underlying assets. The interest-bearing cash is valued at outstanding balances, which approximate fair value. All other investments are valued based on quoted market prices. See Note 7 for additional information.

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.

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

**Benefit Payments**—Benefits are recorded when paid.

**Administrative Expenses**—The administrative expenses of the Plan are paid by the Bank. The amounts reported in the financial statements represent administrative expenses paid by the Plan.

**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.

**Risks and Uncertainties**—The Plan provides for various investment options including any combination of common collective trust funds, LNB Bancorp, Inc. common stock, and other investment securities elected by participants. The underlying investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits and participants' individual account balances.

**Note 2—Significant Accounting Policies (Continued)**

**Concentration of Credit Risk**—At December 31, 2012 and 2011, approximately 27 percent and 25 percent, respectively, of the Plan's assets were invested in LNB Bancorp, Inc. common stock.

**New Accounting Pronouncement** – In May 2011, the FASB issued ASU 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS. The standard clarifies existing fair value measurement and disclosure requirements and changes existing principles and disclosure guidance. Clarifications were made to the relevancy of the highest and best use valuation concept and measurement of an instrument classified in an entity's shareholder's equity. Changes to existing principles and disclosures included measurement of financial instruments managed within a portfolio, the application of premiums and discounts in fair value measurement, and additional disclosures related to fair value measurements. The updated guidance and requirements are effective for financial statements issued for the first annual period beginning after December 15, 2011. The adoption of this standard did not have a material effect on the Plan's financial statement

**Note 3—Investments**

The following table presents the fair value of investments that represented 5 percent or more of the Plan's assets at December 31, 2012 and 2011:

|                                                                                                   | 2012         | 2011         |
|---------------------------------------------------------------------------------------------------|--------------|--------------|
| Common stock—LNB Bancorp, Inc.—464,850 and 449,942 common shares in 2012 and 2011, respectively** | \$ 2,742,615 | \$ 2,114,727 |
| Common collective trust funds:                                                                    |              |              |
| State Street Global Advisors Growth & Income Fund #110                                            | 1,544,725    | 1,548,206    |
| State Street Global Advisors S&P Mid-Cap Stock Fund #500                                          | 903,261      | 839,015      |
| State Street Global Advisors S&P 500 Stock Fund Fund #400                                         | 436,441      | 484,570      |

During the years ended December 31, 2012 and 2011, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value as follows:

|                                  | 2012                | 2011               |
|----------------------------------|---------------------|--------------------|
| Common stock—LNB Bancorp, Inc.** | \$ 521,179          | \$ (137,683)       |
| Common collective trust funds    | 794,209             | 98,289             |
| Total                            | <u>\$ 1,315,388</u> | <u>\$ (39,394)</u> |

\*\* Nonparticipant-directed

**Note 4—Federal Income Taxes**

The Internal Revenue Service issued its latest determination letter on January 27, 2003, which stated that the Plan and underlying trust, as designed, qualify under the applicable provisions of the Internal Revenue Code. In the opinion of the plan administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

In accordance with guidance on accounting for uncertainty in income taxes, the plan administrator has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The plan administrator believes the Plan is no longer subject to tax examinations for years prior to 2009.

**Note 5—Party-in-interest Transactions**

The following is a summary of transactions in common stock of LNB Bancorp, Inc., 100 percent owner of the Bank, during the years ended December 31, 2012 and 2011:

|                              | Number<br>of Shares | Fair Value   |
|------------------------------|---------------------|--------------|
| Balance at December 31, 2010 | 405,194             | 2,013,814    |
| Purchases                    | 81,545              | 418,154      |
| Sales                        | (28,154)            | (143,802)    |
| In-kind distributions        | (8,643)             | (35,756)     |
| Net appreciation             | —                   | (137,683)    |
| Balance at December 31, 2011 | 449,942             | \$ 2,114,727 |
| Purchases                    | 73,491              | 449,299      |
| Sales                        | (52,479)            | (307,309)    |
| In-kind distributions        | (6,104)             | (35,281)     |
| Net depreciation             | —                   | 521,179      |
| Balance at December 31, 2012 | 464,850             | \$ 2,742,615 |

