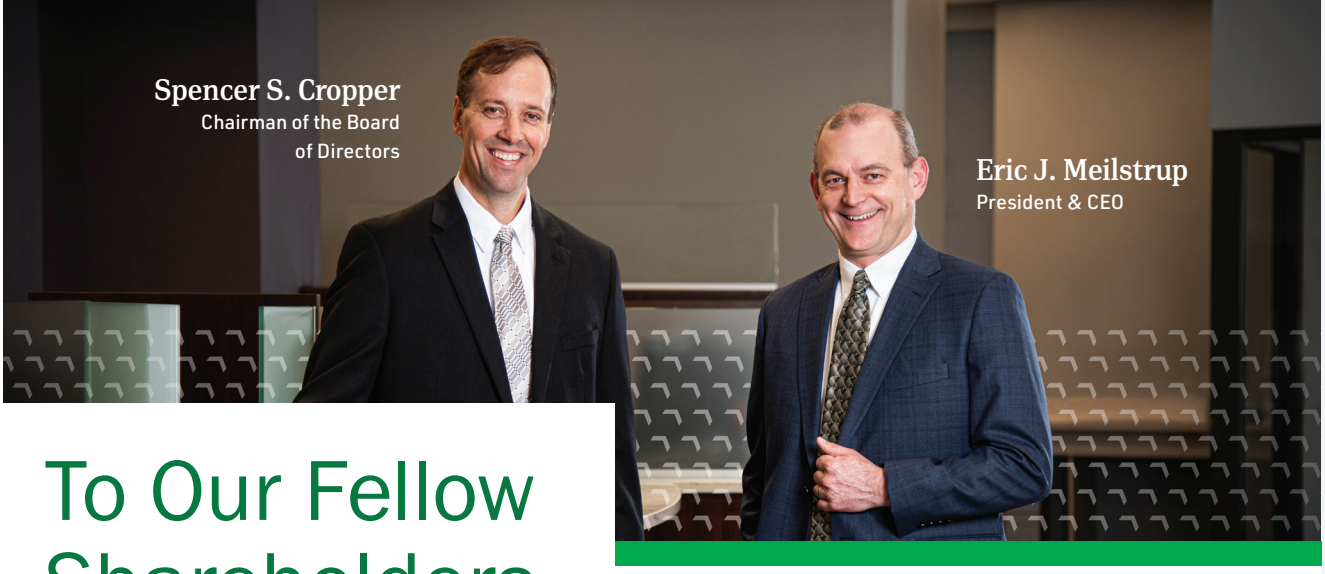
LCNB CORP.

2020 Annual Report





To Our Fellow Shareholders,

For over 140 years, LCNB Corp. has focused on supporting the financial needs of our communities. Our ability to navigate the effects of the COVID-19 pandemic while continuing to serve our local communities is a direct result of our experienced management team, the dedication of our associates, and our successful business model. We entered 2020 with strong capital levels and a legacy of robust asset quality, which provided LCNB with the flexibility to respond to the challenges associated with the pandemic.

At the onset of the pandemic, we quickly adjusted our operations to make sure we were doing our part to protect the health, safety and well-being of our customers and associates. We also offered customers impacted by the COVID-19 crisis the ability to defer loan payments to help navigate the severe economic uncertainty the crisis caused. We funded over $45.5 million in loans to 316 small businesses and organizations through the Paycheck Protection Program and as of December 31, 2020, have helped over 100 customers receive $21.5 million of loan forgiveness through the program.

LCNB achieved record financial results, despite the year's challenges, which is a result of the comprehensive financial services we provide our communities, our conservative approach to risk, and the success of our diversified business model. LCNB ended 2020 with numerous records: earnings at $1.55 per diluted share, fiduciary income, shareholders' equity, and total assets managed of $2.9 billion. Our credit quality remained strong during the year as we maintained our conservative approach to risk; we ended the year with net charge-offs to average loans of only three basis points.

It is critical for us to continually invest in our business. Therefore, we are focused on expanding LCNB's digital service and marketing efforts, while optimizing the Bank's physical branch presence. Providing an excellent experience for our customers has always been a priority for LCNB. During the year we refreshed our entire ATM network, enhanced branch systems and processes, and launched a new online platform that supports enhanced digital account opening and lending applications. All investments were made with the goal of improving the customer experience and our operating efficiencies.

We remain focused on offering our communities leading and diversified financial services, maintaining strong asset quality, managing both our cost of funds and non-interest expenses, and increasing non-interest income. We believe we have a proven platform to drive sustainable growth and create long-term value for our shareholders. For the third year in a row, the board voted to increase the dividend paid on our common stock. The fourth quarter dividend of $0.19 per share is a 5.56% increase over the third quarter dividend.

On behalf of everyone at LCNB, thank you for your continued support.

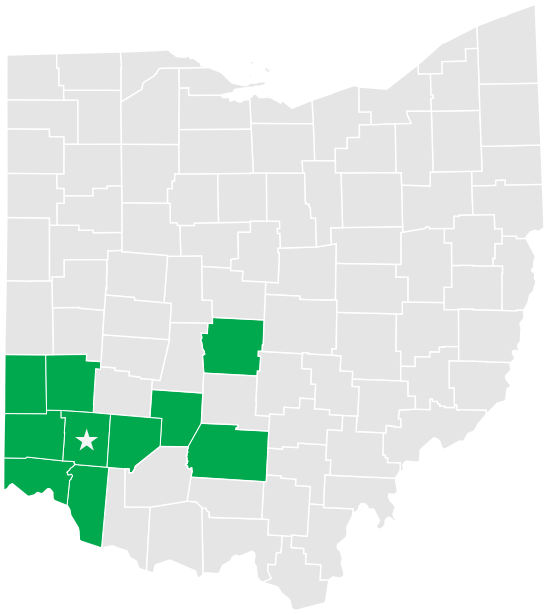
Sincerely,

Spencer S. Cropper
Chairman

Eric J. Meilstrup
President & CEO

Additional statistical data and financial information for 2020 is available in the LCNB Corp. Annual Report on Form 10-K. This report is filed annually with the Securities and Exchange Commission. A copy is included in this mailing. It is also available upon request or from the shareholder information section on our website LCNB.com or LCNBCORP.com.

LCNB Corp. will host a virtual 2021 Annual Meeting of Shareholders on April 20 at 10:00 am ET. This will be a similar format as last year's Annual Meeting and will ensure we are doing our part to protect the health and safety of our shareholders, associates, and community. Proxy material is included with this mailing. Please review, sign, and return the proxy in the envelope provided.



LCNB National Bank serves its clients and communities through banking offices in ten Ohio counties:

Butler
Clermont
Clinton
Fayette
Franklin
Hamilton
Montgomery
Preble
Ross
Warren

Board of Directors

Spencer S. Cropper
Chairman

Eric J. Meilstrup
President
Chief Executive Officer

Mary E. Bradford
Director

Steve P. Foster
Director

William G. Huddle
Director

Craig M. Johnson
Director

Michael J. Johrendt
Director

William H. Kaufman
Director

John H. Kochensparger III
Director

Anne E. Krehbiel
Director

Stephen P. Wilson
Director

Transfer Agent and Registrar:
Computershare, Inc.

Transfer Agent Address:
P.O. Box 43078 Providence, RI 02940

Transfer Agent Telephone:
800.942.5909

NASDAQ: LCNB



LCNB National Bank

Personal | Wealth | Business

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EQUAL HOUSING LENDER MEMBER FDIC