

<b>Form 5500-SF</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation		<b>Short Form Annual Return/Report of Small Employee Benefit Plan</b>  This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>Complete all entries in accordance with the instructions to the Form 5500-SF.</b>		OMB Nos. 1210-0110 1210-0089  <b>2019</b>  <b>This Form is Open to Public Inspection</b>	
<b>Part I Annual Report Identification Information</b>					
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>					
<b>A</b> This return/report is for:		<input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)			
		<input type="checkbox"/> a one-participant plan <input type="checkbox"/> a foreign plan			
<b>B</b> This return/report is		<input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report			
		<input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)			
<b>C</b> Check box if filing under:		<input type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> DFVC program			
		<input type="checkbox"/> special extension (enter description)			
<b>Part II Basic Plan Information</b> —enter all requested information					
<b>1a</b> Name of plan <u>FARMERS NATIONAL BANK RETIREMENT PLAN</u>		<b>1b</b> Three-digit plan number (PN) ▶ <u>001</u>			
		<b>1c</b> Effective date of plan <u>01/01/1980</u>			
<b>2a</b> 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>FARMERS NATIONAL BANK</u>  <u>136 WEST MAIN STREET, P.O. BOX 631</u> <u>LEBANON, KY 40033-0631</u>		<b>2b</b> Employer Identification Number (EIN) <u>61-0189297</u>			
		<b>2c</b> Sponsor's telephone number <u>270-692-3177</u>			
		<b>2d</b> Business code (see instructions) <u>522120</u>			
<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor.		<b>3b</b> Administrator's EIN			
		<b>3c</b> Administrator's telephone number			
<b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report. <b>a</b> Sponsor's name <b>c</b> Plan Name		<b>4b</b> EIN			
		<b>4d</b> PN			
<b>5a</b> Total number of participants at the beginning of the plan year .....		<b>5a</b>		<u>27</u>	
<b>b</b> Total number of participants at the end of the plan year .....		<b>5b</b>		<u>22</u>	
<b>c</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....		<b>5c</b>			
<b>d(1)</b> Total number of active participants at the beginning of the plan year .....		<b>5d(1)</b>		<u>25</u>	
<b>d(2)</b> Total number of active participants at the end of the plan year .....		<b>5d(2)</b>		<u>21</u>	
<b>e</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested .....		<b>5e</b>		<u>1</u>	
<b>Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.</b> Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.					
<b>SIGN HERE</b>	<u>Filed with authorized/valid electronic signature.</u>	<u>06/22/2020</u>	<u>GEORGE B. SPRAGENS</u>		
	<b>Signature of plan administrator</b>	Date	Enter name of individual signing as plan administrator		
<b>SIGN HERE</b>					
	<b>Signature of employer/plan sponsor</b>	Date	Enter name of individual signing as employer or plan sponsor		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500-SF.					
Form 5500-SF (2019) v 190130					

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ..... ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ..... ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☒ Yes ☐ No ☐ Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4211101. (See instructions.)

**Part III Financial Information**

<b>7 Plan Assets and Liabilities</b>		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total plan assets .....	<b>7a</b>	2070626	2126501
<b>b</b> Total plan liabilities .....	<b>7b</b>		
<b>c</b> Net plan assets (subtract line 7b from line 7a) .....	<b>7c</b>	2070626	2126501
<b>8 Income, Expenses, and Transfers for this Plan Year</b>		<b>(a) Amount</b>	<b>(b) Total</b>
<b>a</b> Contributions received or receivable from:			
<b>(1)</b> Employers .....	<b>8a(1)</b>	108000	
<b>(2)</b> Participants .....	<b>8a(2)</b>		
<b>(3)</b> Others (including rollovers) .....	<b>8a(3)</b>		
<b>b</b> Other income (loss) .....	<b>8b</b>	241391	
<b>c</b> Total income (add lines 8a(1), 8a(2), 8a(3), and 8b) .....	<b>8c</b>		349391
<b>d</b> Benefits paid (including direct rollovers and insurance premiums to provide benefits) .....	<b>8d</b>	279103	
<b>e</b> Certain deemed and/or corrective distributions (see instructions) ...	<b>8e</b>		
<b>f</b> Administrative service providers (salaries, fees, commissions) .....	<b>8f</b>	14413	
<b>g</b> Other expenses .....	<b>8g</b>		
<b>h</b> Total expenses (add lines 8d, 8e, 8f, and 8g) .....	<b>8h</b>		293516
<b>i</b> Net income (loss) (subtract line 8h from line 8c) .....	<b>8i</b>		55875
<b>j</b> Transfers to (from) the plan (see instructions) .....	<b>8j</b>		