**Note 6—Assets Available for Distribution to Participants**

The following is a summary of the assets available for distribution to participants as of December 31, 2012 and 2011:

|                                              | 2012                 | 2011                |
|----------------------------------------------|----------------------|---------------------|
| Assets payable to terminated participants    | \$ 1,370,756         | \$ 1,177,000        |
| Assets available for continuing participants | 8,707,320            | 7,427,706           |
| Total                                        | <u>\$ 10,078,076</u> | <u>\$ 8,604,706</u> |

**Note 7—Fair Value Measurements**

Accounting standards require certain assets 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 1—In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2—Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, 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.

The Plan also holds other assets not measured at fair value on a recurring basis, including cash, participant notes receivable, and other receivables. The fair value of these assets approximates the carrying amounts in the accompanying financial statements due to either the short maturity of the instruments or the use of interest rates that approximate market rates for instruments of similar maturity.

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event or change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2012 or 2011.

**Note 7—Fair Value Measurements (Continued)**

The following tables represent the balances of the Plan's financial assets that were measured at fair value on a recurring basis as of December 31, 2012 and 2011:

## Assets Measured at Fair Value on a Recurring Basis at December 31, 2012

|                                | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) | Balance at<br>December 31,<br>2012 |
|--------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------|------------------------------------|
| Common stock—LNB Bancorp, Inc. | \$ 2,742,615                                                               | \$ —                                                      | \$ —                                            | \$ 2,742,615                       |
| Short-term cash investments    | —                                                                          | 208,164                                                   | —                                               | 208,164                            |
| Common collective trust funds  |                                                                            |                                                           |                                                 | —                                  |
| Bond Funds (1)                 | —                                                                          | 545,193                                                   | —                                               | 545,193                            |
| Index Equity Funds (2)         | —                                                                          | 2,794,230                                                 | —                                               | 2,794,230                          |
| Growth and Income Funds (2)    | —                                                                          | 1,982,012                                                 | —                                               | 1,982,012                          |
| International Fund (2)         | —                                                                          | 329,807                                                   | —                                               | 329,807                            |
| Balanced Asset Fund (3)        | —                                                                          | 392,250                                                   | —                                               | 392,250                            |
| Real Estate Fund (4)           | —                                                                          | 128,320                                                   | —                                               | 128,320                            |
| Stable Value Fund (5)          | —                                                                          | 447,394                                                   | —                                               | 447,394                            |
| Total                          | <u>\$ 2,742,615</u>                                                        | <u>\$ 6,827,370</u>                                       | <u>\$ —</u>                                     | <u>\$ 9,569,985</u>                |

## Note 7—Fair Value Measurements (Continued)

## Assets Measured at Fair Value on a Recurring Basis at December 31, 2011

|                                | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Balance at<br>December 31,<br>2011 |
|--------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|------------------------------------|
| Common stock—LNB Bancorp, Inc. | \$ 2,114,727                                                               | \$ —                                                   | \$ —                                               | \$ 2,114,727                       |
| Short-term cash investments    |                                                                            | 180,709                                                | —                                                  | 180,709                            |
| Common collective trust funds  |                                                                            |                                                        |                                                    | —                                  |
| Bond Funds (1)                 | —                                                                          | 415,384                                                | —                                                  | 415,384                            |
| Index Equity Funds (2)         | —                                                                          | 2,542,431                                              | —                                                  | 2,542,431                          |
| Growth and Income Funds (2)    | —                                                                          | 2,023,573                                              | —                                                  | 2,023,573                          |
| International Fund (2)         | —                                                                          | 262,626                                                | —                                                  | 262,626                            |
| Balanced Asset Fund (3)        | —                                                                          | 199,110                                                | —                                                  | 199,110                            |
| Real Estate Fund (4)           | —                                                                          | 107,045                                                | —                                                  | 107,045                            |
| Stable Value Fund (5)          | —                                                                          | 391,390                                                | —                                                  | 391,390                            |
| Total                          | <u>\$ 2,114,727</u>                                                        | <u>\$ 6,122,268</u>                                    | <u>\$ —</u>                                        | <u>\$ 8,236,995</u>                |

