

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 2015 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/15/2015</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 <u>LORAIN NATIONAL BANK RETIREMENT PENSION PLAN</u> 2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NORTHWEST BANK</u> <u>100 LIBERTY STREET, P.O. BOX 128</u> <u>WARREN, PA 16365-0128</u>	<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;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>03/01/1962</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>34-0869480</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>814-726-2140</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>522110</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>03/01/1962</u>		2b Employer Identification Number (EIN) <u>34-0869480</u>		2c Plan Sponsor's telephone number <u>814-726-2140</u>		2d Business code (see instructions) <u>522110</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>03/01/1962</u>											
2b Employer Identification Number (EIN) <u>34-0869480</u>											
2c Plan Sponsor's telephone number <u>814-726-2140</u>											
2d Business code (see instructions) <u>522110</u>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/08/2016	JULIA MCTAVISH
	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)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
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 LORAIN NATIONAL BANK	4b EIN 34-0869480 4c PN 001
5 Total number of participants at the beginning of the plan year	5 121
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) 61
a(2) Total number of active participants at the end of the plan year	6a(2) 0
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 0
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 11	
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)
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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 2015 Form M-1 annual report. If the plan was not required to file the 2015 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 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/15/2015

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

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

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

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>	
2 Assets:	
a Market value	2a <u>5446262</u>
b Actuarial value	2b <u>5446262</u>
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	<u>40</u> <u>2858359</u> <u>2858359</u>
b For terminated vested participants	<u>20</u> <u>473095</u> <u>473095</u>
c For active participants	<u>61</u> <u>1232054</u> <u>1232054</u>
d Total	<u>121</u> <u>4563508</u> <u>4563508</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.27%</u>
6 Target normal cost	6 <u>20714</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>06/07/2016</u>
	Signature of actuary	Date
<u>DON J. BOETGER</u>	Type or print name of actuary	<u>14-03998</u>
		Most recent enrollment number
<u>NORTHWEST RETIREMENT SERVICES</u>	Firm name	<u>814-455-4550</u>
		Telephone number (including area code)
<u>1030 STATE STREET, SUITE 2</u> <u>ERIE, PA 16501</u>	Address of the firm	

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

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

Schedule SB (Form 5500) 2015
v. 150123

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	619144
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	619144
10 Interest on line 9 using prior year's actual return of <u>9.36</u> %	0	57952
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>6.44</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		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	677096

Part III Funding Percentages		
14 Funding target attainment percentage.....	14	104.50 %
15 Adjusted funding target attainment percentage	15	119.34 %
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	129.12 %
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	
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	
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: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ 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	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
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	20714	
b Excess assets, if applicable, but not greater than line 31a	31b	20714	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment			
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		
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
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/15/2015		
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 NORTHWEST 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)

(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 ☐

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.	

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

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

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

a Name:	CBIZ RETIREMENT PLAN SERVICES	b EIN:	31-1498244
c Position:	ENROLLED ACTUARY		
d Address:	13680 CLEVELAND AVE NW UNIONTOWN, OH 44685	e Telephone:	330-983-0500

Explanation: LORAIN NATIONAL BANK WAS ACQUIRED BY NORTHWEST BANK IN AUGUST 2015 AND THE PLAN WAS MERGED INTO THE NORTHWEST SAVINGS BANK PENSION PLAN IN DECEMBER 2015.

a Name:	CROWE HORWATH LLP	b EIN:	35-0921680
c Position:	ACCOUNTANT		
d Address:	10 WEST BROAD ST COLUMBUS, OH 43215-3454	e Telephone:	614-469-0001

Explanation: LORAIN NATIONAL BANK WAS ACQUIRED BY NORTHWEST BANK IN AUGUST 2015 AND THE PLAN WAS MERGED INTO THE NORTHWEST SAVINGS BANK PENSION PLAN IN DECEMBER 2015.

