Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500-SF.**

OMB Nos. 1210-0110
1210-0089

2014

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [X] a single-employer plan
- [ ] a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions)
- [ ] a one-participant plan
- [ ] a foreign plan

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 Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
THE MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 05/01/1972

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
MERCHANTS NATIONAL BANK

100 NORTH HIGH STREET
HILLSBORO, OH 45133

2b Employer Identification Number (EIN) 31-0373340

2c Sponsor's telephone number 937-393-1993

2d Business code (see instructions) 522110

3a Plan administrator's name and address [ ] Same as Plan Sponsor.
MERCHANTS NATIONAL BANK
100 NORTH HIGH STREET
HILLSBORO, OH 45133

3b Administrator's EIN 31-0373340

3c Administrator's telephone number 937-393-1993

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

5a Total number of participants at the beginning of the plan year	**5a**	70
b Total number of participants at the end of the plan year	**5b**	64
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	**5c**	
d(1) Total number of active participants at the beginning of the plan year	**5d(1)**	59
d(2) Total number of active participants at the end of the plan year	**5d(2)**	55
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**5e**	0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2015	PAUL PENCE
	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

Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)

Preparer's telephone number (optional)

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ..... [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions)..... [X] Yes [ ] No

If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... [X] Yes [ ] No [ ] Not determined

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	7171536	7738118
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	7171536	7738118
8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: (1) Employers	8a(1)	500000	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	232985	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		732985
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	166403	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f		
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		166403
i Net income (loss) (subtract line 8h from line 8c)	8i		566582
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 3D

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

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)..... [X] Yes [ ] No

11a Enter the unpaid minimum required contribution for current year from Schedule SB (Form 5500) line 39 ..... **11a** 0

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. [ ] Yes [X] No

(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. ..... Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	**12b**	
c Enter the amount contributed by the employer to the plan for this plan year	**12c**	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	**12d**	
e Will the minimum funding amount reported on line 12d be met by the funding deadline?		☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?		☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	**13a**	
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☐ Yes ☒ No

c 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.)

13c(1) Name of plan(s):	**13c(2)** EIN(s)	**13c(3)** PN(s)

Part VIII Trust Information (optional)

14a Name of trust	**14b** Trust's EIN

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

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
THE MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
MERCHANTS NATIONAL BANK

D Employer Identification Number (EIN)
31-0373340

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 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**	7171536
b Actuarial value	**2b**	6651906

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	0	0	0
b For terminated vested participants	11	178416	178416
c For active participants	59	4530812	4530812
d Total	70	4709228	4709228

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**	6.04%
6 Target normal cost	**6**	270904

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

10/13/2015
Date

DONALD BUNGENSTOCK
Type or print name of actuary

14-05702
Most recent enrollment number

BUCK CONSULTANTS, LLC
Firm name

513-784-0005
Telephone number (including area code)

720 E. PETE ROSE WAY, SUITE 300
CINCINNATI, OH 45202
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 18.53%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		946436
	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 5.79 %		54799
	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		1001235
	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	0

Part III Funding Percentages

14	Funding target attainment percentage	14	141.25 %
15	Adjusted funding target attainment percentage	15	141.25 %
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	123.68 %
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
12/22/2014	500000	0			
			Totals ► 18(b)	500000	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	472278

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.99 %	6.32 %	6.99 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	64

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**	270904
b Excess assets, if applicable, but not greater than line 31a	**31b**	270904

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

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**	472278
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	472278
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
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**	

MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN
EIN/PN: 31-0373340/001
PLAN YEAR: JANUARY 1, 2014 TO DECEMBER 31, 2014
SCHEDULE SB, LINE 26 — SCHEDULE OF ACTIVE PARTICIPANT DATA

Years of credited service:

	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		
Attained Age	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	Total
Under 25	0		0		0		0		0		0		0		0		0		0		0
25 to 29	0		0		1		1		0		0		0		0		0		0		2
30 to 34	0		0		2		0		0		0		0		0		0		0		2
35 to 39	0		0		4		1		0		1		0		0		0		0		6
40 to 44	0		0		2		3		0		1		0		0		0		0		6
45 to 49	0		0		1		0		3		0		0		0		0		0		4
50 to 54	0		0		3		1		3		2		0		0		1		0		10
55 to 59	0		0		1		2		4		3		1		0		0		0		11
60 to 64	0		0		2		3		2		0		2		1		1		2		13
65 to 69	0		0		2		1		0		1		0		0		0		0		4
70 & up	0		0		1		0		0		0		0		0		0		0		1
Total	0		0		19		12		12		8		3		1		2		2		59

MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN

EIN/PN: 31-0373340/001

PLAN YEAR: JANUARY 1, 2014 TO DECEMBER 31, 2014

SCHEDULE SB, PART V — STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

Funding interest rates

For 2014 Plan Year: Segment Rates with four-month lookback, constrained in accordance with MAP-21 and HATFA as follows:

	Unconstrained Rates*	Rates Reflecting MAP-21 Corridor	Rates Reflecting HATFA Corridor**
First Segment Rate	1.37%	4.43%	4.99%
Second Segment Rate	4.05%	5.62%	6.32%
Third Segment Rate	5.06%	6.22%	6.99%

Effective Interest Rate Based on HATFA rates: 6.04%

For 2013 Plan Year: Segment Rates with four-month lookback, constrained in accordance with MAP-21 and HATFA as follows:

	Unconstrained Rates*	Rates Reflecting MAP-21 Corridor**	Rates Reflecting HATFA Corridor
First Segment Rate	1.75%	4.94%	5.23%
Second Segment Rate	4.62%	6.15%	6.51%
Third Segment Rate	5.72%	6.76%	7.16%

Effective Interest Rate Based on MAP-21 rates: 5.79%

* Used for maximum tax-deduction premium purposes

** Used for minimum funding and benefit restriction purposes

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN

EIN/PN: 31-0373340/001

PLAN YEAR: JANUARY 1, 2014 TO DECEMBER 31, 2014

SCHEDULE SB, PART V — STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

Salary Growth: 4.0% per annum.

Current Age	Specimen Salary Growth To Normal Retirement Date
25	480%
40	267%
55	148%

Turnover: Society of Actuaries Small Plan Age Table. Specimen rates are as follows:

	Withdrawal Rate	
Attained Age	Males	Females
25	0.195	0.195
40	0.094	0.094
55	0.042	0.042

Retirement Age: Retirement rates are as follows:

AGE	RATE
55-59	2%
60	10%
61	15%
62	25%
63	15%
64	20%
65 and older	100%

Form of Benefit: The assumed form of payment is a lump sum.

Expense Loading: None. Expenses will be paid by Employer.

Social Security: Wage Base Growth: 3.0% per annum.

MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN

EIN/PN: 31-0373340/001

PLAN YEAR: JANUARY 1, 2014 TO DECEMBER 31, 2014

SCHEDULE SB, PART V — STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

Marital Status at Benefit Commencement

Percentage Married	-	Males - 85% Females - 85%
Age Difference	-	The male is assumed to be 3 years older than the female of the couple.

Maximum Benefit: $210,000 per year at Social Security Normal Retirement Age.

Salary Limitations: $260,000 in current and future years.

Funding method: Unit credit actuarial cost method.

A method under which the actuarial accrued liability is equal to the present value of benefits accrued to the valuation date. The normal cost is equal to the difference in the actuarial liability at the end of the plan year and the actuarial liability at the beginning of the plan year.

Asset valuation method: The actuarial assets are equal to the 24-month smoothed value of assets, smoothed annually.

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

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 THE MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN	**B** Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MERCHANTS NATIONAL BANK	**D** Employer Identification Number (EIN) 31-0373340

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 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	7171536
b Actuarial value	2b	6651906

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	0	0	0
b For terminated vested participants	11	178416	178416
c For active participants	59	4530812	4530812
d Total	70	4709228	4709228

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	6.04%
6 Target normal cost	6	270904

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

Donald Bungenstock — Signature of actuary

October 13, 2015 — Date

DONALD BUNGENSTOCK — Type or print name of actuary

1405702 — Most recent enrollment number

BUCK CONSULTANTS, LLC — Firm name

513-784-0005 — Telephone number (including area code)

720 E. PETE ROSE WAY, SUITE 300

CINCINNATI OH 45202 — Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of 18.53 %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		946436
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 5.79%		54799
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		1001235
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	0

