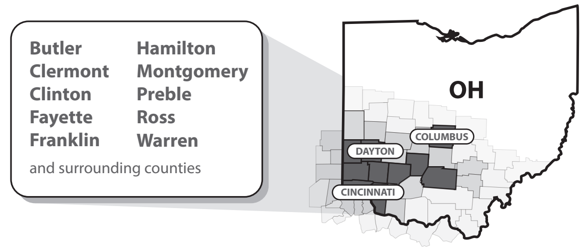
LCNB CORP.



Release Date: Oct. 19, 2018

LCNB Corp. ● P.O. Box 59 ● 2 N. Broadway ● Lebanon, Ohio 45036 ● (800) 344-2265 ● www.LCNB.com

Third Quarter 2018 CUSIP 50181P100 NASDAQ: LCNB

LCNB CORP. REPORTS FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPT. 30, 2018

LEBANON, Ohio--LCNB Corp. ("LCNB") (NASDAQ: LCNB) today announced net income of $4,201,000 (total basic and diluted earnings per share of $0.32) and $9,652,000 (total basic and diluted earnings per share of $0.84) for the three and nine months ended September 30, 2018, respectively. This compares to net income of $3,106,000 (total basic and diluted earnings per share of $0.31) and $9,355,000 (total basic and diluted earnings per share of $0.93) for the same three and nine month periods in 2017. Items significantly affecting net income during the 2018 periods were:

- expenses relating to the merger with Columbus First Bancorp, Inc. ("Columbus First") totaled $346,000 and $1,959,000 for the three and nine month periods, respectively,
- a $645,000 premises impairment charge recognized during the second quarter 2018, and
- a reduction in LCNB's federal tax rate from 34% to 21% as a result of the Tax Cuts and Jobs Act that was signed into law on December 22, 2017.

Commenting on the financial results, LCNB Chief Executive Officer Steve Foster said, "We are pleased to report our financial results for the three and nine months ended September 30, 2018. Net income for the three and nine months ended September 30, 2018 was greater than the comparable periods in 2017, despite merger-related expenses recognized for the acquisition of Columbus First. Return of average assets equaled 1.03% and 0.89% for the three and nine month periods in 2018. Eliminating merger-related expenses from the income statement produces pro-forma net income of $4,475,000 and $11,257,000 for the three and nine month periods in 2018, respectively. Pro-forma return on average asset ratios for the three and nine month periods were 1.09% and 1.04%, respectively. The pro-forma results equate to respective increases of $1,369,000 and $1,902,000 in net income over the same three and nine month periods in 2017."

Mr. Foster continued, "As previously announced, Eric J. Meilstrup was promoted from Executive Vice President to President of LCNB National Bank and LCNB Corp., effective October 1, 2018. Eric and I have worked closely over the years and he has been a strong contributer to LCNB. I look forward to continuing to work with him in his new position."

Net interest income for the three and nine months ended September 30, 2018 was, respectively, $2,956,000 and $4,452,000 greater than the comparable periods in 2017, primarily due to growth in LCNB's loan portfolio, partially offset by a decrease in average investment securities and increases in deposits and long-term borrowings. Also offsetting the growth in the loan portfolio was a market-driven increase in average rates paid on deposits. Loans, deposits, and long-term borrowings obtained through the merger with Columbus First were a significant component of LCNB's loan portfolio growth and the increases in deposits and long-term borrowings.

The provision for loan losses for the three and nine months ended September 30, 2018 was, respectively, $671,000 and $737,000 greater than the comparable periods in 2017. Non-accrual loans and loans past due 90 days or more and still accruing interest decreased $361,000, from $2,965,000 or 0.35% of total loans at December 31, 2017, to $2,604,000 or 0.22% of total loans at September 30, 2018.

Non-interest income for the three and nine months ended September 30, 2018 was, respectively, $262,000 and $469,000 greater than the comparable periods in 2017 primarily due to increases in fiduciary income and service charges and fees on deposit accounts, partially offset by a decrease in net gains (losses) from sales of securities.

Non-interest expense for the three and nine months ended September 30, 2018 was, respectively, $1,645,000 and $5,326,000 greater than the comparable periods in 2017 primarily due to increases in salaries and employee benefits and merger-related expenses. Also contributing to the increase during the nine month period was an impairment charge recognized on one of LCNB's office buildings. Merger-related expenses increased due to costs connected to the acquisition of Columbus First.