**Part IV Plan Characteristics**

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

**Part V Compliance Questions**

<b>10 During the plan year:</b>		<b>Yes</b>	<b>No</b>	<b>Amount</b>
<b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program) .....	<b>10a</b>		<input checked="" type="checkbox"/>	
<b>b</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.) .....	<b>10b</b>		<input checked="" type="checkbox"/>	
<b>c</b> Was the plan covered by a fidelity bond? .....	<b>10c</b>	<input checked="" type="checkbox"/>		2000000
<b>d</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....	<b>10d</b>		<input checked="" type="checkbox"/>	
<b>e</b> Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.) .....	<b>10e</b>		<input checked="" type="checkbox"/>	
<b>f</b> Has the plan failed to provide any benefit when due under the plan? .....	<b>10f</b>		<input checked="" type="checkbox"/>	
<b>g</b> Did the plan have any participant loans? (If "Yes," enter amount as of year-end.) .....	<b>10g</b>		<input checked="" type="checkbox"/>	
<b>h</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....	<b>10h</b>			
<b>i</b> If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 .....	<b>10i</b>			

**Part VI Pension Funding Compliance**

**11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 12 below..... ☒ Yes ☐ No

**a** Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 ..... **11a** 0

**b PBGC missed contribution reporting requirements.** If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

- ☐ Yes.
- ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
- ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
- ☐ No. Other. Provide explanation \_\_\_\_\_

**12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..... ☐ Yes ☒ No  
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.

**a** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. .... Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

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

**b** Enter the minimum required contribution for this plan year ..... **12b**

**c** Enter the amount contributed by the employer to the plan for this plan year ..... **12c**

**d** Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) ..... **12d**

**e** Will the minimum funding amount reported on line 12d be met by the funding deadline? ..... ☐ Yes ☐ No ☐ N/A

**Part VII Plan Terminations and Transfers of Assets**

**13a** Has a resolution to terminate the plan been adopted in any plan year? ..... ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... **13a**

**b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ..... ☐ Yes ☒ No

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

<b>13c(1)</b> Name of plan(s):	<b>13c(2)</b> EIN(s)	<b>13c(3)</b> PN(s)

<b>SCHEDULE SB</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Single-Employer Defined Benefit Plan</b> <b>Actuarial Information</b>  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).  <b>► File as an attachment to Form 5500 or 5500-SF.</b>	OMB No. 1210-0110  <b>2019</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

► **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.

<b>A</b> Name of plan <u>FARMERS NATIONAL BANK RETIREMENT PLAN</u>	<b>B</b> Three-digit plan number (PN) ►	<u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>FARMERS NATIONAL BANK</u>	<b>D</b> Employer Identification Number (EIN) <u>61-0189297</u>	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		
<b>F</b> Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500		

<b>Part I</b>	<b>Basic Information</b>		
<b>1</b>	Enter the valuation date:      Month <u>01</u> Day <u>01</u> Year <u>2019</u>		
<b>2</b>	Assets:		
	<b>a</b>		
	Market value .....	<b>2a</b>	<u>2070626</u>
	<b>b</b>		
	Actuarial value .....	<b>2b</b>	<u>2183735</u>
<b>3</b>	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	<b>a</b> For retired participants and beneficiaries receiving payment.....	<u>1</u>	<u>291844</u>
	<b>b</b> For terminated vested participants.....	<u>1</u>	<u>207305</u>
	<b>c</b> For active participants .....	<u>25</u>	<u>487391</u>
	<b>d</b> Total.....	<u>27</u>	<u>986540</u>
<b>4</b>	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	<b>a</b> Funding target disregarding prescribed at-risk assumptions .....	<b>4a</b>	
	<b>b</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.....	<b>4b</b>	
<b>5</b>	Effective interest rate .....	<b>5</b>	<u>5.79</u> %
<b>6</b>	Target normal cost.....	<b>6</b>	<u>48977</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.

