

LCNB CORP
Form S-4/A
March 09, 2015

As filed with the Securities and Exchange Commission on March 6, 2015 Registration No. 333-202224
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1 to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LCNB Corp.
(Exact name of Registrant as specified in its charter)

Ohio	6021	31-1626393
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2 North Broadway, Lebanon, Ohio
(513) 932-1414
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Stephen P. Wilson
Chairman and Chief Executive Officer
LCNB Corp.
2 North Broadway, Lebanon, Ohio 45036
(513) 932-1414
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
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Toledo, Ohio 43604
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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

- Large accelerated filer
- Accelerated filer
- Non-accelerated filer (do not check if smaller reporting company)
- Smaller reporting company

If applicable, place an “x” in the box to designate the appropriate rule provision relied upon in conducting this transaction:

- Exchange Act Rule 13e-4(i)(Cross-Border Tender Offer)
- Exchange Act Rule 14d-1(d)(Cross-Border Third Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price (2)	Amount of registration fee
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Common Shares, no par value	560,250	N/A	\$6,776,080.50	\$787.38
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Represents an estimate of the maximum number of shares of common shares, no par value per share, of LCNB (1) Corp. that Registrant anticipates issuing in connection with the proposed merger to which this registration statement relates.

Pursuant to Rule 457(c) and (f)(3) under the Securities Act, and estimated solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price was calculated as (A) the product of (i) \$40.00 the average bid and ask prices per share of BNB Bancorp, Inc. common stock as reported on the OTC QB on February 18, 2015, the latest practicable date prior to the date of filing of this registration statement, and (ii) 279,426, the estimated maximum number of shares of common stock of BNB Bancorp, Inc. that may be exchanged in the merger, minus (B) \$4,400,959.50 the estimated aggregate amount of cash to be paid by LCNB Corp. in the merger.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WE MAY NOT ISSUE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT IS EFFECTIVE. THIS PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY PROXY STATEMENT/PROSPECTUS
DATED MARCH 6, 2015, SUBJECT TO COMPLETION

PROXY STATEMENT FOR THE SPECIAL MEETING OF SHAREHOLDERS OF
BNB BANCORP, INC.

and

PROSPECTUS OF LCNB CORP.

MERGER PROPOSAL — YOUR VOTE IS VERY IMPORTANT

LCNB Corp. (“LCNB”) and BNB Bancorp, Inc. (“BNB”), have entered into an Agreement and Plan of Merger dated as of December 29, 2014 (the “Merger Agreement”), which provides for the merger of BNB with and into LCNB (the “Merger”). Consummation of the Merger is subject to certain conditions, including, but not limited to, obtaining the requisite vote of the shareholders of BNB and the approval of the Merger by various regulatory agencies.

The board of directors of BNB has called a special meeting of its shareholders to vote on the adoption and approval of the Merger Agreement. The time, date and place of the BNB special meeting is as follows: 10:00 A.M., Eastern Daylight Savings Time, on April 21, 2015, at the Brookville Event and Music Center, 706 Market Street, Brookville, Ohio 45309. The adoption and approval of the Merger Agreement by the shareholders of BNB requires the affirmative vote of the holders of at least a majority of the BNB common shares outstanding and entitled to vote at the special meeting.

Under the terms of the Merger Agreement, shareholders of BNB will be entitled to receive from LCNB, after the Merger is completed, merger consideration in the form of a combination of cash and LCNB common shares to be calculated as set forth in the Merger Agreement. At the effective time of the Merger, each BNB common share will be converted into the right to receive: (i) 2.005 LCNB common shares, and (ii) \$15.75 in cash.

LCNB will not issue any fractional shares of common stock in connection with the Merger. Instead, each holder of BNB common shares who would otherwise be entitled to receive a fraction of a share of LCNB’s common shares (after taking into account all shares of BNB common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the LCNB fractional common share to which such holder would otherwise be entitled to multiplied by the average closing sale price of a LCNB common share on the NASDAQ Capital Market® for the 20 consecutive trading days immediately preceding the date of the Merger Agreement.

This document is a proxy statement that BNB is using to solicit proxies for use at its special meeting of shareholders to be held on April 21, 2015, to vote on the Merger. It is also a prospectus relating to LCNB’s issuance of its common shares in connection with the Merger. This proxy statement/prospectus describes the special meeting, the Merger proposal and other related matters.

