

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
LCNB CORP.		31-1626393	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
ROBERT HAINES	513-932-1414	RHAINES@LCNB.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
2 NORTH BROADWAY		LEBANON, OH 45036	
8 Date of action		9 Classification and description	
11/01/2023		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
50181P100	N/A	LCNB	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHMENT

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE ATTACHMENT

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHMENT

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► SEE ATTACHMENT

18 Can any resulting loss be recognized? ► SEE ATTACHMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► SEE ATTACHMENT

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Robert C Haines II

Date ►

12/12/2023

Print your name ►

Robert C Haines II

Title ►

CFO

**Paid
Preparer
Use Only**

Print/Type preparer's name

MONICA SCHMIDT

Preparer's signature

MONICA SCHMIDT

Date

12/7/2023

Check ☐ if
self-employed

PTIN

P00032475

Firm's name ► CROWE LLP

Firm's EIN ► 35-0921680

Firm's address ► 330 E JEFFERSON BLVD, PO BOX 7, SOUTH BEND, IN 46624

Phone no. 574-232-3992

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

LCNB CORP.
31-1626393
Attachment to Form 9937

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CONSULT YOUR TAX ADVISOR

The information contained herein is being provided pursuant to the requirements of Section 6405B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects on the tax basis of LCNB Corp. ("LCNB") stock received in exchange for Cincinnati Bancorp, Inc. ("CNNB") stock as a result of the merger of CNNB with and into LCNB. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequence that may apply to particular categories of shareholders. LCNB does not provide tax advice to its shareholders. The tax treatment described below may not apply to all shareholders of CNNB. You are urged to consult your own tax advisor regarding the particular consequences of the merger to you, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.

Part I, Box 9: Classification and Description

The securities subject to reporting include all shares of LCNB common stock issued in exchange for the outstanding common stock of CNNB as a result of the merger of CNNB with and into LCNB.

Part II, Question 14: Describe the organization action, and if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On November 1, 2023 ("Effective Date"), pursuant to the Agreement and Plan of Merger dated May 17, 2023 (the "Merger Agreement"), by and between LCNB and CNNB, CNNB merged with and into LCNB, with LCNB as the surviving entity of the Merger. Immediately following the Merger, CNNB's wholly-owned subsidiary bank, Cincinnati Federal, was merged with and into LCNB National Bank, the wholly-owned bank subsidiary of LCNB (the "Bank Merger"). LCNB National Bank was the surviving bank in the Bank Merger.

As a result of the Merger, each share of CNNB common stock issued and outstanding upon the election of the shareholder and in accordance with the procedures set forth in the Merger Agreement, converted into the right to receive 0.9274 shares of LCNB, \$17.21 in cash, or a combination of both. No fractional shares of LCNB common stock were issued in connection with the Merger, and CNNB shareholders were entitled to receive cash in lieu of such fractional shares.

Part II, Question 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Code.

CNNB shareholders receiving solely cash will experience no effect on basis of their CNNB stock.

- These shareholders should recognize gain or loss equal to the difference between the cash received and the tax basis in their CNNB shares surrendered.

CNNB shareholders receiving solely LCNB stock will experience the following effects:

- The aggregate basis in the CNNB shares immediately before the exchange should be allocated proportionately to the 0.9274 (or fraction of 0.9274) LCNB shares received in the exchange. The quantitative effect is $1/0.9274 = 1.0783$ of the basis in each whole CNNB share is allocated to

each whole LCNB share. Generally, the tax basis is allocated to individual LCNB shares received on a block-by-block basis. Since a whole number of LCNB shares were not issued in exchange for each CNNB share, this could result in a single share of LCNB stock having a split basis and a split holding period.

- CNNB shareholders who received cash in lieu of a fractional share of LCNB common stock will generally be treated as having received the fractional share pursuant to the merger and then as having exchanged the fractional share of cash in redemption by LCNB. These CNNB shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the CNNB common shares deemed to have been exchanged for the fractional shares and the amount of cash received.

CNNB shareholders receiving LCNB stock and cash will experience the following effects:

- Gain, but not loss, will be recognized equal to the lesser of: (a) the amount of cash received in the merger; or (b) the amount, if any, by which the sum of the cash received and the fair market value of the LCNB stock received exceeds the holder's adjusted tax basis in the CNNB shares exchanged in the merger. For this purpose, in computing the gain to be recognized on the exchange of CNNB common stock for LCNB common stock, the amount of cash considered to be received in the merger does not include cash received in lieu of fractional shares. Gain or loss should be calculated separately for each identifiable block of shares surrendered in the merger, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares.
- The aggregate tax basis of the LCNB shares received will equal the aggregate basis of CNNB shares exchanged (not counting the basis of any shares allocated to the receipt of fractional LCNB shares), reduced by cash received in the merger (not counting cash received for fractional shares), and increased by any gain recognized in the exchange (not counting any gain on fractional shares). Generally, the tax basis is allocated to individual LCNB shares received on a block-by-block basis. Since a whole number of LCNB shares were not issued in exchange for each CNNB share, this could result in a single share of LCNB stock having a split basis and split holding period.
- CNNB shareholders who received cash in lieu of a fractional share of LCNB common stock will generally be treated as having received the fractional share pursuant to the merger and then as having exchanged the fractional share of cash in redemption by LCNB. These CNNB shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the CNNB common shares deemed to have been exchanged for the fractional shares and the amount of cash received.

Part II, Question 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

Refer to the description in the basis calculation in Part II, Question 15 above. The November 1, 2023, closing price of a single share of LCNB common stock on the NASDAQ was \$14.01.

Part II, Box 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Code. Other relevant Code sections include 354, 356, 358, 368, 1001, and 1221.

Part II, Box 18: Can any resulting loss be recognized?

No loss may be recognized by a CNNB shareholder receiving LCNB common stock and cash, except that any loss on the receipt of cash in lieu of a fractional share of LCNB stock may be recognized. CNNB shareholders receiving solely cash may recognize loss, if any. The deductibility of capital losses may be subject to limitations.

Part II, Box 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Merger was completed on November 1, 2023. Consequently, the reportable tax year of the CNNB shareholders for reporting the tax effect of the share exchange and cash receipt is the tax year that includes the November 1, 2023 date. This is the 2023 calendar year for those shareholders who report taxable income on the basis of a calendar year.