

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

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

Part II	Basic Plan Information —enter all requested information				
1a Name of plan LORAIN NATIONAL BANK RETIREMENT PENSION PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">001</td> </tr> <tr> <td colspan="2">1c Effective date of plan 03/01/1962</td> </tr> </table>	1b Three-digit plan number (PN) ▶	001	1c Effective date of plan 03/01/1962	
1b Three-digit plan number (PN) ▶	001				
1c Effective date of plan 03/01/1962					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) LORAIN NATIONAL BANK 457 BROADWAY STREET LORAIN, OH 44052	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 34-0869480</td> </tr> <tr> <td>2c Sponsor's telephone number 440-244-6000</td> </tr> <tr> <td>2d Business code (see instructions) 522110</td> </tr> </table>	2b Employer Identification Number (EIN) 34-0869480	2c Sponsor's telephone number 440-244-6000	2d Business code (see instructions) 522110	
2b Employer Identification Number (EIN) 34-0869480					
2c Sponsor's telephone number 440-244-6000					
2d Business code (see instructions) 522110					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2013	MARY E. MILES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address LORAIN NATIONAL BANK 457 BROADWAY STREET LORAIN, OH 44052		3b Administrator's EIN 34-0869480
		3c Administrator's telephone number 440-244-6000
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 171
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	84
b Retired or separated participants receiving benefits.....	6b	35
c Other retired or separated participants entitled to future benefits.....	6c	38
d Subtotal. Add lines 6a , 6b , and 6c	6d	157
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	4
f Total. Add lines 6d and 6e	6f	161
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1G 1I		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
--	--	---

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

▶ **Round off amounts to nearest dollar.**

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

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

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>
2	Assets:
a	Market value 2a <u>5731431</u>
b	Actuarial value 2b <u>5731431</u>
3	Funding target/participant count breakdown:
a	For retired participants and beneficiaries receiving payment..... 3a <u>35</u> <u>2152491</u>
b	For terminated vested participants..... 3b <u>46</u> <u>535200</u>
c	For active participants:
(1)	Non-vested benefits..... 3c(1) <u>0</u>
(2)	Vested benefits..... 3c(2) <u>2269310</u>
(3)	Total active 3c(3) <u>90</u> <u>2269310</u>
d	Total 3d <u>171</u> <u>4957001</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.80 %</u>
6	Target normal cost..... 6 <u>43245</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>09/30/2013</u>
Signature of actuary	Date
<u>RICHARD F MCCLEARY, EA, MAAA, MSPA</u>	<u>11-06309</u>
Type or print name of actuary	Most recent enrollment number
<u>TEGRIT GROUP</u>	<u>330-644-2044</u>
Firm name	Telephone number (including area code)
<u>13680 CLEVELAND AVENUE NW</u> <u>UNIONTOWN, OH 44685</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>2.75%</u>	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		452726
b	Interest on (a) using prior year's effective interest rate of <u>6.04%</u> except as otherwise provided (see instructions)		27345
c	Total available at beginning of current plan year to add to prefunding balance		480071
d	Portion of (c) to be added to prefunding balance		480071
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	480071

Part III Funding Percentages			
14	Funding target attainment percentage	14	105.93 %
15	Adjusted funding target attainment percentage	15	115.60 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	107.08 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

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

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	43245	
b Excess assets, if applicable, but not greater than line 31a	31b	43245	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

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

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

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

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PLANTE & MORAN, PLLC

65 EAST STATE ST
SUITE 600
COLUMBUS, OH 43215

38-1357951

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	13650	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SUMMIT RETIREMENT PLAN SERVICES