<b>SIGN HERE</b>	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center;">Signature of actuary</div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center;">Type or print name of actuary</div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center;">Firm name</div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center;">Address of the firm</div>	<div style="text-align: right; margin-bottom: 5px;"><u>05/28/2020</u></div> <div style="text-align: center;">Date</div> <div style="text-align: right; margin-bottom: 5px;"><u>20-08653</u></div> <div style="text-align: center;">Most recent enrollment number</div> <div style="text-align: right; margin-bottom: 5px;"><u>317-845-3582</u></div> <div style="text-align: center;">Telephone number (including area code)</div>
	<u>KEVIN CAREY, FSA, EA</u>  <u>NYHART</u>  <u>8415 ALLISON POINTE BLVD.</u> <u>SUITE 300</u> <u>INDIANAPOLIS, IN 46250</u>	

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, see the Instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2019**  
**v. 190130**

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
<b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....	0	1200000
<b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	0
<b>9</b> Amount remaining (line 7 minus line 8) .....	0	1200000
<b>10</b> Interest on line 9 using prior year's actual return of <u>-4.27</u> % .....	0	-51240
<b>11</b> Prior year's excess contributions to be added to prefunding balance:		
<b>a</b> Present value of excess contributions (line 38a from prior year) .....		95798
<b>b(1)</b> 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>5.91</u> % .....		5662
<b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....		0
<b>c</b> Total available at beginning of current plan year to add to prefunding balance .....		101460
<b>d</b> Portion of (c) to be added to prefunding balance .....		0
<b>12</b> Other reductions in balances due to elections or deemed elections .....	0	8760
<b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....	0	1140000

Part III Funding Percentages		
<b>14</b> Funding target attainment percentage .....	<b>14</b>	105.19 %
<b>15</b> Adjusted funding target attainment percentage .....	<b>15</b>	220.08 %
<b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	106.54 %
<b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

Part IV Contributions and Liquidity Shortfalls					
<b>18</b> 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
03/29/2019	27000	0			
06/27/2019	27000	0			
09/27/2019	27000	0			
12/27/2019	27000	0			
<b>Totals ▶</b>			<b>18(b)</b>	108000	<b>18(c)</b> 0

<b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
<b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....	<b>19a</b>	0
<b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b>	0
<b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b>	104358
<b>20</b> Quarterly contributions and liquidity shortfalls:		
<b>a</b> Did the plan have a "funding shortfall" for the prior year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>c</b> 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**

<b>21</b> Discount rate:				
<b>a</b> Segment rates:	1st segment: 3.74 %	2nd segment: 5.35 %	3rd segment: 6.11 %	<input type="checkbox"/> N/A, full yield curve used
<b>b</b> Applicable month (enter code) .....				<b>21b</b> 0
<b>22</b> Weighted average retirement age .....				<b>22</b> 65
<b>23</b> Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

<b>31</b> Target normal cost and excess assets (see instructions):			
<b>a</b> Target normal cost (line 6).....	<b>31a</b>	48977	
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	48977	
<b>32</b> Amortization installments:	Outstanding Balance		Installment
<b>a</b> Net shortfall amortization installment .....	0	0	
<b>b</b> Waiver amortization installment .....	0	0	
<b>33</b> 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 .....	<b>33</b>		
<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	<b>34</b>	0	
	Carryover balance	Prefunding balance	Total balance
<b>35</b> Balances elected for use to offset funding requirement .....	0	0	0
<b>36</b> Additional cash requirement (line 34 minus line 35) .....	<b>36</b>	0	
<b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....	<b>37</b>	104358	
<b>38</b> Present value of excess contributions for current year (see instructions)			
<b>a</b> Total (excess, if any, of line 37 over line 36) .....	<b>38a</b>	104358	
<b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....	<b>38b</b>	0	
<b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....	<b>39</b>	0	
<b>40</b> Unpaid minimum required contributions for all years .....	<b>40</b>	0	

