

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 2014 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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 Plan 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 Plan Sponsor's telephone number 440-244-6000	2d Business code (see instructions) 522110	
2b Employer Identification Number (EIN) 34-0869480					
2c Plan 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.	08/13/2015	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 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	130
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	70
a(2) Total number of active participants at the end of the plan year		6a(2)	61
b Retired or separated participants receiving benefits		6b	34
c Other retired or separated participants entitled to future benefits.....		6c	20
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	115
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	6
f Total. Add lines 6d and 6e		6f	121
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	0
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 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) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

Round off amounts to nearest dollar.

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

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

Part I Basic Information			
1 Enter the valuation date: Month 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	5737105	
b Actuarial value	2b	5737105	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	38	2417173	2417173
b For terminated vested participants.....	22	499659	499659
c For active participants.....	70	1497294	1526092
d Total.....	130	4414126	4442924
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	6.44%	
6 Target normal cost	6	27975	

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	Signature of actuary MICHAEL M. SPICKARD EA, MSPA, CPC Type or print name of actuary CBIZ RETIREMENT PLAN SERVICES Firm name 13680 CLEVELAND AVE. NW UNIONTOWN, OH 44685 Address of the firm	08/13/2015 Date 14-05310 Most recent enrollment number 330-644-2044 Telephone number (including area code)
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Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	525678
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	525678
10 Interest on line 9 using prior year's actual return of <u>17.78</u> %	0	93466
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.27</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
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	619144

Part III Funding Percentages		
14 Funding target attainment percentage	14	115.19 %
15 Adjusted funding target attainment percentage	15	129.12 %
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	103.42 %
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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ 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	27975	
b Excess assets, if applicable, but not greater than line 31a	31b	27975	
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		
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
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

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

Part I	Service Provider Information (see instructions)
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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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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)

CBIZ 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	14344	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 ☐

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

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

a Name: RICHARD MCCLEARY	b EIN: 31-1498244
c Position: CONSULTING ACTUARY	
d Address: 301 SPRINGSIDE DRIVE AKRON, OH 44333	e Telephone: 234-466-4009

Explanation: ACTUARY IS NO LONGER AN EMPLOYEE OF CBIZ RETIREMENT PLAN SERVICES

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 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
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	Asset and Liability Statement	
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.		
	Assets	(a) Beginning of Year (b) End of Year
a Total noninterest-bearing cash	1a	6850 7935
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions.....	1b(1)	
(2) Participant contributions.....	1b(2)	
(3) Other.....	1b(3)	
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	87625 199123
(2) U.S. Government securities	1c(2)	1431723 1342857
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred	1c(3)(A)	
(B) All other	1c(3)(B)	0 99571
(4) Corporate stocks (other than employer securities):		
(A) Preferred	1c(4)(A)	
(B) Common.....	1c(4)(B)	3646392 3313399
(5) Partnership/joint venture interests	1c(5)	
(6) Real estate (other than employer real property).....	1c(6)	
(7) Loans (other than to participants)	1c(7)	
(8) Participant loans.....	1c(8)	
(9) Value of interest in common/collective trusts	1c(9)	
(10) Value of interest in pooled separate accounts	1c(10)	
(11) Value of interest in master trust investment accounts	1c(11)	
(12) Value of interest in 103-12 investment entities.....	1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	571365 491312
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	
(15) Other.....	1c(15)	0 0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5743955	5454197

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	33025	55506
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	33025	55506

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5710930	5398691
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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) Amount	(b) Total
a Contributions:			
(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)		
(B) U.S. Government securities	2b(1)(B)	20176	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		20176
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	119888	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		119888
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(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)		
(B) Other	2b(5)(B)	361169	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		361169

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(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 income amounts in column (b) and enter total.....	2d		501233

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	770277	
(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)		770277
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)	43195	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		43195
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		813472

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-312239
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: CROWE HORWATH LLP

(2) EIN: 35-0921680

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	
4c			
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	
4d			
e Was this plan covered by a fidelity bond?	X		5000000
4e			
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	
4f			
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	
4g			
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	
4h			
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		
4i			
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		
4j			
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	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
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.			
4n			

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

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 2014 This Form is Open to Public Inspection.	
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014					
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 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	0
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): 34-1409078					
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	9
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					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2014 v. 140124					