13680 CLEVELAND AVE NW
UNIONTOWN, OH 44685

31-1498244

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	11551	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
A Name of plan LORAIN NATIONAL BANK RETIREMENT PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 LORAIN NATIONAL BANK	D Employer Identification Number (EIN) 34-0869480	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a	0	0
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	500000	0
	(2) Participant contributions	1b(2)	0	0
	(3) Other.....	1b(3)	8707	6956
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	82195	129013
	(2) U.S. Government securities.....	1c(2)	1279463	1566178
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)	0	0
	(B) All other.....	1c(3)(B)	0	0
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)	0	0
	(B) Common	1c(4)(B)	3335342	3302957
	(5) Partnership/joint venture interests	1c(5)	0	0
	(6) Real estate (other than employer real property)	1c(6)	0	0
	(7) Loans (other than to participants)	1c(7)	0	0
	(8) Participant loans	1c(8)	0	0
	(9) Value of interest in common/collective trusts.....	1c(9)	0	0
	(10) Value of interest in pooled separate accounts.....	1c(10)	0	0
	(11) Value of interest in master trust investment accounts	1c(11)	0	0
	(12) Value of interest in 103-12 investment entities	1c(12)	0	0
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	554372	680880
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)	24602	27219

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	5784681	5713203

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	17425	24200
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	17425	24200

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5767256	5689003
---	-----------	---------	---------

Part II Income and Expense Statement

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

Income**a Contributions:**

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

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	24459	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		24459

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	119059	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		119059

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

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	333230	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		333230

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		3155
d Total income. Add all income amounts in column (b) and enter total.....	2d		479903

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	523867	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		523867
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)	34289	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		34289
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		558156

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-78253
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
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
---	--	--

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

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

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>34-1409078</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>9</u>

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

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

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

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

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

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

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:

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

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

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

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

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

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

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

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

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

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

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

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

Independent Auditor's Report

To the Plan Administrator
The Lorain National Bank
Retirement Pension Plan

We have audited the accompanying financial statements of The Lorain National Bank Retirement Pension 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.

To the Plan Administrator
The Lorain National Bank
Retirement Pension Plan

Opinion

In our opinion, the financial statements referred to above, of The Lorain National Bank Retirement Pension Plan, 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 schedule 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
September 24, 2013

The Lorain National Bank Retirement Pension Plan

Statement of Net Assets Available for Benefits

	December 31, 2012	December 31, 2011
Assets		
Investments (Note 5):		
Money market fund	\$ 129,013	\$ 82,195
Mutual funds	680,880	554,372
U.S. government securities	1,566,178	1,279,463
Common stocks	3,302,957	3,335,342
Total investments	5,679,028	5,251,372
Contributions receivable	-	500,000
Accrued interest and dividends	6,956	8,707
Other assets	27,219	24,602
Total assets	5,713,203	5,784,681
Liabilities - Accrued administrative expenses	24,200	17,425
Net Assets Available for Benefits	\$ 5,689,003	\$ 5,767,256

The Lorain National Bank Retirement Pension Plan

Statement of Changes in Net Assets Available for Benefits

	Year Ended	
	December 31, 2012	December 31, 2011
Additions to Net Assets		
Contributions - Employer	\$ -	\$ 500,000
Investment income:		
Interest	24,459	29,768
Dividends	119,059	113,063
Net realized and unrealized gains (losses) on investments	333,230	(463)
Other income	3,155	3,356
Total additions	479,903	645,724
Deductions from Net Assets		
Benefits paid directly to participants or beneficiaries	523,867	600,081
Other expenses	34,289	39,196
Total deductions	558,156	639,277
Net (Decrease) Increase	(78,253)	6,447
Net Assets Available for Benefits		
Beginning of year	5,767,256	5,760,809
End of year	<u>\$ 5,689,003</u>	<u>\$ 5,767,256</u>

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2012 and 2011

Note 1 - Plan Description

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

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

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

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

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

Death Benefits - If an active or terminated employee who has a vested interest in the Plan dies prior to his normal retirement age, a death benefit equal to the actuarial equivalent of the accrued benefit determined as of the anniversary date subsequent to or coinciding with the date of death will be paid to the participant's beneficiary.

Note 2 - Summary of Significant Accounting Policies

Investments - Under the terms of the Plan, the trust department of the Bank acts as trustee for the Plan and, as such, manages a trust fund which holds all of the Plan's assets on behalf of the Plan. The trustee has been granted discretionary authority concerning purchases and sales of investments in the trust fund.

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2012 and 2011

Note 2 - Summary of Significant Accounting Policies (Continued)

The U.S. government securities and corporate debt securities are valued using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures. The money market funds are valued at fair value based on their outstanding balances. All other investments are valued based on quoted market prices. Purchases and sales are recorded on a trade date basis. Interest and dividend income is recorded on the accrual method of accounting. 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.