Part III Funding Percentages

14 Funding target attainment percentage	14	141.25 %
15 Adjusted funding target attainment percentage	15	141.25 %
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	123.68 %
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
12/22/2014	500000	0			
		Totals ▶ 18(b)	500000	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	472278

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.99%	6.32%	6.99%	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	64

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	270904
b Excess assets, if applicable, but not greater than line 31a	31b	270904

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

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	472278
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	472278
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	
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	

MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN

EIN/PN: 31-0373340/001

PLAN YEAR: JANUARY 1, 2014 TO DECEMBER 31, 2014

SCHEDULE SB, PART V — SUMMARY OF PLAN PROVISIONS

Effective Date	Latest Restatement: January 1, 2012
Plan Year	Prior to April 30, 1992, the plan year was the 12-month period ending April 30th. There was a short plan year from May 1, 1992 to December 31, 1992. Effective January 1, 1993, the plan year is the 12-month period ending December 31st.
Participation Requirements	An Employee shall become a Participant on the Entry Date following completion of 1,000 hours of service during an Anniversary Year, measured from his date of hire, provided he has attained age 21. No employee hired on or after August 26, 2008 shall enter the Plan after December 31, 2008.
Entry Date	Effective January 1, 1993: January 1st or July 1st.
Normal Retirement Date	The later of a Participant's 65th birthday, or the 5th anniversary of plan participation.

Monthly Retirement Income

A monthly benefit at Normal Retirement Date, payable in the Normal Form, equal to the greater of (a) or (b) where:

(a) is 0.90% of Monthly Plan Compensation plus 0.65% of Monthly Plan Compensation in excess of Social Security Covered Compensation, all multiplied by years of Credited Service at Normal Retirement Date, maximum 35 years;

And

(b) is the accrued benefit at April 30, 1989 under the plan as it existed at that time, converted to an payable under a life only actuarial equivalent basis.

Normal Form of Benefit	Monthly income commencing on a Participant's retirement date and payable for life.
Automatic Form of Benefit	For married participants, the actuarially equivalent reduced Joint and 50% to Surviving Spouse if married at commencement of benefits, unless other election is made.
Monthly Plan Compensation	Highest average of gross monthly earnings for five consecutive calendar years. Gross earnings mean W-2 compensation including bonuses, overtime payments, commissions, and extra compensation paid during a calendar year.

MERCHANTS NATIONAL BANK DEFINED BENEFIT RETIREMENT PLAN

EIN/PN: 31-0373340/001

PLAN YEAR: JANUARY 1, 2014 TO DECEMBER 31, 2014

SCHEDULE SB, PART V — SUMMARY OF PLAN PROVISIONS

Credited Service One year of Benefit Accrual and Vesting Service for each plan year during which an Employee completes 1,000 hours of service.

Social Security Covered Compensation

For each Participant, the average of the Social Security Taxable Wage Base in effect for each calendar year (the amount of earnings subject to Social Security taxes each year) during the 35-year period ending with the year during which such Participant will reach Social Security Retirement Age. Social Security Covered Compensation is expressed on a monthly basis.

Accrued Benefit The projected Monthly Retirement Income at Normal Retirement Date, based on Monthly Plan Compensation and Credited Service at the date of computation.

Vesting A percentage of accrued benefits:

Years of Vesting Service	Vesting Percentage
Less than 5	0%
5 or More	100%

Deferred Retirement Benefit

Monthly income equal to the greater of:

(a) the Participant's Accrued Benefit at actual retirement, or

(b) the actuarial equivalent of the actuarial reserve of the Monthly Retirement Benefit to which he or she was entitled as of the later of his Normal Retirement Date or the close of the prior plan year plus interest compounded annually.

Eligibility for Early Retirement

Age 55 and 15 years of vesting service.

Early Retirement Benefit Accrued benefit payable at age 65, reduced for immediate commencement by 1/180 for each of the first 60 months prior to age 65 and 1/360 for each of the next 60 months that payments begin early.

Eligibility for Pre-Retirement Death Benefit

2 years of vesting service.

Pre-Retirement Death Benefit

A Participant's spouse shall receive accrued benefit the deceased would have received as of the date of his death, with his benefit commencing on his earliest date the deceased could have retired.