- (1) This category represents investments in actively managed common collective trust funds that invest primarily in bonds which may include corporate bonds, government bonds or municipal bonds.
- (2) This category represents investments in actively managed common collective trust funds that invest primarily in equity securities which may include common stocks, options and futures.
- (3) This category represents investments in actively managed common collective trust funds with investments in both equity and debt securities. The investments may include common stock, corporate bonds, U.S. and non-U.S. municipal securities, interest rate swaps, options and futures.
- (4) This category represents investments in actively managed common collective trust funds with investments in real estate. The investments may include actual real estate property or real estate investment trusts.
- (5) This category represents investments in an actively managed common collective trust fund that invests primarily in investment contracts, a variety of fixed income investments that may include corporate bonds, both U.S. and non-U.S. municipal securities and wrapper contracts.

**The Lorain National Bank 401(k) Plan**

**Schedule of Assets Held at End of Year  
Form 5500, Schedule H, Item 4I  
EIN 34-0869480, Plan No. 003  
December 31, 2012**

| (a)(b)<br>Identity of Issuer, Borrower,<br>Lessor, or Similar Party | (c)<br>Description of Investment, Including<br>Maturity Date, Rate of Interest,<br>Collateral, Par, or Maturity Value | (d)<br>Cost  | (e)<br>Current<br>Value |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------|-------------------------|
| LNB Bancorp, Inc.*                                                  | Common stock - 464,850 shares                                                                                         | \$ 2,466,794 | \$ 2,742,615            |
| State Street Global Advisors                                        | Short Term Investment Fund #200                                                                                       | **           | 208,164                 |
| Participants                                                        | Participant notes receivable, bearing interest at<br>4.25% to 6.00%                                                   | **           | 524,062                 |
|                                                                     | Common collective trust funds:                                                                                        |              |                         |
| State Street Global Advisors*                                       | Aggregate Bond Index Fund #310                                                                                        | **           | 238,608                 |
| State Street Global Advisors*                                       | Growth Fund #120                                                                                                      | **           | 317,387                 |
| State Street Global Advisors*                                       | Growth & Income Fund #110                                                                                             | **           | 1,544,785               |
| State Street Global Advisors*                                       | Income Plus Fund #100                                                                                                 | **           | 119,839                 |
| State Street Global Advisors*                                       | International Stock Fund #600                                                                                         | **           | 329,807                 |
| State Street Global Advisors*                                       | Long Treasury Index Fund #300                                                                                         | **           | 208,224                 |
| State Street Global Advisors*                                       | NASDAQ 100 Stock Fund #520                                                                                            | **           | 349,873                 |
| State Street Global Advisors*                                       | Russell 2000 Stock Fund #510                                                                                          | **           | 410,395                 |
| State Street Global Advisors*                                       | S&P 500 Stock Fund #400                                                                                               | **           | 436,445                 |
| State Street Global Advisors*                                       | S&P Growth Stock Fund #420                                                                                            | **           | 347,859                 |
| State Street Global Advisors*                                       | S&P Mid-Cap Stock Fund #500                                                                                           | **           | 903,261                 |
| State Street Global Advisors*                                       | S&P Value Stock Fund #410                                                                                             | **           | 346,397                 |
| State Street Global Advisors*                                       | Stable Value Fund #210                                                                                                | **           | 447,394                 |
| State Street Global Advisors*                                       | Target Retire 2010                                                                                                    | **           | 1,798                   |
| State Street Global Advisors*                                       | Target Retire 2015                                                                                                    | **           | 167,408                 |
| State Street Global Advisors*                                       | Target Retire 2020                                                                                                    | **           | 5,701                   |
| State Street Global Advisors*                                       | Target Retire 2025                                                                                                    | **           | 159,642                 |
| State Street Global Advisors*                                       | Target Retire 2030                                                                                                    | **           | 3,464                   |
| State Street Global Advisors*                                       | Target Retire 2035                                                                                                    | **           | 45,126                  |
| State Street Global Advisors*                                       | Target Retire 2045                                                                                                    | **           | 7,537                   |
| State Street Global Advisors*                                       | Target Retire 2050                                                                                                    | **           | 1,574                   |
| State Street Global Advisors*                                       | TIPS - Treasury Inflation Protected Securities                                                                        | **           | 98,361                  |
| State Street Global Advisors*                                       | US REIT Index Fund #530                                                                                               | **           | 128,321                 |
|                                                                     | Total investments                                                                                                     |              | <b>\$ 10,094,047</b>    |