The merger with Columbus First was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration paid were recorded at their estimated fair values as of the merger date. Any changes in the estimated fair values based on new information about facts that existed at the merger date will be recognized in the period the adjustment is identified.

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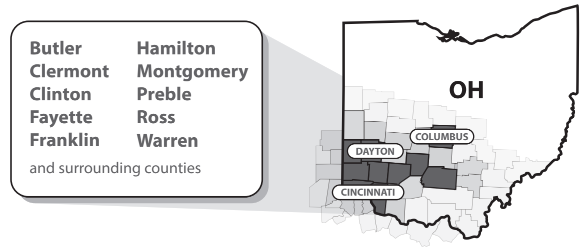

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Third Quarter 2018 CUSIP 50181P100 NASDAQ: LCNB

LCNB Corp. is a financial holding company headquartered in Lebanon, Ohio. Through its subsidiary, LCNB National Bank (the "Bank"), it serves customers and communities in Southwest and South Central Ohio. A financial institution with a long tradition for building strong relationships with customers and communities, the Bank offers convenient banking locations in Butler, Clermont, Clinton, Fayette, Franklin, Hamilton, Montgomery, Preble, Ross, and Warren Counties, Ohio. The Bank continually strives to exceed customer expectations and provides an array of services for all personal and business banking needs including checking, savings, online banking, personal lending, business lending, agricultural lending, business support, deposit and treasury, investment services, trust and IRAs and stock purchases. LCNB Corp. common shares are traded on the NASDAQ Capital Market Exchange® under the symbol "LCNB." Learn more about LCNB Corp. at www.lcnb.com.

Certain statements made in this news release regarding LCNB's financial condition, results of operations, plans, objectives, future performance and business, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by the fact they are not historical facts and include words such as "anticipate", "could", "may", "feel", "expect", "believe", "plan", and similar expressions. Please refer to LCNB's Annual Report on Form 10-K for the year ended December 31, 2017, as well as its other filings with the SEC, for a more detailed discussion of risks, uncertainties and factors that could cause actual results to differ from those discussed in the forward-looking statements.

These forward-looking statements reflect management's current expectations based on all information available to management and its knowledge of LCNB's business and operations. Additionally, LCNB's financial condition, results of operations, plans, objectives, future performance and business are subject to risks and uncertainties that may cause actual results to differ materially. These factors include, but are not limited to:

1. *the success, impact, and timing of the implementation of LCNB's business strategies;*
2. *LCNB's ability to integrate recent and future acquisitions, including the recent merger with Columbus First, may be unsuccessful, or may be more difficult, time-consuming or costly than expected;*
3. *LCNB may incur increased charge-offs in the future;*
4. *LCNB may face competitive loss of customers;*
5. *changes in the interest rate environment may have results on LCNB's operations materially different from those anticipated by LCNB's market risk management functions;*
6. *changes in general economic conditions and increased competition could adversely affect LCNB's operating results;*
7. *changes in other regulations and government policies affecting bank holding companies and their subsidiaries, including changes in monetary policies, could negatively impact LCNB's operating results;*
8. *LCNB may experience difficulties growing loan and deposit balances;*
9. *the current economic environment poses significant challenges for us and could adversely affect our financial condition and results of operations;*
10. *deterioration in the financial condition of the U.S. banking system may impact the valuations of investments LCNB has made in the securities of other financial institutions resulting in either actual losses or other than temporary impairments on such investments;*
11. *difficulties with technology or data security breaches, including cyberattacks, that could negatively affect LCNB's ability to conduct business and its relationships with customers, vendors, and others; and*
12. *government intervention in the U.S. financial system, including the effects of recent legislative, tax, accounting and regulatory actions and reforms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the Jumpstart Our Business Startups Act, the Consumer Financial Protection Bureau, the capital ratios of Basel III as adopted by the federal banking authorities, and the Tax Cuts and Jobs Act.*

Forward-looking statements made herein reflect management's expectations as of the date such statements are made. Such information is provided to assist shareholders and potential investors in understanding current and anticipated financial operations of LCNB and is included pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. LCNB undertakes no obligation to update any forward-looking statement to reflect events or circumstances that arise after the date such statements are made.

