



312 Walnut Street, Suite 3000 P.O. Box 5367 Cincinnati, OH 45201-5367 513 621-8300

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**LCNB Corp.
Instructions for Filing
Form 8937
Report of Organizational Actions Affecting Basis of Securities**

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Signature . . .

The original form should be signed (using full name and title) and dated by an authorized officer of the corporation.

Filing . . .

You are not required to file Form 8937 with the IRS if, by the due date, you post a completed and signed Form 8937 in a readily accessible format in an area of your primary public website dedicated to this purpose and you keep it accessible to the public on this website or the primary website of any successor organization for 10 years. You may electronically sign the Form 8937 that is posted to your website as long as you identify the individual who is signing the penalties of perjury declaration.

No filing fee is required.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer		
1 Issuer's name LCNB CORP.		2 Issuer's employer identification number (EIN) 31-1626393
3 Name of contact for additional information ROBERT HAINES	4 Telephone No. of contact 513-932-1414	5 Email address of contact RHAINES@LCNB.COM
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2 NORTH BROADWAY		7 City, town, or post office, state, and ZIP code of contact LEBANON, OH 45036
8 Date of action 5-31-2018	9 Classification and description SEE ATTACHMENT	
10 CUSIP number 50181P100	11 Serial number(s) N/A	12 Ticker symbol LCNB
		13 Account number(s) 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 ▶ ON MAY 31, 2018, COLUMBUS FIRST BANCORP, INC. MERGED WITH AND INTO LCNB CORP.

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 ▶ AS A RESULT OF THE FOREGOING MERGER TRANSACTION, COLUMBUS FIRST BANCORP, INC. ("CFB") MERGED WITH AND INTO LCNB CORP. ("LCNB") AND EACH SHARE OF CFB COMMON STOCK WAS CONVERTED INTO A RIGHT TO RECEIVE TWO SHARES OF LCNB COMMON STOCK. THE MERGER TRANSACTION QUALIFIES AS A "REORGANIZATION" WITHIN THE MEANING OF IRC SECTION 368(a)(1)(A). THE SHAREHOLDERS' AGGREGATE TAX BASIS IN THE ORIGINAL CFB COMMON STOCK SURRENDERED IN THE TRANSACTION, IS (A) DECREASED BY THE AMOUNT OF CASH RECEIVED (EXCLUDING CASH RECEIVED IN LIEU OF FRACTIONAL SHARES) IF ANY; (B) INCREASED BY THE AMOUNT OF RECOGNIZED TAXABLE GAIN, IF ANY; (C) INCREASED BY THE AMOUNT OF ANY TAX LOSS THAT IS DISALLOWED IN CONNECTION WITH THE EXCHANGE, IF ANY; AND (D) DECREASED BY THE TAX BASIS OF ANY FRACTIONAL SHARES OF ANY LCNB STOCK THAT WAS DEEMED TO BE RECEIVED IN THE EXCHANGE AND THEN IMMEDIATELY SOLD, IF ANY.

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 OF THE BASIS CALCULATION IN PART II, BOX 15 ABOVE. THE LCNB STOCK PRICE ON THE DATE OF THE MERGER, MAY 31, 2018, WAS \$19.55 PER SHARE.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTIONS 354, 356, 358, AND 1001.

18 Can any resulting loss be recognized? ▶ NO, PURSUANT TO IRC SECTION 354(a)(1). GENERALLY, CFB SHAREHOLDERS WILL NOT RECOGNIZE ANY GAIN OR LOSS IN THE TRANSACTION RELATED TO THE EXCHANGE OF CFB COMMON STOCK FOR SHARES OF LCNB COMMON STOCK. IF A TAXABLE LOSS IS CALCULATED ON THE DEEMED SALE OF THE FRACTIONAL SHARES OF LCNB STOCK DEEMED TO HAVE BEEN RECEIVED IN THE EXCHANGE, THIS LOSS MAY BE RECOGNIZED.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE TRANSACTION WAS CONSUMMATED ON MAY 31, 2018. CONSEQUENTLY, THE REPORTABLE TAX YEAR OF THE CFB SHAREHOLDERS FOR REPORTING THE TAX EFFECT OF THE SHARE EXCHANGE IS THE TAX YEAR THAT INCLUDES MAY 31, 2018. THIS IS THE 2018 CALENDAR YEAR FOR THOSE SHAREHOLDERS WHO REPORT TAXABLE INCOME ON THE BASIS OF A CALENDAR YEAR.

ANY INFORMATION DISCLOSED IN THIS INFORMATIONAL RETURN SHOULD NOT BE CONSIDERED, USED, OR RELIED UPON, AS TAX ADVICE ON THE TAX TREATMENT OF THE TRANSACTION. EACH SHAREHOLDER SHOULD CONSULT THEIR TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE TRANSACTION.

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.

Sign Here

Signature ▶ _____ Date ▶ _____

Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	JENNIFER M. SANDERS	<i>Jennifer M. Sanders</i>	06/29/2018		P00365585
	Firm's name ▶ BKD, LLP			Firm's EIN ▶	44-0160260
	Firm's address ▶ 312 WALNUT STREET, SUITE 3000, CINCINNATI, OHIO 45202			Phone no.	513-621-8300

LCNB CORP.
31-1626393
ATTACHMENT TO FORM 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

FORM 8937 PART I, BOX 9:

COMMON STOCK OF LCNB CORP. ("LCNB") ISSUED IN EXCHANGE FOR THE OUTSTANDING COMMON STOCK OF COLUMBUS FIRST BANCORP, INC. ("CFB") AS A RESULT OF THE MERGER OF CFB WITH AND INTO LCNB ON MAY 31, 2018.