BNB's board of directors recommends that you vote "FOR" the Merger

LCNB's common shares are traded on the NASDAQ Capital Market® under the symbol "LCNB." On December 29, 2014, the date of execution of the Merger Agreement, the closing price of LCNB's common shares was \$14.64 per share. On March 5, 2015, the closing price of LCNB's common shares was \$15.26 per share. BNB's common shares are traded in the over-the-counter market under the symbol "BNBK." On December 29, 2014, the date of execution of the Merger Agreement, the closing price of BNB's common shares (based upon the closing price of such common shares on June 25, 2014, which was the most recent day that such common shares were traded prior to December 29, 2014) was \$40.00. On March 5, 2015, the closing price of BNB's common shares was \$40.00.

You are encouraged to read this document, including the materials incorporated by reference into this document, carefully. In particular, you should read the "Risk Factors" section beginning on page 14 for a discussion of the risks you should consider in evaluating the Merger and how it will affect you.

Whether or not you plan to attend the special meeting of shareholders of BNB, please complete, sign and return the enclosed proxy card in the enclosed postage-paid envelope.

Not voting by proxy or at the special meeting will have the same effect as voting against the adoption and approval of the Merger Agreement. We urge you to read carefully this proxy statement/prospectus, which contains a detailed description of the special meeting, the Merger proposal, LCNB's common shares to be issued in the Merger and other related matters.

Sincerely,
/s/ Roger L. Moler

Roger L. Moler
President
BNB Bancorp, Inc.

An investment in LCNB's common shares in connection with the Merger involves risk. See "RISK FACTORS" beginning on page 14.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of LCNB's common shares to be issued in the Merger or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the Merger described in this proxy statement/prospectus are not savings accounts, deposit accounts or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other federal or state governmental agency.

This proxy statement/prospectus is dated March 6, 2015, and it is first being mailed to BNB shareholders on or about March 13, 2015.

Notice of Special Meeting of Shareholders

To be held at 10:00 A.M., Eastern Daylight Savings Time, on April 21, 2015, at the Brookville Event and Music Center, 706 Market Street, Brookville, Ohio 45309

To the Shareholders of BNB Bancorp, Inc.:

Notice is hereby given that a special meeting of the shareholders of BNB Bancorp, Inc. (“BNB”) will be held at 10:00 A.M., Eastern Daylight Savings Time, on April 21, 2015, at the Brookville Event and Music Center, 706 Market Street, Brookville, Ohio 45309, for the purpose of considering and voting on the following matters:

1. A proposal to adopt and approve the Agreement and Plan of Merger dated as of December 29, 2014, by and between LCNB Corp. and BNB;
2. A proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Agreement and Plan of Merger; and
3. Any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The board of directors of BNB is unaware of any other business to be transacted at the special meeting.

Holders of record of BNB common shares at the close of business on March 10, 2015, the record date, are entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting. The affirmative vote of the holders of at least a majority of BNB shares outstanding and entitled to vote at the special meeting is required to adopt and approve the Agreement and Plan of Merger.

A proxy statement/prospectus and proxy card for the special meeting are enclosed. A copy of the Agreement and Plan of Merger is attached as Annex A to this proxy statement/prospectus.

Your vote is very important, regardless of the number of BNB common shares you own. Please vote as soon as possible to make sure that your common shares are represented at the special meeting. If you are a holder of record, you may cast your vote in person at the special meeting or, to ensure that your BNB common shares are represented at the special meeting, you may vote your shares by completing, signing and returning the enclosed proxy card. If your shares are held in a stock brokerage account or by a bank or other nominee (in “street name”), please follow the voting instructions provided by your broker, bank or nominee.

The BNB board of directors unanimously recommends that you vote (1) “FOR” the adoption and approval of the Agreement and Plan of Merger and (2) “FOR” the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

By Order of the Board of Directors,
/s/ Roger L. Moler

Roger L. Moler
President
BNB Bancorp, Inc.

March 6, 2015

WHERE YOU CAN FIND MORE INFORMATION

LCNB is a publicly traded company that files annual, quarterly and other reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the "SEC"). You may obtain copies of these documents by mail from the public reference room of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 for further information on the public reference room. LCNB also files reports and other information with the SEC electronically, and the SEC maintains a web site located at www.sec.gov containing this information. Certain information filed by LCNB with the SEC is also available, without charge, through LCNB's web site at www.LCNB.com.

LCNB has filed a registration statement on Form S-4 to register its common shares to be issued as part of the merger consideration with the SEC. This document is a part of that registration statement. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the addresses set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that LCNB has previously filed with the SEC, which contain important information about the company and its financial condition. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" on page 45. These documents are available, without charge, to you upon written or oral request at LCNB's address and telephone number listed below:

LCNB Corp.
2 North Broadway
Lebanon, Ohio 45036
Attention: Investor Relations,
Steve P. Foster
(513) 932-1414

Additional information about BNB may be obtained by contacting BNB Bancorp, Inc., 225 W. Upper Lewisburg Salem Road, Brookville, Ohio 45309, Attention: Investor Relations, (937) 833-2111.