LCNB CORP. FINANCIAL HIGHLIGHTS

Company Headquarters:
2 N. Broadway
P.O. Box 59
Lebanon, OH 45036
(800) 344-2265

Chairman:
Stephen P. Wilson

CEO:
Steve P. Foster

President:
Eric J. Meilstrup

Directors:
Spence S. Cropper,
Steve P. Foster,
William H. Kaufman,
Anne E. Krehbiel,
George L. Leasure,
John H. Kochensparger III
Valerie S. Krueckeberg
William G. ("Rhett") Huddle
Eric J. Meilstrup

LCNB Corp. and Subsidiaries
Financial Highlights
(Dollars in thousands, except per share amounts)

(Unaudited)

	Three Months Ended					Nine Months Ended	
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	9/30/2018	9/30/2017
Condensed Income Statement							
Interest income	$ 15,070	12,538	11,142	11,610	11,055	38,750	32,853
Interest expense	1,967	1,170	954	953	908	4,091	2,646
Net interest income	13,103	11,368	10,188	10,657	10,147	34,659	30,207
Provision for loan losses	659	224	79	(10)	(12)	962	225
Net interest income after provision	12,444	11,144	10,109	10,667	10,159	33,697	29,982
Non-interest income	2,921	2,791	2,636	2,579	2,659	8,348	7,879
Non-interest expense	10,317	10,711	9,549	8,612	8,672	30,577	25,251
Income before income taxes	5,048	3,224	3,196	4,634	4,146	11,468	12,610
Provision for income taxes	847	486	483	1,017	1,040	1,816	3,255
Net income	$ 4,201	2,738	2,713	3,617	3,106	9,652	9,355
Amort/Accret income on acquired loans	$ 198	44	96	606	90	340	490
Amort/Accret expenses on acquired interest-bearing liabilities	$ 214	—	—	—	—	214	—
Tax-equivalent net interest income	$ 13,281	11,549	10,375	11,062	10,569	35,203	31,487
Per Share Data							
Dividends per share	$ 0.16	0.16	0.16	0.16	0.16	0.48	0.48
Basic earnings per common share	$ 0.32	0.25	0.27	0.37	0.31	0.84	0.93
Diluted earnings per common share	$ 0.32	0.25	0.27	0.36	0.31	0.84	0.93
Book value per share	$ 16.05	15.97	14.80	14.99	14.94	16.05	14.94
Tangible book value per share	$ 11.18	11.14	11.47	11.64	11.57	11.18	11.57
Weighted average common shares outstanding:							
Basic	13,285,203	11,099,485	10,020,611	10,013,777	10,008,807	11,480,390	10,002,812
Diluted	13,290,665	11,105,014	10,028,588	10,020,566	10,015,204	11,486,051	10,009,942
Shares outstanding at period end	13,304,976	13,299,235	10,041,152	10,023,059	10,018,507	13,304,976	10,018,507
Selected Financial Ratios							
Return on average assets	1.03%	0.78%	0.85 %	1.11 %	0.94 %	0.89%	0.95%
Return on average equity	7.76%	6.46%	7.33 %	9.49 %	8.22 %	7.23%	8.48%
Dividend payout ratio	50.00%	64.00%	59.26 %	43.24 %	51.61 %	57.14%	51.61%
Net interest margin (tax equivalent)	3.60%	3.63%	3.59 %	3.73 %	3.52 %	3.61%	3.53%
Efficiency ratio (tax equivalent)	63.68%	74.69%	73.39 %	63.13 %	65.56 %	70.21%	64.14%
Selected Balance Sheet Items							
Cash and cash equivalents	$ 19,812	24,901	17,494	25,386	21,203		
Investment securities and stock	299,786	311,047	310,009	317,413	353,634		
Loans:							
Commercial and industrial	$ 78,002	81,778	37,118	36,057	36,049		
Commercial, secured by real estate	704,987	705,978	542,890	527,947	510,158		
Residential real estate	347,920	339,435	246,487	251,582	253,530		
Consumer	17,505	17,705	17,176	17,450	17,956		
Agricultural	13,280	13,390	12,217	15,194	15,677		
Other, including deposit overdrafts	498	583	506	539	570		
Deferred net origination costs	133	229	263	291	264		
Loans, gross	1,162,325	1,159,098	856,657	849,060	834,204		
Less allowance for loan losses	4,016	3,603	3,529	3,403	3,407		
Loans, net	$ 1,158,309	1,155,495	853,128	845,657	830,797		
Total earning assets	$ 1,465,787	1,471,923	1,168,204	1,170,700	1,193,648		
Total assets	1,620,134	1,631,442	1,288,791	1,295,638	1,314,319		
Total deposits	1,371,023	1,380,884	1,123,463	1,085,821	1,121,523		

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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(Unaudited)