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): _____

The Lorain National Bank
Retirement Pension Plan

Financial Report
December 31, 2014 and December 31, 2013

The Lorain National Bank Retirement Plan

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
The Lorain National Bank
Retirement Pension Plan

Report on the Financial Statements

We have audited the accompanying financial statements of The Lorain National Bank Retirement Pension Plan, which comprise the statement of net assets available for benefits as of December 31, 2014 and 2013, and the related statements 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 audit 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 Plan'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 Plan'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, information regarding the Plan's net assets available for benefits as of December 31, 2014 and 2013, and changes therein for the years in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the 2014 supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) and Schedule H, Line 4j - Schedule of Reportable Transactions are presented for purposes of additional analysis and are not a required part of the financial statements but is supplementary 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 audit 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.

/s/ Crowe Horwath LLP

Columbus, Ohio
August 7, 2015

The Lorain National Bank Retirement Plan

Statements of Net Assets Available for Benefits

	December 31	
	2014	2013
Assets		
Investments, at fair value (Note 5):		
Money market fund	\$ 199,123	\$ 87,625
Mutual funds	491,312	571,365
Corporate bonds	99,571	—
U.S. government agency securities	1,342,857	1,431,723
Common stocks	3,313,399	3,646,392
Total investments	5,446,262	5,737,105
Accrued interest and dividends	7,935	6,850
Total assets	5,454,197	5,743,955
Liabilities — Accrued administrative expenses	57,506	33,025
Net Assets Available for Benefits	\$ 5,396,691	\$ 5,710,930

See accompanying notes to financial Statements

See Notes to Financial Statements.

The Lorain National Bank Retirement Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2014	2013
Additions To Net Assets		
Investment income:		
Interest	\$ 20,176	\$ 22,584
Dividends	119,888	113,810
Net realized and unrealized gains on investments	361,169	768,690
Total additions	501,233	905,084
Deductions from Net Assets		
Benefits paid directly to participants or beneficiaries	770,277	846,357
Other expenses	45,195	36,800
Total deductions	815,472	883,157
Net Increase (Decrease) in Net Assets Available for Benefits	(314,239)	21,927
Net Assets Available for Benefits—Beginning of year	5,710,930	5,689,003
Net Assets Available for Benefits—End of year	<u><u>\$ 5,396,691</u></u>	<u><u>\$ 5,710,930</u></u>

See accompanying notes to financial Statements

Note 1—Description of Plan

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

General - The Plan is a defined benefit plan sponsored by The Lorain National Bank (the "Bank"), a wholly owned subsidiary of LNB Bancorp, Inc., covering substantially all employees of the Bank hired prior to December 31, 2002. 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.

Administrative and Investment Management Expenses - Trust service expenses of the Plan are paid by the Bank. All other administrative expenses are paid by the Plan. Investment management fees are charged to the Plan as a reduction of investment return and included in the investment income reported by the Plan.

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 single life annuity and a joint 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—Significant Accounting Policies

Plan Trustee - 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.

Investment Valuation and Income Recognition - The Plan's investments are reported at fair value as further described in Note 7. Purchases and sales are recorded on a trade date basis. Interest and dividend income is recorded on the accrual method of accounting. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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 highest five consecutive years in which benefits were accumulating. 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. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated plan benefits is determined by consulting an actuary 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 December 31, 2013 (a) assumed rate of return on investments is 7.50 percent (b) assumed retirement age is 65, (c) life expectancy of participants (IRS Prescribed Optional Combined Mortality for Males and Females (1.430(h)(3)-1) for the current Plan Year, and (d) 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.

Basis of Accounting - The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from those estimates. It is at least reasonable possible that a significant change may occur in the near term for the estimates of the actuarial present value of accumulated plan benefits.

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

Risks and Uncertainties - Investments are exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with certain Plan investments, it is at least reasonably possible that changes in the values of certain Plan investments 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.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including August 7, 2015, 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. The Bank has expressed an intent to terminate the plan. 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 ("PBGC"). In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations whether all participants receive their benefits should the Plan terminate at some time in the future will depend on the sufficiency at that time, of the Plan's net assets to provide those benefits and may also depend on the financial condition of the Bank and the level of guaranteed benefits by the PBGC.

