Growing With Our Communities

2023 ANNUAL REPORT

LCNB CORP.

To Our Valued Shareholders,

Spencer S. Cropper
Chairman of the Board of Directors

Eric J. Meilstrup
President & CEO

We are pleased to share the operating and financial progress LCNB made during 2023, especially as the broader banking industry faced unprecedented challenges associated with the rapid increase in interest rates. Not only did LCNB successfully navigate this difficult environment, but we also ended the year with record assets, loans, and deposits. This was due to our unwavering commitment to our communities, customers, and team members, as well as strategic investments we made in our business, our steadfast focus on safety and soundness, the acquisition of Cincinnati Bancorp, Inc. ("Cincinnati Federal"), and the pending acquisition of Eagle Financial Bancorp, Inc. ("EFBI" or "Eagle").

Through the Cincinnati Federal acquisition, which closed in November 2023, LCNB added four full-service offices in Cincinnati, Ohio, and one office in Northern Kentucky. As we focus on successfully integrating Cincinnati Federal into LCNB during 2024, we expect to leverage Cincinnati Federal's mortgage platform while offering its customers more financial products, including LCNB's Wealth Management solutions. In November 2023, we also announced the Eagle acquisition, which is expected to close during the 2024 second quarter and will add three additional locations to LCNB's Cincinnati market. Once completed, LCNB will be one of the largest community banks in Southwest Ohio, with 25 offices and $1.4 billion in deposits across the greater Cincinnati market.

During 2023, we made several strategic investments to expand our operations and enhance the value we provide our customers. Investments included a new loan operating system and an updated debit card processing system. We also started construction on a new branch office in Chillicothe, Ohio, that we expect to open in the 2024 second quarter.

Leveraging LCNB's Wealth Management platform is an important component of our strategic plan, as it deepens customer relationships and supports noninterest income. During 2023, Wealth Management assets increased 16.9% year-over-year to a record $1.2 billion, due primarily to strong organic growth. We believe we are well positioned to continue to grow our Wealth Management platform, as other community banks do not offer independent wealth management capabilities, and many larger competitors fall short of LCNB's level of customer service.

As we focus on executing our strategic growth plan, we understand the importance of maintaining excellent asset quality and strong capital levels. Nonperforming loans improved to $152,000 or 0.01% of total loans at December 31, 2023, from $430,000 or 0.03% of total loans at December 31, 2022. Our capital levels also remained robust. At December 31, 2023, our total risked-based capital exceeded well-capitalized thresholds, our average loan-to-deposits ratio was 89.5%, and our cash and investment portfolio was $358.4 million.

We are proud to report that LCNB's Board of Directors continued to support the company's longstanding and growing dividend policy. During the 2023 fourth quarter, our Board approved a 4.8% year-over-year increase in the company's quarterly dividend. In fact, our annual dividend has increased 32.8% from $0.64 per share in 2017 to $0.85 per share in 2023. We also invested $3.3 million during 2023 to repurchase 199,913 shares of our outstanding stock, representing approximately 1.8% of LCNB's outstanding common stock prior to the repurchase.

While 2023 was another strong year of growth for LCNB, profitability was impacted by the cost of fund increases related to the rising rate environment, a $1.7 million provision expense related to loans acquired through the Cincinnati Federal acquisition, and nearly $5.0 million in one-time merger-related expenses. As we look to 2024, we believe it will be a year of continued investment and transformation that we expect will create the necessary platform to drive significant value for our shareholders in 2025 and beyond.

LCNB's Board of Directors and Leadership Team are confident in the company's ability to continue delivering strong financial performance to our shareholders. On behalf of LCNB's Leadership Team and Board, we thank you for your support and appreciate your ongoing investment.

Sincerely,

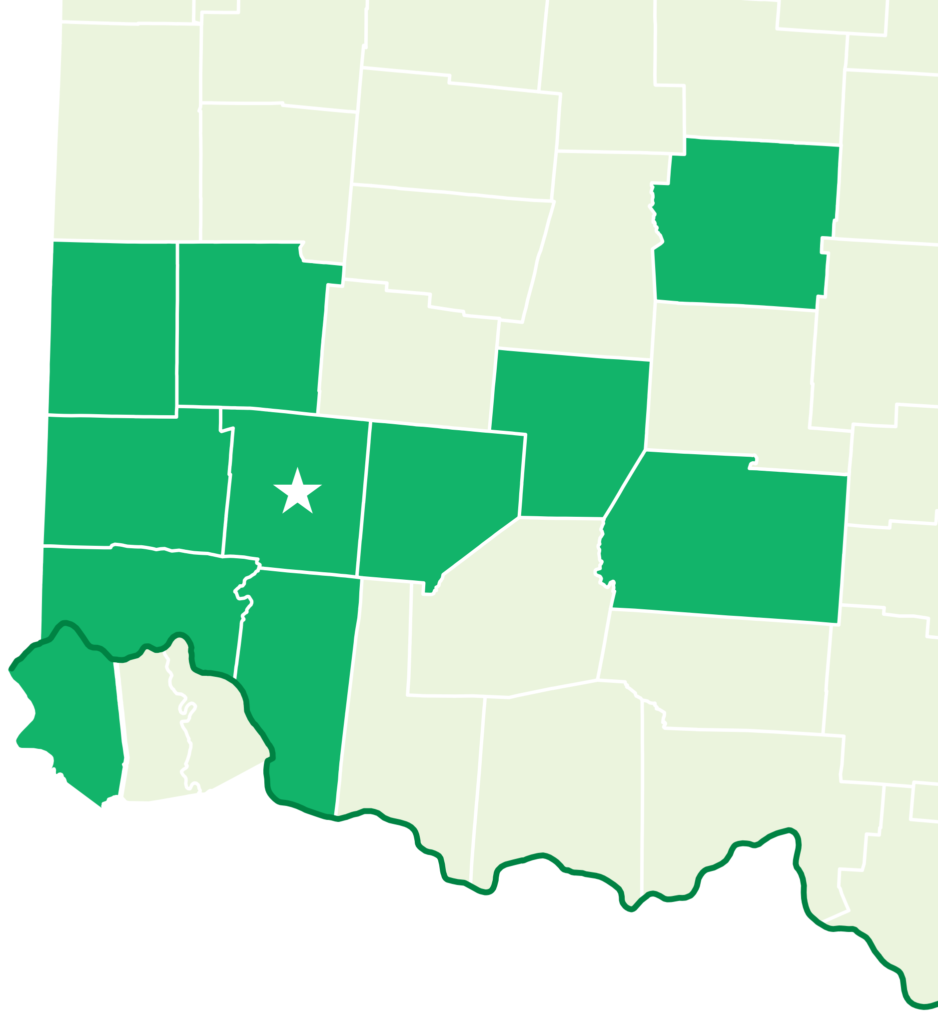
Spencer S. Cropper
Chairman

Eric J. Meilstrup
President & CEO

Additional statistical data and financial information for 2023 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.

LCNB Corp. will again host a virtual 2024 Annual Meeting of Shareholders on April 22, 2024, at 10:00 am ET. This will follow a format similar to 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 11 counties in Ohio and Kentucky:



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Transfer Agent and Registrar:
Computershare, Inc.

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

Transfer Agent Telephone: 800-942-5909
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2 North Broadway St.
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