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	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	9/30/2018	9/30/2017
Selected Balance Sheet Items, continued							
Short-term borrowings	0	0	0	47,000	30,000		
Long-term debt	23,079	27,085	6,219	303	363		
Total shareholders' equity	213,515	212,366	148,584	150,271	149,713		
Equity to assets ratio	13.18%	13.02%	11.53 %	11.60 %	11.39 %		
Loans to deposits ratio	84.78%	83.94%	76.25 %	78.20 %	74.38 %		
Tangible common equity (TCE)	$ 148,733	147,705	114,801	116,289	115,527		
Tangible common assets (TCA)	1,555,352	1,566,781	1,255,008	1,261,656	1,280,133		
TCE/TCA	9.56%	9.43%	9.15 %	9.22 %	9.02 %		
Selected Average Balance Sheet Items							
Cash and cash equivalents	$ 25,920	27,319	21,820	18,787	21,609	25,011	27,289
Investment securities and stock	304,112	306,366	313,689	332,225	363,039	308,020	367,598
Loans	$ 1,155,846	961,726	853,152	840,526	824,183	991,350	816,361
Less allowance for loan losses	3,622	4,245	3,401	3,407	3,324	3,757	3,404
Net loans	$ 1,152,224	957,481	849,751	837,119	820,859	987,593	812,957
Total earning assets	$ 1,465,510	1,276,176	1,170,708	1,175,180	1,190,860	1,305,211	1,193,800
Total assets	1,623,016	1,409,698	1,292,375	1,295,293	1,313,476	1,442,896	1,314,476
Total deposits	1,367,950	1,212,104	1,114,979	1,096,966	1,133,072	1,232,599	1,135,605
Short-term borrowings	1,833	3,491	14,086	34,440	17,936	6,425	20,450
Long-term debt	25,757	13,252	2,255	323	383	13,841	453
Total shareholders' equity	214,769	170,077	150,058	151,154	150,032	178,539	147,530
Equity to assets ratio	13.23%	12.06%	11.61 %	11.67 %	11.42 %	12.37%	11.22%
Loans to deposits ratio	84.49%	79.34%	76.52 %	76.62 %	72.74 %	80.43%	71.89%
Asset Quality							
Net charge-offs (recoveries)	$ 245	150	(47)	(7)	(36)	348	394
Other real estate owned	35	35	—	—	—	35	—
Non-accrual loans	2,603	4,065	2,744	2,965	4,387	2,603	4,387
Loans past due 90 days or more and still accruing	1	5	146	—	95	1	95
Total nonperforming loans	$ 2,604	4,070	2,890	2,965	4,482	2,604	4,482
Net charge-offs (recoveries) to average loans	0.08%	0.06%	(0.02)%	0.00 %	(0.02)%	0.05%	0.06%
Allowance for loan losses to total loans	0.35%	0.31%	0.41 %	0.40 %	0.41 %	0.35%	0.41%
Nonperforming loans to total loans	0.22%	0.35%	0.34 %	0.35 %	0.54 %	0.22%	0.54%
Nonperforming assets to total assets	0.16%	0.25%	0.22 %	0.23 %	0.34 %	0.16%	0.34%
Assets Under Management							
LCNB Corp. total assets	$ 1,620,134	1,631,442	1,288,791	1,295,638	1,314,319		
Trust and investments (fair value)	386,582	370,587	359,766	362,486	326,642		
Mortgage loans serviced	115,647	114,536	90,630	92,818	96,241		
Cash management	36,502	48,369	72,372	84,344	77,780		
Brokerage accounts (fair value)	247,175	238,651	230,168	229,006	219,960		
Total assets managed	$ 2,406,040	2,403,585	2,041,727	2,064,292	2,034,942		
Non-GAAP Financial Measures							
Net income	$ 4,201	2,738	2,713	3,617	3,106	9,652	9,355
Add: merger-related expenses, net of tax	274	710	621	87	—	1,605	—
Adjusted net income	$ 4,475	3,448	3,334	3,704	3,106	11,257	9,355
Basic adjusted earnings per share	0.34	0.31	0.33	0.37	0.31	0.98	0.94
Diluted adjusted earnings per share	0.34	0.31	0.33	0.37	0.31	0.98	0.93
Adjusted return on average assets	1.09%	0.98%	1.05 %	1.16 %	0.94 %	1.04%	0.95%
Adjusted return on average equity	8.27%	8.13%	9.01 %	9.94 %	8.22 %	8.43%	8.48%

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