\* Party-in-interest

\*\* Cost information not required

**The Lorain National Bank 401(k) Plan**

**Schedule of Reportable Transactions  
Form 5500, Schedule H, Item 4i  
EIN 34-0869480, Plan 003  
Year Ended December 31, 2012**

|                                                                                                                                        | (b)<br>Description of Asset<br>(Including<br>Interest Rate and<br>Maturity<br>in Case of a Loan) | (c)<br>Purchase<br>Price | (d)<br>Selling<br>Price | (e)<br>Lease<br>Rental | (f)<br>Expense<br>Incurred with<br>Transaction | (g)<br>Cost of<br>Asset | (h)<br>Current Value<br>of<br>Asset on<br>Transaction Date | (i)<br>Realized Net<br>Gain (Loss) |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------|-------------------------|------------------------|------------------------------------------------|-------------------------|------------------------------------------------------------|------------------------------------|
| A series of transactions (Category (iii)) that, in the aggregate, amount to more than 5 percent of the beginning value of plan assets: |                                                                                                  |                          |                         |                        |                                                |                         |                                                            |                                    |
| LNB Bancorp Inc.*                                                                                                                      | LNB Bancorp, Inc. common stock:                                                                  |                          |                         |                        |                                                |                         |                                                            |                                    |
|                                                                                                                                        | Purchases (26)                                                                                   | \$ 433,340               | \$ —                    | \$ —                   | \$ 3,520                                       | \$ 436,503              | \$ 430,357                                                 | \$ —                               |
|                                                                                                                                        | Sales (54)                                                                                       | —                        | \$ 309,937              | \$ —                   | \$ 2,628                                       | \$ 274,326              | \$ 312,418                                                 | \$ 38,092                          |
|                                                                                                                                        | In-Kind Distributions (4)                                                                        |                          | \$ 35,281               |                        |                                                | \$ 44,948               | \$ 35,281                                                  | \$ (9,667)                         |
| State Street Global Advisors                                                                                                           | Moderate Strategic Bal SL Fund                                                                   |                          |                         |                        |                                                |                         |                                                            |                                    |
|                                                                                                                                        | Purchases                                                                                        | \$ 160,805               |                         |                        |                                                | \$ 160,805              | \$ 160,805                                                 | \$ —                               |
|                                                                                                                                        | Sales                                                                                            |                          | \$ 334,153              |                        |                                                | \$ 260,749              | \$ 334,166                                                 | \$ 73,404                          |
| Single transactions (Category (i)) that amount to more than 5 percent of the beginning value of plan assets:                           |                                                                                                  |                          |                         |                        |                                                |                         |                                                            |                                    |
| State Street Global Advisors                                                                                                           | Moderate Strategic Bal SL Fund                                                                   |                          |                         |                        |                                                |                         |                                                            |                                    |
|                                                                                                                                        | Purchases                                                                                        | \$ 160,805               |                         |                        |                                                | \$ 160,805              | \$ 160,805                                                 | \$ —                               |
|                                                                                                                                        | Sales                                                                                            |                          | \$ 334,153              |                        |                                                | \$ 260,749              | \$ 334,166                                                 | \$ 73,404                          |