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

<b>41</b> If an election was made to use PRA 2010 funding relief for this plan:	
<b>a</b> Schedule elected .....	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years
<b>b</b> Eligible plan year(s) for which the election in line 41a was made .....	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011

## Active Participant Schedule

Active participant information grouped based on age and credited service.

Age Group	Years of Service									
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up
Under 25		3								
25 to 29		1								
30 to 34		4	3	1						
35 to 39		1	2							
40 to 44				2	1					
45 to 49		1				2				
50 to 54			1							
55 to 59							2			
60 to 64										
65 to 69										
70 & up		1								

Except where otherwise indicated, the following assumptions were selected by the plan sponsor with the concurrence of the actuary. Prescribed assumptions are based on the requirements of the relevant law, the Internal Revenue Code and applicable regulation. The actuary was not able to evaluate the prescribed assumptions for reasonableness for the purpose of the measurement.

**Valuation Date** January 1, 2019

**Participant and Asset Information Collected as of** January 1, 2019

**Retirement Rates (FE)**

<u>Age</u>	<u>Rate</u>
65	100%

As the plan is not large enough to have credible experience, in our professional judgement, use of an assumption more sophisticated than a single point estimate is not merited.

**Mortality Rates**

Healthy/Disabled(FE)

IRS 2019 Small Plan Combined Static Mortality - sex distinct RP-2006 base mortality table combined for annuitants and non-annuitants as provided in IRC 430(h)(3). Mortality projections are based on SOA improvement scale MP-2017 and the projection methodology described in IRS regulations 1.430(h)(3)-1(c).

The mortality table is prescribed by federal regulation.

Lump Sum (FE)

IRS 2019 Applicable Mortality as prescribed by IRC 417(e)

The mortality table is prescribed by federal regulation.

ASC 960 (FE)

RP-2014 with fully generational improvements from 2006 based on the MP-2018 improvement scale

As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.

**Disability Rates (FE)** Not Applicable

Due to the size and lack of subsidies, in our professional judgement, explicitly valuing a disability decrement does not improve the accuracy of a valuation sufficiently to justify the added complexity.



#### Withdrawal Rates (FE)

Rates in accordance with the Crocker Sarason Straight T-7 table. Sample rates as follows:

<u>Age</u>	<u>Rate</u>
25	9.67%
35	8.71%
45	6.35%
55	1.55%

As the plan is not large enough to have credible experience, withdrawal assumptions reflect the results of general termination experience studies.

#### Annual Pay Increases (CO)

4.00%

The annual pay increase reflects the employer's average target increase for a career employee.

#### Interest Rates

	1st Segment (0-5 years)	2nd Segment (5-20 years)	3rd Segment (20+ years)
Minimum Funding and Benefit Restrictions - Prescribed (CO)	3.74%	5.35%	6.11%
PBGC and Maximum Funding - Prescribed (CO)	2.55%	3.93%	4.49%
ASC 960 (CO)	5.00%	5.00%	5.00%

All segment rates are based on the sponsor's election to use a 0 month lookback. The PBGC interest rates are based on the sponsor's election to use the Alternative calculation method. The Alternative calculation method was elected in 2010.

Minimum and Maximum funding interest rates are prescribed by IRS regulation. The ASC 960 interest rate has been set by the plan sponsor in conjunction with their asset advisors. Detailed evaluation of this assumption was outside the scope of our engagement.

