

LCNB NATIONAL BANK  
CELEBRATING

145

1877

YEARS

2022

**LCNB**  
CORP.

*2021 Annual Report*

GROWTH THROUGH STRENGTH

**Spencer S. Cropper**  
Chairman of the Board  
of Directors

**Eric J. Meilstrup**  
President & CEO

## To Our Fellow Shareholders,

Throughout our 145-year history, we have focused on serving our communities by providing leading, individual, and local financial services to our customers, while prudently managing risk. These values have enabled us to grow from one branch in Lebanon, Ohio in 1877 to 31 branches across 10 Ohio counties today. We have continually evolved our operations by adding best-in-class capabilities and comprehensive financial services as the needs of our customers have changed. LCNB's compelling platform and track record of profitable growth continues to power our success and we reported another year of record financial results in 2021.

We are particularly proud of our financial performance over the past two years, as we continued helping our local markets and customers navigate the unprecedented challenges caused by the COVID-19 pandemic. Throughout the pandemic we supported our communities by participating in the Paycheck Protection Program ("PPP") and extending deferral programs to borrowers in need.

2021 was a record year for LCNB, driven by robust asset and wealth management growth and continued strong asset quality. Total assets increased 9.0% to a record \$1.90 billion. We have maintained solid asset quality and, for the 2021 twelve-month period, we reported net recoveries of \$47,000 or (0.00)% of average loans. This performance contributed to record earnings of \$1.66 per diluted share, an increase of 7.1% as compared to last year.

As we look to the future, we are encouraged by our record results, strong operating position, and the strategies we are following to create continued value for our shareholders. Our strategic priorities are focused on diversifying revenues, growing customer relationships, managing operating expenses, and prudently controlling risk.

### During 2021, we made progress against each strategic priority.

LCNB's Wealth Management assets, including trust, investment, and brokerage accounts, increased 14.7% during 2021 to a record \$1.06 billion and helped LCNB produce record fiduciary income of \$6.7 million, an increase of 33.2% over the prior year.

Our loan portfolio increased by 5.4% over the prior year period, even with the \$41.3 million reduction in PPP loans from our portfolio during the year.

Noninterest expense increased 4.9% in 2021, compared to total assets growth of 9.0% over the prior year, and we believe there are opportunities to further leverage our cost structure as we grow.

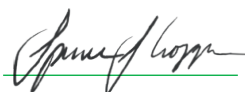
Finally, we continue to maintain a legacy of excellent asset quality as total nonperforming loans, which includes non-accrual loans and loans past due 90 days or more and still accruing interest, decreased 58.7% over the prior year to \$1.5 million, or 0.11% of total loans at December 31, 2021.

These favorable trends have enabled LCNB to return excess capital to shareholders through our growing dividend and stock repurchase programs. In fact, LCNB returned a record \$18.0 million of capital back to shareholders as a result of the Company's record 2021 financial performance. In February 2022, we repurchased 1,051,687 shares of our common stock previously held by our largest shareholder, which will have a positive impact on our return on equity and earnings per share in 2022 and beyond.

Four years ago, we began the process of refining our Board by appointing new directors with a more diverse and modern set of skills and experience. Takeitha W. Lawson ("Kei") was appointed to our Board of Directors in November 2021, reflecting the Company's ongoing commitment to maintaining strong corporate governance and adding diverse, experienced, and independent individuals to the Board.

We are extremely proud of LCNB's record financial and operating performance in 2021, as well as the record amount of capital we returned to our shareholders. On behalf of LCNB's leadership team and Board of Directors, we are excited by the direction LCNB is headed and we believe the Company is well positioned to continue growing through its strength.

Sincerely,



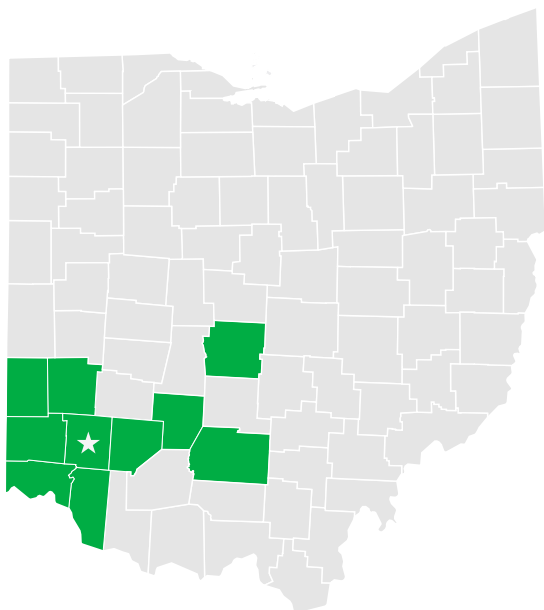
Spencer S. Cropper  
Chairman



Eric J. Meilstrup  
President & CEO

Additional statistical data and financial information for 2021 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 investor relations section on our website, LCNB.com or LCNBCORP.com.

LCNB Corp. will again host a virtual 2022 Annual Meeting of Shareholders on April 26, 2022 at 10:00 am ET. This will be a similar format as last year's meeting. 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      Hamilton  
Clermont      Montgomery  
Clinton      Preble  
Fayette      Ross  
Franklin      Warren

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## 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

**Takeitha W. Lawson**

Director

**Stephen P. Wilson**

Director



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*Further Together*

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National Bank

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