\*Party-in-interest

**The Lorain National Bank 401(k) Plan**

**Schedule of Reportable Transactions  
Form 5500, Schedule H, Item 4i  
EIN 34-0869480, Plan 003  
Year Ended December 31, 2012**

|                                                                                                                                        | (b)<br>Description of Asset<br>(Including<br>Interest Rate and<br>Maturity<br>in Case of a Loan) | (c)<br>Purchase<br>Price | (d)<br>Selling<br>Price | (e)<br>Lease<br>Rental | (f)<br>Expense<br>Incurred with<br>Transaction | (g)<br>Cost of<br>Asset | (h)<br>Current Value<br>of<br>Asset on<br>Transaction D<br>ate | (i)<br>Realized Net<br>Gain (Loss) |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------|-------------------------|------------------------|------------------------------------------------|-------------------------|----------------------------------------------------------------|------------------------------------|
| A series of transactions (Category (iii)) that, in the aggregate, amount to more than 5 percent of the beginning value of plan assets: |                                                                                                  |                          |                         |                        |                                                |                         |                                                                |                                    |
| LNB Bancorp Inc.*                                                                                                                      | LNB Bancorp, Inc. common stock:                                                                  |                          |                         |                        |                                                |                         |                                                                |                                    |
|                                                                                                                                        | Purchases (26)                                                                                   | \$ 433,340               | \$ —                    | \$ —                   | \$ 3,520                                       | \$ 436,503              | \$ 430,357                                                     | \$ —                               |
|                                                                                                                                        | Sales (54)                                                                                       | —                        | \$ 309,937              | \$ —                   | \$ 2,628                                       | \$ 274,326              | \$ 312,418                                                     | \$ 38,092                          |
|                                                                                                                                        | In-Kind Distributions (4)                                                                        |                          | \$ 35,281               |                        |                                                | \$ 44,948               | \$ 35,281                                                      | \$ (9,667)                         |
| State Street Global Advisors                                                                                                           | Moderate Strategic Bal SL Fund                                                                   |                          |                         |                        |                                                |                         |                                                                |                                    |
|                                                                                                                                        | Purchases                                                                                        | \$ 160,805               |                         |                        |                                                | \$ 160,805              | \$ 160,805                                                     | \$ —                               |
|                                                                                                                                        | Sales                                                                                            |                          | \$ 334,153              |                        |                                                | \$ 260,749              | \$ 334,166                                                     | \$ 73,404                          |
| Single transactions (Category (i)) that amount to more than 5 percent of the beginning value of plan assets:                           |                                                                                                  |                          |                         |                        |                                                |                         |                                                                |                                    |
| State Street Global Advisors                                                                                                           | Moderate Strategic Bal SL Fund                                                                   |                          |                         |                        |                                                |                         |                                                                |                                    |
|                                                                                                                                        | Purchases                                                                                        | \$ 160,805               |                         |                        |                                                | \$ 160,805              | \$ 160,805                                                     | \$ —                               |
|                                                                                                                                        | Sales                                                                                            |                          | \$ 334,153              |                        |                                                | \$ 260,749              | \$ 334,166                                                     | \$ 73,404                          |

\*Party-in-interest

**Schedule H, Line 4i**  
**Schedule of Assets (Held At End of Year)**

Name of Plan: Lorain National Bank 401(k) Plan

► Lorain National Bank

Employer Identification Number: ► 34-0869480

For plan year (beginning/ending): ► January 1, 2012 through December 31, 2012 Plan number: ► 003