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 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/15/2015		
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 NORTHWEST BANK	D Employer Identification Number (EIN) 34-0869480	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	7935	0
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)	199123	0
(2) U.S. Government securities.....	1c(2)	1342857	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	99571	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	3313399	0
(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)	491312	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

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	5454197	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	55506	
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	55506	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5398691	0
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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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(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)	2438	
(B) U.S. Government securities	2b(1)(B)	12062	
(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)		14500
(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)	40178	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		40178
(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)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(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)		-26066
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		28612

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1819193	
(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)		1819193
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1819193

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-1790581
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		3608110

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: **BAKER TILLY VIRCHOW KRAUSE, LLP**

(2) EIN: **39-0859910**

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:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒		
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	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	X			
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)				
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

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)
NORTHWEST SAVINGS BANK PENSION PLAN	23-2790930	001

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

6a Name of trust

6b Trust's EIN

6c Name of trustee or custodian

6d Trustee's or custodian's telephone number

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 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/15/2015

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>NORTHWEST BANK</u>	D Employer Identification Number (EIN) <u>34-0869480</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>34-1409078</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>40</u>

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

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

Part III	Amendments
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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
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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.
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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) 2015
v. 150123

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

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?.....	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?.....	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?.....	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

**THE LORAIN NATIONAL BANK
RETIREMENT PENSION PLAN**
Lorain, Ohio

FINANCIAL STATEMENTS
December 31, 2015 and 2014

THE LORAIN NATIONAL BANK
RETIREMENT PENSION PLAN
Lorain, Ohio

FINANCIAL STATEMENTS
December 31, 2015 and 2014

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Independent Auditors' Report

Plan Administrator and Participants
The Lorain National Bank Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Lorain National Bank Retirement Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2015, and the related statement of changes in net assets available for benefits for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Northwest Savings Bank, the trustee of the Plan, except for comparing such information with the related information included in the 2015 financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2015, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2015 financial statements. Accordingly, we do not express an opinion on the 2015 financial statements.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2015 the Plan adopted new accounting guidance related to the investments. Prior year disclosures have been revised to reflect the retrospective application of adopting these changes in accounting. Our opinion is not modified with respect to this matter.

Other Matter - Supplemental Schedule

The supplemental Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2015 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Other Matter - 2014 Financial Statements

The financial statements of The Lorain National Bank Retirement Plan as of and for the year ended December 31, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on August 7, 2015.

Baker Tilly Viechow Krause, LLP

Pittsburgh, Pennsylvania
September 6, 2016

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Investments, at fair value:		
Money market fund	\$ -	\$ 199,123
Mutual funds	-	491,312
Corporate bonds	-	99,571
U.S. government agency securities	-	1,342,857
Common stocks	-	<u>3,313,399</u>
Total investments	-	5,446,262
Accrued interest and dividends	-	7,935
Total assets	-	<u>5,454,197</u>
Liabilities - accrued administrative expenses	-	<u>57,506</u>
Net assets available for benefits	<u>\$ -</u>	<u>\$ 5,396,691</u>

See accompanying notes to financial statements.

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions to net assets		
Investment income		
Interest	\$ 14,500	\$ 20,176
Dividends	40,178	119,888
Net appreciation in fair value of investments	-	361,169
Total investment income	<u>54,678</u>	<u>501,233</u>
Deductions from net assets		
Benefits paid directly to participants or beneficiaries	1,819,193	770,277
Net depreciation in fair value of investments	24,066	-
Administrative expenses	-	45,195
Total deductions	<u>1,843,259</u>	<u>815,472</u>
Net decrease prior to Plan transfer	(1,788,581)	(314,239)
Plan transfer (Note 1)	<u>(3,608,110)</u>	<u>-</u>
Net decrease in net assets available for benefits	(5,396,691)	(314,239)
Net assets available for benefits - beginning of year	<u>5,396,691</u>	<u>5,710,930</u>
Net assets available for benefits - end of year	<u>\$ -</u>	<u>\$ 5,396,691</u>

See accompanying notes to financial statements.

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

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 was a defined benefit plan sponsored by Lorain National Bank (the Bank), a wholly owned subsidiary of LNB Bancorp, Inc. (LNB), covering substantially all employees of the Bank hired prior to December 31, 2002. Effective December 31, 2002, participation in the Plan and benefits under the Plan were frozen. Effective August 14, 2015, Northwest Bancshares, Inc. (the Corporation) acquired LNB, and Northwest Savings Bank (Northwest Bank) became the plan sponsor. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective December 15, 2015, the Plan was merged into the Northwest Savings Bank Pension Plan (Successor Plan). As a result of this merger, all assets and benefit obligations were assumed by Northwest Bank on December 31, 2015, and as such, are reported as assets and benefit obligations of the Successor Plan as of December 31, 2015.