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, CBIZ Retirement Plan Services. The actuarial present value of accumulated plan benefits at December 31, 2013 is summarized as follows:

	December 31,
	2013
Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving benefit payments	\$ 2,235,596
Other vested participants	2,051,381
Total vested benefits	4,286,977
Nonvested benefits	—
Total benefit obligations	\$ 4,286,977

A summary of significant changes in the actuarial present value of accumulated plan benefits during the year ended December 31, 2013 are as follows:

	2013
Actuarial present value of accumulated plan benefits:	
Beginning of year:	\$ 4,558,405
Increase (decrease) during the year attributable to:	
Benefits paid	(846,357)
Actuarial losses, net	264,766
Increase for interest due to the decrease in the discount period	310,163
Net (decrease)	(271,428)
Actuarial present value of accumulated plan benefits - End of Year	\$ 4,286,977

Note 5—Investments

There were no investments which are 5% or more of the Plan's net assets available for benefit as of December 31, 2014 and 2013.

During the years ended December 31, 2014 and 2013, 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:

	2014	2013
Common stocks	\$ 356,673	\$ 811,865
U.S. government agency securities	12,634	(35,495)
Mutual funds	(8,138)	(7,680)
Total	<u>\$ 361,169</u>	<u>\$ 768,690</u>

Note 6 —Federal Income Taxes

The Internal Revenue Service has determined and informed the Bank by a letter dated July 6, 2012, which stated that the Plan and underlying trust, as designed, qualify under the applicable provisions of the Internal Revenue Code. 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 2011.

Note 7—Fair Value Measurements

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Mutual Funds and Common Stocks: The fair values of mutual fund and common stock investments are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Money Market Fund: Fair values of money market deposit account balances have been determined based upon their quoted redemption prices and recent transaction prices of \$1.00 per share (Level 2 inputs), with no discounts for credit quality or liquidity restrictions

U.S. Government Agency Securities are valued based upon recent bid prices or the average of recent bid and asked prices when available (Level 2 inputs) and, if not available, they are valued through matrix pricing models developed by sources considered by management to be reliable. Matrix pricing, which is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

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 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, 2014 and 2013:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2014

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2014
Money market fund	\$ —	\$ 199,123	\$ —	\$ 199,123
Common stocks:				
Domestic	3,174,588	—	—	3,174,588
International	138,811	—	—	138,811
U.S. government agency securities	—	1,342,857	—	1,342,857
Corporate Bonds	—	99,571	—	99,571
Mutual funds	—	—	—	—
Equity investments	102,329	—	—	102,329
Fixed-income investments	388,983	—	—	388,983
Total	<u>\$ 3,804,711</u>	<u>\$ 1,641,551</u>	<u>\$ —</u>	<u>\$ 5,446,262</u>

Assets Measured at Fair Value on a Recurring Basis at December 31, 2013

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2013
Money market fund	\$—	\$87,625	\$—	\$87,625
Common stocks:				
Domestic	3,503,696	—	—	3,503,696
International	142,696	—	—	142,696
U.S. government agency securities	—	1,431,723	—	1,431,723
Mutual funds	—	—	—	—
Equity investments	97,156	—	—	97,156
Fixed-income investments	474,209	—	—	474,209
Total	\$4,217,757	\$1,519,348	\$—	\$5,737,105

Note 8 —Parties-in-Interest

Parties-in-interest are defined under DOL regulations as any fiduciary of the plan, any party rendering service to the Plan, the employer, and certain others. Amounts paid by the Plan to parties in interest included fees paid for investment management and actuarial services. Certain professional fees for the administration of the Plan were paid by the Bank. Audit fees are paid by the Plan. Various administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Lorain National Bank's Trust department maintains a sweep account arrangement, and acts as the the custodian of the Plan and therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

Note 9—Subsequent Events

On December 15, 2014, the Company entered into a definitive merger agreement to be acquired by Northwest Bancshares, Inc. Shareholders of LNB Bancorp, Inc. approved and adopted the merger agreement on June 16, 2015. Further, the transaction has received all regulatory approvals. The merger is expected to be completed during the third quarter of 2015. The effect of this transaction on the Plan is plan termination and liquidation of assets to be distributed to participants. The Bank announced it was terminating the Plan effective June 3, 2015 and has conformed with notices required of such termination. An amendment was made to the plan to liquidate plan assets and distribute in the weeks surrounding the merger to pay retirees, as well as those employees that are leaving and transferring their respective pension balances.