To obtain timely delivery, you must request the information no later than April 14, 2015.

LCNB's common shares are traded on the NASDAQ Capital Market ® under the symbol "LCNB." BNB's common shares are traded in the over-the-counter market under the symbol "BNBK."
LCNB has not authorized anyone to provide you with any information other than the information included in this document and documents to which are incorporated by reference. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this document and the documents incorporated by reference are accurate only as of their respective dates. LCNB's business, financial condition, results of operations and prospects may have changed since those dates.

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Annexes:

Annex A	Agreement and Plan of Merger
Annex B	Dissenters' Rights Under Section 1701.85 of the Ohio General Corporation Law
Annex C	Opinion of Austin Associates, LLC

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following are answers to certain questions that you may have regarding the special meeting. You are urged to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.

Q: Why am I receiving this proxy statement/prospectus?

A: You are receiving this proxy statement/prospectus because LCNB Corp. (“LCNB”) and BNB Bancorp, Inc. (“BNB”) have entered into an Agreement and Plan of Merger dated as of December 29, 2014 (the “Merger Agreement”), attached to this proxy statement/prospectus as Annex A, pursuant to which BNB will be merged with and into LCNB (the “Merger”). Immediately following the Merger, Brookville National Bank, a national bank and a wholly-owned subsidiary of BNB (“Brookville National Bank”), will merge with and into LCNB National Bank, a national bank and wholly owned subsidiary of LCNB (“LCNB National Bank”), with LCNB National Bank being the surviving entity, which transaction is referred to as the “subsidiary bank merger.” The Merger Agreement must be adopted and approved by the holders of at least a majority of the BNB common shares outstanding and entitled to vote at the special meeting, in accordance with Section 1701.78 of the Ohio General Corporation Law (“OGCL”) and BNB’s Amended and Restated Articles of Incorporation.

This proxy statement/prospectus contains important information about the Merger and the special meeting of the shareholders of BNB, and you should read it carefully. The enclosed proxy card will allow you to vote your BNB common shares without attending the special meeting.

Q: Why are LCNB and BNB proposing to merge?

A: BNB believes that the Merger is in the best interests of its shareholders and other constituencies because, among other reasons, the merger consideration will provide enhanced value and increased liquidity to BNB shareholders. Furthermore, as a result of the Merger, BNB will become part of a larger banking institution improving its ability to compete with larger financial institutions and better serve its customers’ needs while maintaining the community bank philosophy that both institutions currently share.

LCNB believes that the Merger will benefit LCNB and its shareholders by enabling LCNB to further expand into the markets currently served by BNB and strengthening the competitive position of the combined organization. Furthermore, LCNB believes its increased asset size after the Merger will create additional economies of scale and provide opportunities for asset and earnings growth in an extremely competitive banking environment. To review the reasons for the Merger in more detail, see “THE MERGER” on page 23 of this proxy statement/prospectus.

Q: What will BNB shareholders receive in the Merger?

A: Under the terms of the Merger Agreement, shareholders of BNB will be entitled to receive from LCNB, after the Merger is completed, merger consideration in the form of a combination of cash and LCNB common shares to be calculated as set forth in the Merger Agreement. At the effective time of the Merger, each BNB common share will be converted into the right to receive: (i) 2.005 LCNB common shares, and (ii) \$15.75 in cash.

LCNB will not issue any fractional shares of common stock in connection with the Merger. Instead, each holder of BNB common shares who would otherwise be entitled to receive a fraction of a share of LCNB’s common shares (after taking into account all shares of BNB common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the LCNB fractional common share to which such holder would otherwise be entitled to multiplied by the average closing sale price of a LCNB common share on the NASDAQ

Capital Market[®] for the 20 consecutive trading days immediately preceding the date of the Merger Agreement.

Q: Can I make an election to select the form of merger consideration I desire to receive?

A: No. Each BNB common share will be exchanged for the same combination of cash and LCNB common shares if the Merger closes.

Q: Does BNB anticipate paying any dividends prior to the effective date of the Merger?

A: Yes. Under the terms of the Merger Agreement, BNB is permitted to pay a cash dividend to its shareholders: (i) for the fourth quarter of 2014 not to exceed, in the aggregate, \$70,000, and (ii) in the event the Merger does not close prior to the record date for LCNB's second quarter dividend, immediately prior to the effective time of the Merger in an amount equal to \$0.20 per share.