Administrative and Investment Management Expenses: All administrative expenses of the Plan were paid by the Plan, if not paid by the Bank. Investment management fees were charged to the Plan as a reduction of investment return and included in net appreciation (depreciation) in fair value of investments reported by the Plan.

Pension Benefits: Participants were eligible for normal retirement upon reaching age 65. Monthly benefit payments were 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 had benefit payments reduced if they had less than 15 years of continuous employment upon retirement. Participants who joined the Plan after January 1, 1989 had benefit payments reduced if they had less than 25 years of continuous employment upon retirement. Benefit payments were available as a single life annuity and a joint survivor annuity or as a lump sum distribution. Benefits became fully vested after a participant had completed five years of service.

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

Death Benefits: If an active or terminated employee who had a vested interest in the Plan died 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 was paid to the participant's beneficiary.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

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

(Continued)

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition: The Plan's investments were reported at fair value as further described in Note 5. Purchases and sales were recorded on a trade date basis. Interest and dividend income were recorded on the accrual method of accounting. Net appreciation (depreciation) in fair value of investments 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 were 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 were 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 were included to the extent they were 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 was determined by consulting an actuary and was 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 valuation as of December 31, 2014 were: (a) assumed rate of return on investments is 7.50 percent (b) assumed retirement age is 65, and (c) life expectancy of participants (IRS Prescribed Optional Combined Mortality for Males and Females (1.430(h)(3)-1) for 2014. The foregoing actuarial assumptions were based on the presumption that the Plan would continue.

Adoption of New Accounting Standards: In July 2015, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) - I. Fully Benefit-Responsive Investment Contracts; II. Plan Investment Disclosures, and III. Measurement Date Practical Expedient*. Part II requires that investments that are measured using fair value (both participant-directed and nonparticipant-directed investments) be grouped only by general type, eliminating the need to disaggregate the investments by nature, characteristics, and risks. Part II also eliminates the disclosure of individual investments that represent 5 percent or more of net assets available for benefits and the disclosure of net appreciation or depreciation for investments by general type, requiring only presentation of net appreciation or depreciation in investments in the aggregate. Additionally, if an investment is measured using the net asset value per share as a practical expedient and that investment is a fund that files a U.S. Department of Labor Form 5500, as a direct filing entity, disclosure of that investment's strategy is no longer required. Parts I and III of the update are not applicable to the Plan. The amendments in ASU 2015-12 are effective for fiscal years beginning after December 15, 2015, with early application permitted. The amendments within Part II requires retrospective application. Management has elected to early adopt the provisions of Part II of this new standard. Accordingly, these provisions were retrospectively applied.

(Continued)

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 were recorded when paid.

Risks and Uncertainties: Investments were 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 was at least reasonably possible that changes in the values of certain Plan investments would 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 were 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 were subject to change. Due to uncertainties inherent in the estimations and assumptions process, it was at least reasonably possible that changes in these estimates and assumptions in the near term could have been material to the financial statements.

Subsequent Events: Plan management has evaluated subsequent events for recognition and disclosure through September 6, 2016, which is the date the financial statements were available to be issued.

NOTE 3 - FEDERAL INCOME TAXES

The Internal Revenue Service issued its latest determination letter on July 6, 2012, which stated that the Plan and underlying trust, as designed, qualify under the applicable provisions of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. In the opinion of the plan administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are not uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however there are currently no audits for any tax periods in progress.

NOTE 4 - CERTIFIED INVESTMENTS

The plan sponsor has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA for 2015. Accordingly, Northwest Bank, the trustee of the Plan has certified to the completeness and accuracy of all investments reported in the accompanying statement of net assets available for benefits as of December 31, 2015 and the related investment activity reported in the statement of changes in net assets available for benefits for the year ended December 31, 2015 and the information reported in the supplemental schedule of reportable transactions for the year ended December 31, 2015.