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, 2014

Counts and Compensation. Cells with under 20 participants will not show compensation.

Att. Age:	Years of Credited Service													Total
	Under 1	1	2	3	4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	3	1	-	-	-	-	-	4
35 to 39	-	-	-	-	-	-	1	1	-	-	-	-	-	2
40 to 44	-	-	-	-	-	-	1	2	2	-	-	-	-	5
45 to 49	-	-	-	-	-	-	2	3	1	2	-	-	-	8
50 to 54	-	-	-	-	-	-	3	4	5	3	2	2	-	19
55 to 59	-	-	-	-	-	-	1	4	6	5	2	2	-	20
60 to 64	-	-	-	-	-	-	-	2	-	1	2	-	2	7
65 to 69	-	-	-	-	-	-	1	-	3	-	-	1	-	5
70 & Up	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	12	17	17	11	6	5	2	70

CENSUS and ASSUMPTIONS

Valuation Census Date

Census data was provided by the Plan Sponsor as of January 01, 2014. We have reviewed the data for consistency and have no reason to doubt its substantial accuracy.

Valuation Interest Rates

IRS-Prescribed Three-Segment Rates, for the fourth month prior to the valuation date (Sep).

24-Month Segment Rates		
	Unadjusted	Limited to 25 Year Corridor
Segment I:	1.37%	4.99%
Segment II:	4.05%	6.32%
Segment III:	5.06%	6.99%

The Effective Interest Rate (EIR) is the single rate of interest which, if used to determine the funding target, would equal the funding target determined using the plan sponsor's above elected discount rates. The EIR is used to discount contributions for minimum funding requirements and to accumulate excess contributions to the end of the year.

The effective rate for the 2014 Plan Year was 6.44%. For the prior Plan year, this rate was 6.27%.

Mortality Table Elected

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

Administrative expenses for the current year are assumed to equal the actual expenses for the prior year, unless larger expenses can be anticipated. Under this assumption, expenses of \$27,975 were included in the Normal Cost.

Salary Scale

None. Plan accruals are Frozen.

**Taxable Wage Base
Increases**

None.

Inflation

None.

CENSUS and ASSUMPTIONS

Marriage

100% of Males and 100% of Females are assumed to be married. Females are assumed to be 3 years younger than males. This assumption is expected to reflect actual plan experience but a formal analysis has not been conducted due to the lack of credible experience.

Form of Payment

Future retirements – Lump sum
Current deferred vested – Single life annuity with 10 years certain
Future deferred vested – Lump sum
Future deaths – Lump sum
Future disabilities – N/A

This assumption is expected to reflect actual plan experience, but a formal analysis has not been conducted due to the small size of the plan.

Retirement Rates

Retirement was assumed at the plan's Normal Retirement Age. 100% of future retirements are assumed to take a lump sum. The valuation of participants in pay status is based on the actual form of payment elected by the participant, as provided in the census data.

Withdrawal Rates

For males, T-5 less GA51M and for females, the T-5 less GA51M without projection set forward 2 years. Rates are based on age. Below is a sample table of the rates used:

Age	Rates (M)	Rates (F)
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

A formal evaluation of these rates has not been conducted due to the small number of active participants (less than 100) and the fact that the plan is frozen.

Disability Incidence

None assumed.

CENSUS and ASSUMPTIONS

**Changes in non-required
assumptions since the
prior valuation** None.

ACTUARIAL METHODS

Minimum Funding Cost Method

The actuarial cost method used to determine the liabilities for minimum funding calculations is the Traditional Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for each participant. The individual accrued liability for a participant is the present value of the accrued benefit as of the valuation date taking into account service and/or pay as of the valuation date. The individual normal cost for a participant is the present value of the benefit expected to accrue in the plan year being valued.

If a plan is frozen, there is no normal cost attributable to benefit accruals.

