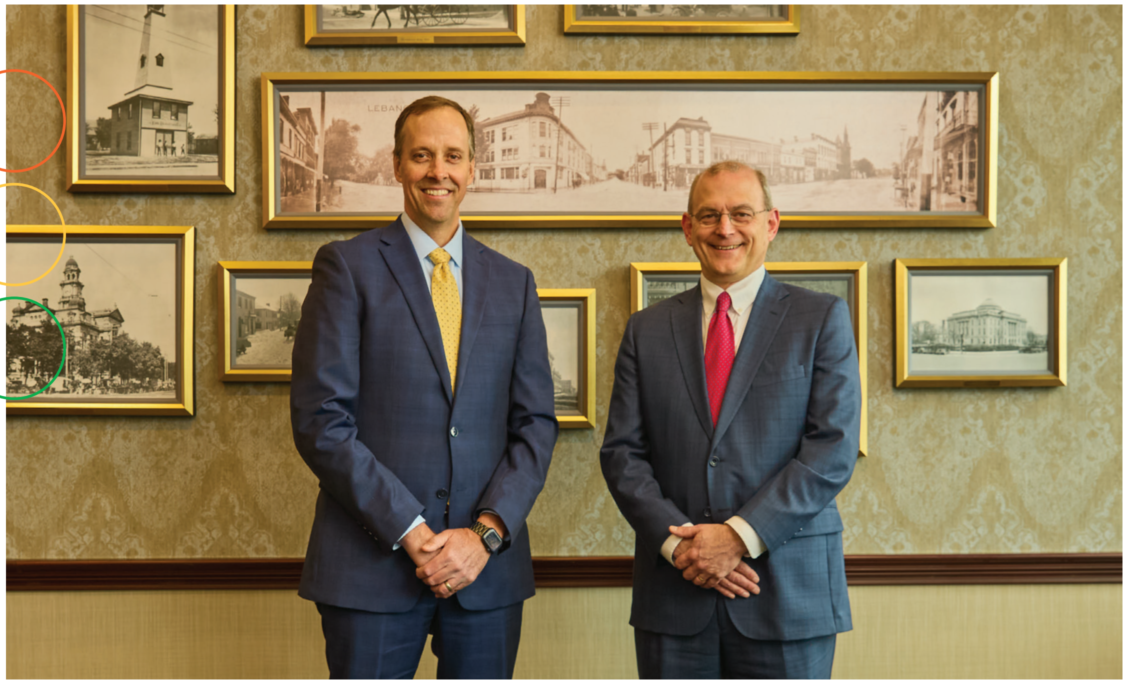
LCNB
CORP.

Annual Report 2024

GREEN MEANS GO



To Our Valued Shareholders,

LCNB's performance during 2024 reflects a period of strong execution, remarkable transformation and great success for our Bank. Following our established long-term strategic plan, proactive actions to improve our balance sheet, and an unwavering commitment to our community banking mission, we have strengthened our company, expanded our capabilities, and deepened our impact within the communities we serve. We believe these positive trends will expand the value we provide our stakeholders in 2025 and beyond.

Seamless Integration of Acquisitions

One of our most significant accomplishments in 2024 was the successful integration of the Eagle Financial Bancorp, Inc. and Cincinnati Bancorp, Inc. acquisitions. Throughout the year, our teams came together to create a unified culture and brand, integrate our back-office capabilities, and develop a strategy to grow LCNB's financial services to more customers throughout compelling Southwest Ohio markets. With most integration efforts now complete, we expect to benefit from our larger scale as well as an expanded focus on optimizing our diverse banking platform, pursuing growth opportunities throughout our Ohio markets, and leveraging the success of LCNB Wealth Management.

A Strengthened Balance Sheet

Over the past two years, LCNB, like most banks, has had to navigate a rapidly evolving interest rate environment and unprecedented competition for deposits. We pursued a proactive approach by completing actions throughout 2024 aimed at improving our balance sheet and capital levels. In 2024, we completed over $97 million in opportunistic asset sales. Proceeds from these transactions were used for general corporate purposes, which included supporting loan originations, paying down higher cost funding sources, and adding to liquidity balances. Strategies to optimize our balance sheet in 2024 have enhanced our financial position, increased our liquidity, and are expected to be accretive to our net interest margin in 2025.

(Continued on inside back cover)

Maintaining Excellent Asset Quality

As we focus on executing our strategic growth plan and optimizing our balance sheet, we understand the importance of maintaining excellent asset quality and favorable capital levels. Nonperforming loans remains at historically strong levels. Overall asset quality continues to benefit from stable economic trends across our Ohio markets, LCNB's conservative credit culture, and our proven credit, risk, and compliance teams.

Continued Wealth Management Growth

Leveraging LCNB's powerful Wealth Management platform remains an important component of our strategic plan as it deepens customer relationships and supports noninterest income. During 2024, Wealth Management assets increased 15.1% year-over-year to a record $1.38 billion, due primarily to favorable organic growth. We believe we are well positioned to continue to grow our Wealth Management platform as most other community banks do not offer independent wealth management capabilities, and many larger competitors fall short of LCNB's level of customer service.

Financial Growth

We ended 2024 with total assets of $2.31 billion and total assets managed of $4.23 billion Asset growth, combined with strong asset quality, and higher non-interest income helped offset higher operating expenses associated with the acquisitions. It's important to note that earnings in 2024 and 2023 included one-time merger related expenses of $3.4 million and $4.7 million, respectively. With the majority of these expenses now behind us, we believe we are well positioned to grow earnings and shareholders' equity in 2025 and beyond.

Expected improvements in profitability support LCNB's longstanding and growing dividend policy. For the full year ended December 31, 2024, LCNB paid $0.88 per share in dividends, a 3.5% increase from $0.85 per share for the full year ended December 31, 2023. In fact, our annual dividend has increased 37.5% from $0.64 per share in 2017 to $0.88 per share in 2024, reflecting our commitment to returning capital back to our shareholders.

Commitment to Succession Planning

In September 2024, Matt Layer retired as EVP and Chief Lending Officer after a 42-year career at LCNB. Matt's leadership was an important component of our success over the years and he was a mentor to many of LCNB's team members. On behalf of everyone at LCNB, I wish him all the best in his well-deserved retirement.

Reflective of LCNB's established succession plan and deep bench of talent, Jeff Meeker assumed the EVP and Chief Lending Officer role. In addition, Patricia Walter was appointed the EVP and Director of Risk Management. Jeff and Patricia are proven bankers and we are lucky to have them as members of LCNB's executive team.

Looking Ahead

I am proud of our strong performance and continued dedication to our communities. I believe we are well positioned for profitable growth in 2025, as we benefit further from our expanded banking platform, excellent asset quality, and compelling financial model.

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 2024 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 host a virtual Annual Meeting of Shareholders on May 19, 2025, at 10:00 am ET. This will be a similar format to last year's meeting. Proxy materials are included with this mailing. Please review, sign, and return the proxy in the envelope provided.

LCNB | Personal | Business | Wealth

MEMBER FDIC

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