(Continued)

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 5 - FAIR VALUE MEASUREMENTS

Accounting Standards Codification 820, *Fair Value Measurement* (ASC 820), provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

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

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

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

In 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.

Common Stocks and Mutual Funds: The fair values were determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Money Market Fund: Fair values of money market deposit account balances were 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 (Level 2 inputs).

U.S. Government Agency Securities and Corporate Bonds: Fair values were 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 were 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.

(Continued)

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The following tables represent the balances of the Plan's investments that were measured at fair value on a recurring basis as of December 31, 2014. The Plan held no investments as of December 31, 2015.

	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	3,313,399	-	-	3,313,399
U.S. government agency securities	-	1,342,857	-	1,342,857
Corporate Bonds	-	99,571	-	99,571
Mutual funds	<u>491,312</u>	<u>-</u>	<u>-</u>	<u>491,312</u>
Total	<u>\$ 3,804,711</u>	<u>\$ 1,641,551</u>	<u>\$ -</u>	<u>\$ 5,446,262</u>

NOTE 6 - FUNDING POLICY AND PLAN TERMINATION

The plan sponsor made contributions to the Plan sufficient to provide the Plan with assets with which to pay pension benefits to plan participants. The plan sponsor's contributions met the minimum funding requirements of ERISA.

Under the provisions of ERISA, if the Plan were terminated, the plan sponsor may have been obligated to make termination payments to the Plan and participants may have been eligible for continuation of benefits under insurance provided by the Pension Benefit Guaranty Corporation ("PBGC"). In the event the Plan had terminated, the net assets of the Plan would have been 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.

NOTE 7 - 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, 2014 is summarized as follows:

Vested benefits	
Participants currently receiving benefit payments	\$ 2,587,651
Other vested participants	<u>1,722,257</u>
Total vested benefits	4,309,908
Nonvested benefits	<u>27,868</u>
Total benefit obligations	<u>\$ 4,337,776</u>

(Continued)

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 7 - ACCUMULATED PLAN BENEFITS (Continued)

A summary of significant changes in the actuarial present value of accumulated plan benefits during the year ended December 31, 2014 are as follows:

Beginning of year	\$ 4,286,977
Increase (decrease) during the year attributable to	
Benefits paid	(770,277)
Actuarial losses, net	292,638
Actuarial changes	4,610
Interest due to the decrease in the discount period	<u>523,828</u>
Net increase	<u>50,799</u>
Actuarial present value of accumulated plan benefits - end of year	<u>\$ 4,337,776</u>

NOTE 8 - PARTIES-IN-INTEREST

Parties-in-interest are defined under Department of Labor 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. Various administrative functions were performed by officers or employees of the plan sponsor. No such officer or employee received compensation from the Plan. The Plan invested in certain investments managed by the trustee, and these transactions qualified as party-in-interest transactions as defined under ERISA guidelines.

SUPPLEMENTAL SCHEDULE

THE LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
For the year ended December 31, 2015

Name of Plan Sponsor: The Lorain National Bank Retirement Pension Plan
Employer Identification Number: 34-0869480
Three-Digit Plan Number: 001

(a) Identity of Party Involved	(b) Description of Asset (Include 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) Net Gain or (Loss)
* The Lorain National Bank	LNB Trust Sweep	\$ 10,156,148	\$ -	\$ -	-	\$ 10,156,148	\$ 10,156,148	\$ -
		-	6,746,766	-	-	6,746,766	6,746,766	-

* Party-in-interest

Section XII

CENSUS and ASSUMPTIONS

Valuation Census Date Census data were provided by the Plan Sponsor as of January 01, 2015. 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:	1.15%	4.72%
Segment II:	4.06%	6.11%
Segment III:	5.15%	6.81%

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 2015 Plan Year was 6.27%. For the prior Plan year, this rate was 6.44%.

PBGC Discount Rates The segment rates used to calculate the PBGC vested liabilities are as follows:

	<u>PBGC General Method</u> (month prior to valuation)	<u>PBGC Alternative Method</u> (Unadjusted funding rates)
Segment I:	1.48%	1.15%
Segment II:	3.77%	4.06%
Segment III:	4.79%	5.15%

Mortality Table Elected IRS Prescribed Optional Combined Mortality for Males and Females (1.430(h)(3)-1) for the current Plan Year.