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

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2012 and 2011

Note 2 - Summary of Significant Accounting Policies (Continued)

The actuarial present value of accumulated plan benefits is determined by consulting actuaries and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, termination, or retirement) between the valuation date and the expected date of payment. The significant assumptions underlying the actuarial computations used in the valuations as of January 1, 2012 and 2011 include (a) assumed rate of return on investments is 7.50 percent for both 2012 and 2011, (b) salary growth of 0 percent for both 2012 and 2011, (c) assumed retirement beginning with rates at age 55 and ending at greater of age 65 or age on valuation date, (d) life expectancy of participants (the IRS 2012 and 2011 P.V.M. Optional Combined Table), and (e) assumed employee rates of termination, which are combined with the assumed mortality rates for active lives, from Table T-5 from The Actuary's Pension Handbook for all ages.

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

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

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

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

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

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2012 and 2011

Note 2 - Summary of Significant Accounting Policies (Continued)

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including September 24, 2013, which is the date the financial statements were available to be issued.

Note 3 - Funding Policy and Plan Termination

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

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

Note 4 - Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is determined by consulting actuaries, PDQ consultants. The actuarial present value of accumulated plan benefits at January 1, 2012 and 2011 is summarized as follows:

	January 1	
	2012	2011
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving benefit payments	\$ 2,052,556	\$ 2,124,111
Other vested participants	2,691,992	2,744,586
Total vested benefits	4,744,548	4,868,697
Nonvested benefits	-	-
Total benefit obligations	\$ 4,744,548	\$ 4,868,697

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2012 and 2011

Note 4 - Accumulated Plan Benefits (Continued)

A summary of significant changes in the actuarial present value of accumulated plan benefits during the years ended January 1, 2012 and 2011 are as follows:

	January 1	
	2012	2011
Actuarial present value of accumulated plan benefits - Beginning of year:	\$ 4,868,697	\$ 4,748,547
Increase (decrease) during the year attributable to:		
Benefits paid	(600,081)	(441,583)
Actuarial gains	133,275	205,592
Increase for interest due to the decrease in the discount period	342,657	356,141
Net (decrease) increase	(124,149)	120,150
Actuarial present value of accumulated plan benefits - End of year	<u>\$ 4,744,548</u>	<u>\$ 4,868,697</u>

Note 5 - Investments

The following table presents significant investments of the Plan at fair value as of December 31, 2012 and 2011:

	2012	2011
Mutual fund - Templeton Global Bond Fund Advisor Class	\$ 286,780	\$ 265,927

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

	2012	2011
Common stocks	\$ 309,327	\$ 39,386
U.S. government securities	(2,643)	(5,092)
Mutual funds	26,546	(34,757)
Total	<u>\$ 333,230</u>	<u>\$ (463)</u>

The Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2012 and 2011

Note 6 - Federal Income Taxes

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

In accordance with guidance on accounting for uncertainty in income taxes, management evaluated the Plan's tax position 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 7 - Fair Value Measurements

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

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2012 and 2011.

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

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, 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 Lorain National Bank Retirement Pension Plan

Notes to Financial Statements December 31, 2012 and 2011

Note 7 - Fair Value Measurements (Continued)

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

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

	Level 1	Level 2	Level 3	Balance at December 31, 2012
Money market fund	\$ -	\$ 129,013	\$ -	\$ 129,013
Common stocks:				
Domestic	3,147,313	-	-	3,147,313
International	155,644	-	-	155,644
U.S. government securities	-	1,566,178	-	1,566,178
Mutual funds:				
Equity investments	99,962	-	-	99,962
Fixed-income investments	580,918	-	-	580,918
Total	<u>\$ 3,983,837</u>	<u>\$ 1,695,191</u>	<u>\$ -</u>	<u>\$ 5,679,028</u>

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

	Level 1	Level 2	Level 3	Balance at December 31, 2011
Money market fund	\$ -	\$ 82,195	\$ -	\$ 82,195
Common stocks:				
Domestic	3,243,236	-	-	3,243,236
International	92,106	-	-	92,106
U.S. government securities	-	1,279,463	-	1,279,463
Mutual funds - Fixed-income investments	554,372	-	-	554,372
Total	<u>\$ 3,889,714</u>	<u>\$ 1,361,658</u>	<u>\$ -</u>	<u>\$ 5,251,372</u>