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | (d) Cost  | (e) Current value |
|-----|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------|-------------------|
|     | LNB Bancorp, Inc.                                         | Common Stock                                                                                               | 2,466,794 | 2,742,615         |
|     | Federated                                                 | Government Obligation Fund                                                                                 | 1,296     | 1,296             |
|     | State Street Global Advisors                              | STIF                                                                                                       | 207,828   | 207,828           |
|     | State Street Global Advisors                              | Government STIF                                                                                            | 335       | 335               |
|     | Invesco National Trust Company                            | Stable Value Fund                                                                                          | 408,378   | 430,953           |
|     | State Street Global Advisors                              | S&P Large Cap Growth Index SL SF CL I                                                                      | 254,918   | 347,859           |
|     | State Street Global Advisors                              | NASDAQ 100 Index NL SL CL A                                                                                | 237,821   | 349,873           |
|     | State Street Global Advisors                              | S&P Large Cap Value Index SL SF CL I                                                                       | 254,461   | 346,397           |
|     | State Street Global Advisors                              | Aggressive Strategic Value SL Fund                                                                         | 226,625   | 317,387           |
|     | State Street Global Advisors                              | Moderate Strategic Value SL Fund                                                                           | 1,166,744 | 1,544,785         |
|     | State Street Global Advisors                              | Conservative Strategic Value SL Fund                                                                       | 96,004    | 119,839           |
|     | State Street Global Advisors                              | S&P Midcap Index NL SF CL A                                                                                | 711,354   | 903,261           |
|     | State Street Global Advisors                              | S&P 500 Index NL SF CL A                                                                                   | 347,851   | 436,445           |
|     | State Street Global Advisors                              | Russell Small Cap Index NL SF CL A                                                                         | 322,868   | 410,395           |
|     | State Street Global Advisors                              | REIT Index NL SF CL A                                                                                      | 91,651    | 128,321           |
|     | State Street Global Advisors                              | US Inflation Pro Bond Index NL SF CL A                                                                     | 91,945    | 98,362            |
|     | State Street Global Advisors                              | US Long Treasury Index Non-Lending Series Cl A                                                             | 184,429   | 208,224           |
|     | State Street Global Advisors                              | US Bond Index NL SF Cl A                                                                                   | 229,394   | 238,608           |
|     | State Street Global Advisors                              | Target Retirement 2050 NL SF CL A                                                                          | 1,480     | 1,574             |
|     | State Street Global Advisors                              | Target Retirement 2045 NL SF CL A                                                                          | 6,085     | 7,537             |
|     | State Street Global Advisors                              | Target Retirement 2035 NL SF CL A                                                                          | 42,385    | 45,126            |
|     | State Street Global Advisors                              | Target Retirement 2030 NL SF CL A                                                                          | 3,026     | 3,464             |
|     | State Street Global Advisors                              | Target Retirement 2025 NL SF CL A                                                                          | 132,822   | 159,642           |
|     | State Street Global Advisors                              | Target Retirement 2020 NL SF CL A                                                                          | 5,411     | 5,701             |
|     | State Street Global Advisors                              | Target Retirement 2015 NL SF CL A                                                                          | 147,492   | 167,408           |
|     | State Street Global Advisors                              | Target Retirement 2010 NL SF CL A                                                                          | 1,588     | 1,798             |
|     | State Street Global Advisors                              | International Index SL SF CL A                                                                             | 277,828   | 329,807           |
|     | Participant Loans                                         | Interest rates 4.25% - 9.25%                                                                               | 524,062   | 524,062           |
|     |                                                           |                                                                                                            |           |                   |
|     |                                                           |                                                                                                            |           |                   |
|     |                                                           |                                                                                                            |           |                   |
|     |                                                           |                                                                                                            |           |                   |
|     |                                                           |                                                                                                            |           |                   |

**8,442,876      10,078,902**