Maximum deductible contribution method

The actuarial cost method used to determine the liabilities for maximum deductible calculations is the Projected Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for all participant. The individual accrued liability for a participant is the sum of 1) the present value of the accrued benefit earned as of the valuation date taking into account service and/or pay as of the valuation date; plus 2) the present value of the accrued benefit expected to be earned because of any expected future compensation increases.

The individual normal cost for a participant is the sum of the present value of the benefit expected to accrue in the plan year being valued taking into account any expected future compensation increases.

Asset Method

We used financial data submitted by the trustee as of the valuation date without further audit. This information was not be verified by a plan's actuary. We have reviewed the information for internal consistency, and we have no reason to doubt is substantial accuracy.

The Lorain National Bank Retirement Pension Plan

Schedule of Assets (Held at End of Year)
Form 5500, Schedule H, Line 4j
EIN 34-0869480, Plan No. 001
December 31, 2014

	(b) Description of Asset (including Interest Rate and Maturity in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Realized Net 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:								
Goldman Sachs	GSFS Treasury Fund #506							
	Purchases(177)	\$ 513,248				\$ 513,248	\$ 513,248	\$ —
	Sales(15)		\$ 600,873			\$ 600,873	\$ 600,873	\$ —
Lorain National Bank *	LNB Trust Sweep							
	Purchases (49)	569,525				569,525	\$ 569,525	\$ —
	Sales(12)		370,402			370,402	\$ 370,402	\$ —

*Party-in-interest

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 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

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

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

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

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2014	
2 Assets:	
a Market value	2a 5737105
b Actuarial value	2b 5737105
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 38 (2) Vested Funding Target 2417173 (3) Total Funding Target 2417173
b For terminated vested participants	22 499659 499659
c For active participants	70 1497294 1526092
d Total	130 4414126 4442924
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 6.44%
6 Target normal cost	6 27975

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	MICHAEL M. SPICKARD EA, MSPA, CPC 	08/13/2015
	Signature of actuary	Date
MICHAEL M. SPICKARD EA, MSPA, CPC	Type or print name of actuary	1405310
CBIZ Retirement Plan Services	Firm name	Most recent enrollment number
		330-644-2044
13680 CLEVELAND AVE. NW		Telephone number (including area code)
UNIONTOWN OH 44685	Address of the firm	

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

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

Schedule SB (Form 5500) 2014 v. 140124

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:

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99%	2nd segment: 6.32%	3rd segment: 6.99%	☐ 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	27975										
b Excess assets, if applicable, but not greater than line 31a	31b	27975										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	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											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ...	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		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, 2014

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

SUMMARY of PLAN BENEFITS

Plan Effective Date	March 1, 1962. The plan was last restated effective January 1, 2011, and amended December 31, 2012.
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.

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 to 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 with 10 Years Certain.

Optional Forms

Benefits may be elected from:

- 50%, 75% and 100% Joint and Survivor
- Lump Sum Payment
- Single Life Annuity
- Life Annuity with Term Certain (maximum of 10 Years)
- 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, 2014**