SCHEDULE SB ATTACHMENT
Line 26 – Schedule of Active Participant Data

Plan Name: Lorain National Bank Retirement Pension Plan

EIN/PN: 34-0869480/001

Valuation Date: January 1, 2012

YEARS OF CREDITED SERVICE										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
Attained Age	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	5	0	0	0	0	0	0
35 to 39	0	0	0	1	5	0	0	0	0	0
40 to 44	0	0	0	1	2	1	0	0	0	0
45 to 49	0	0	0	4	4	4	3	1	0	0
50 to 54	0	0	0	6	2	10	4	4	2	0
55 to 59	0	0	0	3	4	4	2	1	0	0
60 to 64	0	0	0	2	0	4	1	1	3	1
65 to 69	0	0	0	1	1	1	0	0	0	1
70 & up	0	0	0	0	1	0	0	0	0	0

Section XI

SUMMARY of ASSUMPTIONS

Census Date	1/1/2012
Valuation Interest Rates	IRS-Prescribed Three-Segment Rates, for the fourth month prior to the valuation date (Sep). Segment I: 5.54% Segment II: 6.85% Segment III: 7.52% The effective rate for the 2012 Plan Year was 6.80%.
Valuation Mortality	IRS Prescribed Optional Combined Mortality for Males and Females (1.430(h)(3)-1) for the current Plan Year
Valuation Assets	Assets are equal to their Fair Market Value plus receivable contributions
Expenses	Expenses of \$43,245.00 were assumed.
ASC 960 Assumptions	The selection of ASC 960 rates is the Plan Sponsor's view of the long-term rate of return on assets based on the actual trust assets. The rate used this year was 7.50%.
Salary Scale	N/A.
Taxable Wage Base Increase Assumption	N/A.
Inflation	N/A.
Marriage	100% of Males and 100% of Females are assumed to be married.
Cost Method	The Unit Credit cost method was used to determine the liabilities and normal costs.
Retirement Rates	Employees were assumed to retire at age 65.

Section XI

SUMMARY of ASSUMPTIONS

Withdrawal Rates

T-5 LESS GA51M and GA51 W/O PJN (M + 2). Below is a sample of representative rates:

Age	Males	Females
20	0.0794	0.0007
25	0.0772	0.0008
30	0.0722	0.0011
35	0.0628	0.0016
40	0.0515	0.0025
45	0.0398	0.0046
50	0.0256	0.0079
55	0.0094	0.0123
60	0.0009	0.0184

Disability Rates

Rates of disablement were not assumed.

Disability Mortality

IRS Prescribed Optional Combined Mortality for Males and Females (1.430(h)(3)-1) for the current Plan Year. Below is a sample of representative rates:

Age	Males	Females
65	0.0097	0.0088
70	0.0164	0.0149
75	0.0288	0.0240
80	0.0532	0.0401
85	0.0969	0.0691
90	0.1700	0.1244
95	0.2575	0.1872
100	0.3381	0.2330
105	0.3979	0.2931

Changes in non-prescribed assumptions since the last valuation

None.

The Lorain National Bank Retirement Pension Plan

Schedule of Reportable Transactions Form 5500, Schedule H, Line 4j EIN 34-0869480, Plan No. 001 Year Ended December 31, 2012

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
Category (iii) - A series of transactions with respect to securities of the same issue that amount in the aggregate to more than 5 percent of the beginning value of the total plan assets:						
Goldman Sachs	GSFS Treasury Fund #506:					
	Purchases - 121	\$ 1,680,318	\$ -	\$ 1,680,318	\$ 1,680,318	\$ -
	Sales - 39	-	1,633,500	1,633,500	1,633,500	-