ASC 960 Assumptions The ASC 960 discount rate is the Plan Sponsor's view of the long-term rate of return on assets based on the actual trust assets. The rate used for the plan year beginning January 1, 2015 is 7.50% and was chosen by the plan sponsor.

Section XII

CENSUS and ASSUMPTIONS

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 \$20,714 were included in the Normal Cost.
Salary Scale	None. Plan accruals are Frozen.
Taxable Wage Base Increases	None.
Inflation	None.
Marriage	100% of Males and 100% of Females are assumed to be married. Females are assumed to be 3 years younger than males.
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.
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.

Section XII

CENSUS and ASSUMPTIONS

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.

Changes in non-required assumptions since the prior valuation

None.

Section XIII

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.

Section XIV

SUMMARY of PLAN BENEFITS

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

Section XIV

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.

Lorain National Bank Retirement Pension Plan

EIN: 34-0869480

PN: 001

Schedule SB, line 26 - Schedule of Active Participant Data as of January 1, 2015

Years of credited service:

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

Years of credited service:

	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.
Under 25	0		0		0		0		0	
25 to 29	0		0		0		0		0	
30 to 34	0		0		0		0		0	
35 to 39	1		0		0		0		0	
40 to 44	1		0		0		0		0	
45 to 49	3		2		0		0		0	
50 to 54	2		3		1		2		0	
55 to 59	7		6		2		2		0	
60 to 64	1		1		0		1		2	
65 to 69	1		0		0		0		0	
70 & up	0		0		0		0		0	

LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
EIN: 34-0869480
PN: 001

Schedule H, line 4j – Schedule of Reportable Transactions

Please reference the financial statements included in the Accountant's Opinion attachment for the Schedule of Reportable Transactions.

LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
EIN: 34-0869480
PN: 001

Schedule H, line 4i – Schedule of Assets (Held at End of Year)
& Schedule of Assets (Acquired and Disposed of Within Year)

Please reference the financial statements included in the Accountant's Opinion attachment for the Schedule of Assets (Held at End of Year) and the Schedule of Assets (Acquired and Disposed of Within Year).

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/15/2015

- **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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">B Three-digit plan number (PN) ►</td> <td style="width:40%; text-align: center;">001</td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> </table>	B Three-digit plan number (PN) ►	001		
B Three-digit plan number (PN) ►	001				
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Northwest Bank	D Employer Identification Number (EIN) 34-0869480				
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B					
F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500					

Part I Basic Information				
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2015</u>				
2 Assets:				
a Market value	2a		5,446,262	
b Actuarial value	2b		5,446,262	
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.....	40	2,858,359	2,858,359	
b For terminated vested participants.....	20	473,095	473,095	
c For active participants.....	61	1,232,054	1,232,054	
d Total	121	4,563,508	4,563,508	
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	6.27 %		
6 Target normal cost.....	6	20,714		

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	<u>JUNE 7, 2016</u> Date 14-03998 Most recent enrollment number (814) 455-4550 Telephone number (including area code)
Don J. Boetger Type or print name of actuary Northwest Retirement Services Firm name 1030 State Street, Suite 2 Erie PA 16501 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) 2015
v. 150123

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	619,144
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	619,144
10	Interest on line 9 using prior year's actual return of <u>9.36%</u>	0	57952
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>6.44%</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		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	677096

Part III Funding Percentages	
14 Funding target attainment percentage	14 104.50 %
15 Adjusted funding target attainment percentage	15 119.34 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16 129.12 %
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	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

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: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %
			☐ 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	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	
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	20,714
b Excess assets, if applicable, but not greater than line 31a		31b	20,714
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment			
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	
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	

LORAIN NATIONAL BANK RETIREMENT PENSION PLAN
EIN: 34-0869480
PN: 001

Schedule H, line 4i – Schedule of Assets (Held at End of Year)
& Schedule of Assets (Acquired and Disposed of Within Year)

Please reference the financial statements included in the Accountant's Opinion attachment for the Schedule of Assets (Held at End of Year) and the Schedule of Assets (Acquired and Disposed of Within Year).