#### Payment Form Election (FE)

Lump Sum	95%
Annuity	5%

#### Expense and/or Contingency Loading (FE)

The Target Normal Cost is increased by \$0 to cover anticipated administrative expenses paid from the trust during the plan year.

<b>Marital Status and Ages (FE)</b>	100% of Participants assumed to be married with wives assumed to be 2 years younger than their husbands
<b>Market Value of Assets</b>	Equal to the fair value of assets as of the valuation date, plus the discounted value of contributions made following the valuation date and before the date of this report for the purpose of satisfying the prior year's funding requirements.
<b>Plan Asset Valuation Method</b>	PPA Smoothed Value of Assets. Gains or losses on the Market Value of Assets are recognized over three years, subject to a 10% corridor around the Market Value of Assets.
<b>Expected Rate of Return on Assets (CO)</b>	For determination of the Plan Asset value, the expected return on assets is equal to the Effective Interest Rate for periods prior to 1/1/2017 and equal to the expected long-term rate of return of 5.00% for periods on or after 1/1/2017.
<b>Cost Method</b>	<p>PPA requires the use of the Unit Credit cost method for determining the minimum required contribution and PBGC premiums. The maximum tax deductible contribution calculation includes limited Projected Unit Credit calculations as required under IRC 404(o).</p> <p>ASC 960 requires the use of the Unit Credit cost method.</p>

*FE indicates an assumption representing an estimate of future experience*

*MD indicates an assumption representing observations of estimates inherent in market data*

*CO indicates an assumption representing a combination of an estimate of future experience and observations of market data*

<b>SCHEDULE SB</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Single-Employer Defined Benefit Plan</b> <b>Actuarial Information</b>  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).  ▶ <b>File as an attachment to Form 5500 or 5500-SF.</b>	OMB No. 1210-0110  <b>2019</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

▶ **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.

<b>A</b> Name of plan Farmers National Bank Retirement Plan	<b>B</b> Three-digit plan number (PN) ▶ 001
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Farmers National Bank	<b>D</b> Employer Identification Number (EIN) 61-0189297
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	<b>F</b> Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500

<b>Part I</b>	<b>Basic Information</b>
<b>1</b> Enter the valuation date: Month 01 Day 01 Year 2019	
<b>2</b> Assets:	
<b>a</b> Market value.....	<b>2a</b> 2,070,626
<b>b</b> Actuarial value .....	<b>2b</b> 2,183,735
<b>3</b> Funding target/participant count breakdown	
<b>a</b> For retired participants and beneficiaries receiving payment .....	(1) Number of participants 1 (2) Vested Funding Target 291,844 (3) Total Funding Target 291,844
<b>b</b> For terminated vested participants .....	1 207,305 207,305
<b>c</b> For active participants .....	25 487,391 493,069
<b>d</b> Total .....	27 986,540 992,218
<b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>	
<b>a</b> Funding target disregarding prescribed at-risk assumptions .....	<b>4a</b>
<b>b</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 .....	<b>4b</b>
<b>5</b> Effective interest rate .....	<b>5</b> 5.79%
<b>6</b> Target normal cost .....	<b>6</b> 48,977

**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.

<b>SIGN HERE</b>	Kevin Carey 	05/28/2020
	Signature of actuary	Date
Kevin Carey, FSA, EA	Type or print name of actuary	2008653
Nyhart		Most recent enrollment number
	Firm name	317-845-3582
8415 Allison Pointe Blvd.		Telephone number (including area code)
Suite 300		
Indianapolis IN 46250	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, see the Instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2019**  
**v. 190130**

**Part II Beginning of Year Carryover and Prefunding Balances**

	(a) Carryover balance	(b) Prefunding balance
<b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	1,200,000
<b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	0
<b>9</b> Amount remaining (line 7 minus line 8).....	0	1,200,000
<b>10</b> Interest on line 9 using prior year's actual return of <u>-4.27%</u> .....	0	-51,240
<b>11</b> Prior year's excess contributions to be added to prefunding balance:		
<b>a</b> Present value of excess contributions (line 38a from prior year).....		95,798
<b>b(1)</b> 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>5.91%</u> .....		5,662
<b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
<b>c</b> Total available at beginning of current plan year to add to prefunding balance.....		101,460
<b>d</b> Portion of (c) to be added to prefunding balance.....		0
<b>12</b> Other reductions in balances due to elections or deemed elections.....	0	8,760
<b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	1,140,000