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
---	--	---

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

▶ **Round off amounts to nearest dollar.**

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

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

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500
---	---

Part I Basic Information			
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>		
2	Assets:		
	a Market value	2a	5731431
	b Actuarial value	2b	5731431
3	Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment.....	3a	2152491
	b For terminated vested participants.....	3b	535200
	c For active participants:		
	(1) Non-vested benefits	3c(1)	0
	(2) Vested benefits	3c(2)	2269310
	(3) Total active.....	3c(3)	2269310
	d Total.....	3d	4957001
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate	5	6.80%
6	Target normal cost.....	6	43245

Statement by Enrolled Actuary

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

SIGN HERE	Richard F McCleary, EA, MAAA, MSPA Signature of actuary Richard F McCleary, EA, MAAA, MSPA Type or print name of actuary TEGRIT GROUP Firm name 13680 CLEVELAND AVENUE NW UNIONTOWN OH 44685 Address of the firm	09/30/2013 Date 1106309 Most recent enrollment number 330-644-2044 Telephone number (including area code)
------------------	--	--

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52%
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	43245	
b Excess assets, if applicable, but not greater than line 31a	31b	43245	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years	☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008	☐ 2009 ☐ 2010 ☐ 2011
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE SB ATTACHMENT

Line 22 - Weighted Average Retirement Age

Plan Name: Lorain National Bank Retirement Pension Plan

EIN/PN: 34-0869480/001

Valuation Date: January 1, 2012

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

Section XII SUMMARY of PLAN BENEFITS

Plan Effective Date	March 1, 1962. The plan was last restated effective January 1, 2011.
Eligibility Requirements	First day of the first and seventh month of the Plan Year coincident with or next following attainment of age 21, and completion of 1,000 hours of service. Service with KeyCorp branches purchased on September 12, 1997 shall be treated as service with the Employer for eligibility purposes. All Eligible Employees (from KeyCorp branches) employed on September 12, 1997 shall become eligible to participate as of September 12, 1997. Eligibility was frozen effective December 31, 2002.
Vesting	100% vesting upon earning 5 Years of Vesting Service.
Accrued Benefit Formula	Greater of (1) Frozen benefit, and (2) the sum of (A) 37.5% of Average Monthly Compensation, plus (B) 16.25% of Average Monthly Compensation in excess of 1/12 of Covered Compensation, reduced by 1/25 for each Year of Service less than 25. Benefit accruals were frozen effective December 31, 2002.
Average Compensation	Average Compensation is the highest consecutive five year average of calendar year compensation, for any year in which a Year of Credited Service was earned. If less than 5 Years of Credited Service, Compensation is averaged over years in which Participant earned a Year of Credited Service.
Credited Service	One Year upon working 1,000 hours as a Participant.
Vesting Service	One Year upon working 1,000 hours in a Plan Year.
Normal Retirement Age	Upon attainment of 65.

Section XII SUMMARY of PLAN BENEFITS

Early Retirement

Eligibility: Upon attainment of age 55 and completion of 10 Years of Credited Service.

Benefit: The accrued benefit is reduced 1/15th per year for each of the first 5 years, 1/30th for the next 5 years, and reduced actuarially thereafter.

Disability Retirement

Eligibility: Upon disablement.

Benefit: The Actuarial Equivalent of the Accrued Benefit payable immediately.

Pre-Retirement Death

Eligibility: Upon earning 5 Years of Service.

Benefit: The spouse is eligible for 50% of the benefit that would have been payable, if the Participant had live to Early Retirement Eligibility and elected a 50% Qualified Joint and Survivor Annuity. The benefit is payable upon the Participant's Early Retirement Eligibility date.

Normal Form of Payment

Unless otherwise elected, the benefit payable a participant who has been married at least one year is an actuarially equivalent 50% Joint and Survivor benefit. For unmarried participants, the Normal Form is a single life annuity.

Optional Forms

Benefits may be elected from:

- 50%, 75% and 100% Joint and Survivor
- Lump Sum Payment
- Installment
- Purchase of or providing an annuity

Changes in Plan Benefits recognized since the last valuation

None.