(a)(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Money Market Fund:			
Lorain National Bank	LNB Trust Sweep *	\$199,123	\$199,123
Mutual Funds:			
PIMCO	PIMCO Short-Term Instl Class	42,814	41,996
Templeton	Templeton Global Bond Fund Advisor Class	300,000	266,787
Weitz	Weitz Short-Intermediate Income Fund	80,200	80,200
Fidelity	Fidelity Real Estate Income Fund	100,000	102,329
U.S. Government agency Securities:			
	Federal Home Loan Bank FHLB 0.640 Due 11/4/15	100,400	100,275
	Federal Farm Credit Bank 1.500% Due 06/11/2018 Callable 06/11/2013	100,000	100,011
	Federal Farm Credit Bank FFCB 0.970 Due 09/19/16	100,400	100,612
	Federal National Mortgage Assoc 1.000% Due 02/14/2018 Callable 02/14/2014	100,000	99,421
	Fannie Mae 1.550% Due 09/27/2019 Callable 09/27/2013	100,000	98,474
	Federal Farm Credit Bank 1.000% Due 12/09/2015	101,928	100,614
	Federal Home Loan Bank 1.750% Due 12/14/2018	100,240	100,916
	Federal Home Loan Bank Step Rate Due 10/30/2019 Callable 01/30/2013	100,000	99,020
	Federal Farm Credit Bank 0.900% Due 10/10/2017 Callable 01/10/2013	100,000	99,028
	Federal Farm Credit Bank 1.375% Due 05/21/2019 Callable 08/21/2013	200,000	196,570
	Federal Farm Credit Bank 1.625% Due 07/16/2019 Callable	148,500	148,523
	Federal Home Loan Bank 1.600% Due 02/28/2019 Callable 11/19/2014	100,000	99,393
Corporate Bond			
	Walt Disney Company Bond 1.100% Due 12/01/2017	99,900	99,571
Common Stocks:			
	3M Co - 500 shares	39,920	82,160
	A T & T Inc - 2,000 shares	51,071	67,180
	Abbott Laboratories - 1,000 shares	22,343	45,020
	AbbVie Inc - 1,000 shares	24,498	65,440
	Alcoa Inc - 5,000 shares	58,300	78,950
	Altria Group Inc - 800 shares	14,751	39,416
	American Electric Power Co. - 1,000 shares	27,662	60,720
	Apache Corp - 700 shares	24,593	43,869
	Bristol Myers Squibb Co. - 1,000 shares	25,650	59,030
	California Resource Corp- 400 share	2,646	2,204
	Caterpillar Inc - 800 shares	32,044	73,224
	Chevron Corporation - 400 shares	20,251	44,872

(a)(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Chubb Corp - 900 shares	47,709	93,123
	Cisco Systems Inc - 2,800 shares	55,711	77,882
	Colgate Palmolive Co - 700 shares	17,803	48,433
	Conoco Phillips - 1,000 shares	42,629	69,060
	Cracker Barrel Old Country Store - 600 shares	22,824	84,456
	Danaher Corp - 1,000 shares	24,088	85,710
	Dominion Resources Inc Va New - 1,000 shares	37,210	76,900
	E I Du Pont De Nemours & Company - 1,500 shares	62,280	110,910
	E M C Corporation - 2,000 shares	38,128	59,480
	Emerson Electric Company - 800 shares	31,691	49,384
	Exelon Corp - 1,500 shares	54,536	55,620
	Exxon Mobil Corp - 700 shares	46,709	64,715
	Fiserv Inc - 1,000 shares	18,766	70,970
	General Electric Company - 1,500 shares	48,681	37,905
	Hartford Financial Services Group 2,000 shares	77,601	83,380
	Helmerich & Payne Inc - 600 shares	38,083	40,452
	Hershey Corporation - 350 shares	19,600	36,376
	Intel Corporation - 2,500 shares	60,475	90,725
	Lilly Eli & Co - 1,000 shares	60,752	68,990
	Lowe's Cos Inc - 1,200 shares	31,686	82,560
	Marathon Oil Corporation - 1,000 shares	17,758	28,290
	Microsoft Corp - 1,000 shares	25,593	46,450
	Occidental Petroleum Corp Del - 1,000 shares	74,248	80,610
	Oracle Corp - 1,500 shares	35,586	67,455
	PepsiCo Incorporated - 1,000 shares	49,402	94,560
	Pfizer Inc - 2,700 shares	55,838	84,105
	Phillips 66 - 750 shares	15,361	53,775
	Procter & Gamble Co - 1,000 shares	51,769	91,090
	Royal Dutch Shell PLC - 500 shares	23,972	33,475
	Schlumberger Ltd - 600 shares	23,472	51,246
	Southern Company - 900 shares	28,562	44,199
	Spectra Energy - 800 shares	21,440	29,040
	State Street Corp - 1,000 shares	40,080	78,500
	Sun Life Financial Inc - 1,500 shares	41,235	54,090
	Target Corp - 800 shares	36,447	60,728
	United Technologies Corp - 500 shares	20,835	57,500
	Verizon Communications - 1,300 shares	41,338	60,814
	Visa Inc. - 500 shares	38,199	131,100
	Walgreen Co - 1,000 shares	35,039	76,200
	Waste Management Inc - 800 shares	24,995	41,056
		<u>\$4,055,365</u>	<u>\$5,446,262</u>

* Party-in-interest