**Part III Funding Percentages**

<b>14</b> Funding target attainment percentage .....	<b>14</b>	105.19%
<b>15</b> Adjusted funding target attainment percentage.....	<b>15</b>	220.08%
<b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	106.54%
<b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....	<b>17</b>	%

**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
03/29/2019	27,000	0			
06/27/2019	27,000	0			
09/27/2019	27,000	0			
12/27/2019	27,000	0			
<b>Totals ▶</b>			<b>18(b)</b>	108,000	<b>18(c)</b> 0

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

<b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years.....	<b>19a</b>	0
<b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b>	0
<b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	<b>19c</b>	104,358

**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**

<b>21</b> Discount rate:				
<b>a</b> Segment rates:	1st segment: 3.74 %	2nd segment: 5.35 %	3rd segment: 6.11 %	<input type="checkbox"/> N/A, full yield curve used
<b>b</b> Applicable month (enter code).....				<b>21b</b> 0
<b>22</b> Weighted average retirement age .....				<b>22</b> 65
<b>23</b> Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

<b>31</b> Target normal cost and excess assets (see instructions):												
<b>a</b> Target normal cost (line 6) .....	<b>31a</b>	48,977										
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	48,977										
<b>32</b> Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td><b>a</b> Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>b</b> Waiver amortization installment .....</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	<b>a</b> Net shortfall amortization installment.....	0	0	<b>b</b> Waiver amortization installment .....	0	0
	Outstanding Balance	Installment										
<b>a</b> Net shortfall amortization installment.....	0	0										
<b>b</b> Waiver amortization installment .....	0	0										
<b>33</b> 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 .....	<b>33</b>											
<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	<b>34</b>	0										
	Carryover balance	Prefunding balance	Total balance									
<b>35</b> Balances elected for use to offset funding requirement.....	0	0	0									
<b>36</b> Additional cash requirement (line 34 minus line 35).....	<b>36</b>	0										
<b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	<b>37</b>	104,358										
<b>38</b> Present value of excess contributions for current year (see instructions)												
<b>a</b> Total (excess, if any, of line 37 over line 36) .....	<b>38a</b>	104,358										
<b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....	<b>38b</b>	0										
<b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	<b>39</b>	0										
<b>40</b> Unpaid minimum required contributions for all years .....	<b>40</b>	0										

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

<b>41</b> If an election was made to use PRA 2010 funding relief for this plan:				
<b>a</b> Schedule elected .....	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years			
<b>b</b> Eligible plan year(s) for which the election in line 41a was made .....	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011			

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### Summary of Contributions

Below is a summary of historical contributions.

Effective Rate: 5.79%

### Contributions for Plan Year Beginning in 2019

Contribution Date	Amount	Discounted Value
March 29, 2019	\$27,000	\$26,640
June 27, 2019	\$27,000	\$26,273
September 27, 2019	\$27,000	\$25,903
December 27, 2019	\$27,000	\$25,542
<b>Totals</b>	<b>108,000.00</b>	<b>104,358.00</b>

Age	Expected Actives at Age	Retirement Rate	Expected Retirements	Weighted Age
65.00	9.1950	100.00%	9.1950	597.6764
66.00	0.0000	100.00%	0.0000	0.0000
67.00	0.0000	100.00%	0.0000	0.0000
68.00	0.0000	100.00%	0.0000	0.0000
69.00	0.0000	100.00%	0.0000	0.0000
70.00	1.0000	100.00%	1.0000	70.0000
Total			10.1950	667.6764

Weighted Average Retirement Age = Weighted Age/Expected Retirements : **65.49**

\* Please note that the retirement rates are a weighted average of the rates shown in Part V for active participants eligible to retire at the age and zero for all other active participants.