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Line 4i EIN 34-0869480, Plan No. 001 December 31, 2012

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Goldman Sachs	Money market fund: GSFS Treasury Fund #506	\$ 129,013	\$ 129,013
	Mutual funds:		
PIMCO	PIMCO Short-Term Instl Class	163,665	162,677
Templeton	Templeton Global Bond Fund Advisor Class	300,000	286,780
Weitz	Weitz Short-Intermediate Income Fund	130,000	131,461
Fidelity	Fidelity Real Estate Income Fund	100,000	99,962
U.S. Government Bonds	U.S. government securities:		
	Federal Farm Credit Bank 0.900% Due 10/10/2017	100,000	99,707
	Federal Farm Credit Bank 1.000% Due 12/09/2012	101,928	102,013
	Federal Farm Credit Bank 2.250% Due 07/29/2013	200,000	202,228
	Federal Farm Credit Bank 2.700% Due 06/24/2013	200,000	202,314
	Federal Home Loan Bank 0.850% Due 06/06/2016	100,000	100,313
	Federal Home Loan Bank Step Rate Due 10/30/2019	100,000	100,029
	Fannie Mae 1.550% Due 09/27/2019	100,000	100,180
	Fannie Mae Step Rate Due 05/24/2017	200,000	200,056
	Fannie Mae Step Rate Due 12/27/2016	100,000	100,021
	Federal Farm Credit Bank 1.500% Due 06/11/2018	100,000	100,358
	Federal National Mortgage Assoc 2.500% Due 05/15/2014	150,000	154,602
	Federal National Mortgage Assoc 2.625% Due 11/20/2014	100,000	104,357

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0869480, Plan No. 001

December 31, 2012

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Common stocks:		
	3M Co	\$ 79,839	\$ 92,850
	AT&T Inc	51,071	67,420
	Abbot Laboratories	46,841	65,500
	Alcoa Inc	58,300	43,400
	Altria Group Inc	14,751	25,152
	American Electric Power Co	27,662	42,680
	Apache Corp	24,593	54,950
	Bristol Myers Squibb Co	51,299	65,180
	Caterpillar Inc	40,055	89,609
	Chevron Corporation	40,503	86,512
	Chubb Corp	63,612	90,384
	Cisco Systems Inc	55,711	55,018
	Colgate Palmolive Co	35,606	73,178
	Conoco Phillips	63,944	86,985
	Cracker Barrell Old Country Store	30,432	51,408
	Danaher Corp	31,314	72,670
	Dominion Resources Inv Va New	74,420	103,600
	Duke Energy	17,942	21,245
	E I Du Pont De Nemours & Company	62,280	67,468
	E M C Corporation	38,128	50,600
	Eaton Corp PLC	52,846	86,688
	Emerson Electric Company	31,691	42,368
	Exelon Corp	54,536	44,610
	Exxon Mobile Corp	66,727	86,550
	Fiserv Inc	18,766	39,515
	General Electric Company	48,681	31,485
	Hartford Financial Services Group	77,601	44,880
	Hershey Corporation	19,600	25,277
	Intel Corporation	84,665	72,170
	Kraft Foods Group Inc	5,556	9,094
	Lilly Eli & Co	121,503	98,640
	Lowes Cos Inc	52,809	71,040
	Marathon Oil Corporation	35,517	61,320
	Marathon Petroleum Corp	23,082	63,000
	Microsoft Corp	51,185	53,419
	Mondelez International Inc	10,524	15,272

The Lorain National Bank Retirement Pension Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0869480, Plan No. 001

December 31, 2012

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Common stocks (continued):		
	Occidental Pete Corp Del	\$ 76,894	\$ 76,610
	Oracle Corp	83,034	116,620
	Pepsico Incorporated	79,044	109,488
	Pfizer Inc	55,838	67,714
	Phillips 66	15,361	39,825
	Procter & Gamble Co	51,769	67,890
	Southern Company	28,562	38,529
	Spectra Energy	21,440	21,904
	State Street Corp	64,128	75,216
	Target Corp	36,447	47,336
	United Technologies Corp	20,835	41,005
	Verizon Communications	41,338	56,251
	Visa Inc.	76,397	151,580
	Walgreen Co	56,063	59,216
	Waste Management Inc	24,995	26,992
	Royal Dutch Schell PLC	23,972	34,475
	Schlumberger Ltd	23,472	41,579
	Sun Life Financial Inc	82,469	79,590
	Total	<u>\$ 4,900,256</u>	<u>\$ 5,679,028</u>

* Cost information not required