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### Plan Effective Date

The plan was last restated effective 1/1/2019 and most recently amended effective 1/1/2012

### Plan Status

The plan is open to new participants and all participants are eligible to accrue additional benefits

### Eligibility for Participation

An eligible employee shall become a participant on the first day of the plan year following his attainment of  $\frac{1}{2}$  year of service and age 20  $\frac{1}{2}$

### Accrued Benefit

The accrued benefit is determined as the sum of 1.00% of Plan Compensation multiplied by years of service since 1/1/1994 plus 0.65% of Plan Compensation in excess of Covered Compensation multiplied by years of service since 1/1/1994 up to a maximum of 30 years plus the frozen accrued benefit as of 1/1/1994 multiplied by the ratio of Monthly Average Compensation as of the date of determination over the Monthly Average Compensation at 1/1/1994

### Benefits

#### Normal Retirement

Eligibility	The later of attainment of age 65 or the 5th anniversary of plan participation
Benefit	Accrued Benefit

#### Late Retirement

Eligibility	Participation continues after normal retirement date
Benefit	Greater of accrued retirement benefit commencing as of the first day of the month following his late retirement date based on plan compensation and credited service at such date or accrued benefit as of normal retirement date actuarially increased for delayed commencement



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#### Death before Retirement

Eligibility	5 years of service
Benefit	The beneficiary of a participant will receive the present value of the vested accrued benefit

#### Termination Benefit

Eligibility	Five (5) years of credited service for vesting
Benefit	The actuarial equivalent of vested accrued benefit

#### Disability

Eligibility	A participant's Accrued Benefit is 100% vested after earning 5 years of vesting service
Benefit	The actuarial equivalent of vested accrued benefit

#### Plan Compensation

The monthly average of compensation for the consecutive five year period which produces the highest average

#### Credited Service

##### For Vesting

A year of vesting service is credited for each plan year in which a participant is credited with 1000 hours of service

##### For Benefit Accrual

A year of benefit service is credited for each plan year in which a participant is credited with 500 hours of service

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## Employee Contributions

Participants shall not be required or permitted to make contributions under the Plan

## Payment Forms

Normal Form

The normal form of benefit for single participants is a single life annuity. The normal form of benefit for married participants is an actuarially equivalent qualified joint and 50% survivor annuity

Optional Forms

Life Annuity, Life Annuity with payments guaranteed for 5, 10, or 15 years, 50%, 75%, or 100% Joint and Survivor Annuity, and a Single Sum payment

## Actuarial Equivalence

For non-decreasing annuities: Actuarial Equivalence will be computed using 7.50% interest and the 1983 Group Annuity Mortality Male mortality table weighted 50% male rates and 50% female rates

For accelerated forms of payment: Actuarial Equivalence will be computed using the "PPA applicable mortality table" and the interest rate determined under Code Section 417(e)(3) for the month of October preceding the next Plan Year that contains the annuity starting date

## Plan Provisions Not Included

We are not aware of any plan provisions not included in the valuation

## Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results of this report

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## Changes since Prior Valuation and Key Notes

There have been no changes to the plan provisions since the last valuation.

The interest rates and mortality assumptions have been updated as required under the Pension Protection Act, all subsequent legislation, and associated IRS Regulations, including the changes presented by the Bipartisan Budget Act of 2015. These changes resulted in an increase in the Funding Target and Target Normal Cost.

To better reflect anticipated plan experience, for ASC 960 purposes, the mortality improvement scale was updated from the generational MP-2017 projection scale to the generational MP-2018 projection scale. The RP-2014 Mortality Table continues to be the underlying mortality basis. This change results in a small decrease in the Present Value of Accumulated Benefits.

The mortality table used to compute lump sums was updated from the 2018 Applicable Mortality Table to the 2019 Applicable Mortality Table. This change results in a small decrease in the Funding Target, Target Normal Cost, and Present Value of Accumulated Benefits.

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