Q: When and where will the BNB special meeting of shareholders take place?

A: The special meeting of shareholders of BNB will be held at 10:00 A.M., Eastern Daylight Savings Time, on April 21, 2015, at the Brookville Event and Music Center, 706 Market Street, Brookville, Ohio 45309.

Q: What matters will be considered at the BNB special meeting?

A: The shareholders of BNB will be asked to: (1) vote to adopt and approve the Merger Agreement; (2) vote to approve the adjournment of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement; and (3) vote on any other business which properly comes before the special meeting.

Q: Is my vote needed to adopt and approve the Merger Agreement?

A: The adoption and approval of the Merger Agreement by the shareholders of BNB requires the affirmative vote of the holders of at least a majority of the BNB common shares outstanding and entitled to vote at the special meeting. The special meeting may be adjourned, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement. The affirmative vote of the holders of a majority of the BNB common shares represented, in person or proxy, at the special meeting is required to adjourn the special meeting.

Q: How do I vote?

A: If you were the record holder of BNB common shares as of March 10, 2015, you may vote in person by attending the special meeting or, to ensure that your BNB common shares are represented at the special meeting, you may vote your shares by signing and returning the enclosed proxy card in the postage-paid envelope provided.

If you hold BNB common shares in the name of a broker, bank or other nominee, please see the discussion below regarding shares held in "street name."

Q: What will happen if I fail to vote or abstain from voting?

A: If you fail to vote or if you mark "ABSTAIN" on your proxy card with respect to the proposal to adopt and approve the Merger Agreement, it will have the same effect as a vote "AGAINST" the proposal.

If you mark "ABSTAIN" on your proxy card with respect to the proposal to approve the adjournment of the BNB special meeting, if necessary, to solicit additional proxies, it will have the same effect as a vote "AGAINST" the proposal.

The failure to vote, however, will have no effect on the proposal to approve the adjournment of the BNB special meeting, if necessary, to solicit additional proxies.

Q: How will my shares be voted if I return a blank proxy card?

A: If you sign, date and return your proxy card and do not indicate how you want your BNB common shares to be voted, then your shares will be voted "FOR" the adoption and approval of the Merger Agreement and, if necessary, "FOR" the approval of the adjournment of the special meeting to solicit additional proxies.

Q:

If my BNB common shares are held in a stock brokerage account or by a bank or other nominee in “street name,” will my broker, bank or other nominee vote my shares for me?

A: No. You must provide your broker, bank or nominee (the record holder of your common shares) with instructions on how to vote your BNB common shares. Please follow the voting instructions provided by your broker, bank or nominee. If you do not provide voting instructions to your broker, bank or nominee, then your BNB common shares will not be voted by your broker, bank or nominee.

Under the rules of the NASDAQ Stock Market, brokers who hold shares in “street name” for a beneficial owner of those shares typically have the authority to vote in their discretion on “routine” proposals when they have not received instructions from the beneficial owner. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NASDAQ determines to be “non-routine” without specific instructions from the beneficial owner. It is expected that all proposals to be voted on at the BNB special meeting are such “non-routine” matters. Broker non-votes occur when a broker or

nominee is not instructed by the beneficial owner of shares to vote on a particular proposal for which the broker does not have discretionary voting power.

If you are a BNB shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares,

your broker, bank or other nominee may not vote your shares on the proposal to approve the Merger, which broker non-votes will have the same effect as a vote "AGAINST" such proposal; and

your broker, bank or other nominee may not vote your shares on the adjournment proposal, which broker non-votes will have no effect on the vote count for such proposal.

Q: Can I change my vote after I have submitted my proxy?

A: Yes. You may revoke your proxy at any time before a vote is taken at the special meeting by:

filing a written notice of revocation with the President of BNB, at 225 W. Upper Lewisburg Salem Road, Brookville, Ohio 45309;

executing and returning another proxy card with a later date than the earlier proxy card you wish to revoke, which later proxy card must be received by the President of BNB, at 225 W. Upper Lewisburg Salem Road, Brookville, Ohio 45309 before a vote is taken at the special meeting; or

attending the special meeting and giving notice of revocation in person.

Your attendance at the special meeting will not, by itself, revoke your proxy.

If you hold your BNB common shares in "street name" and you have instructed your broker, bank or nominee to vote your BNB common shares, you must follow directions received from your broker, bank or nominee to change your vote.

Q: If I do not favor the adoption and approval of the Merger Agreement, what are my rights?

If you are a BNB shareholder as of March 10, 2015, the record date, and you do not vote your shares in favor of the adoption and approval of the Merger Agreement, you will have the right under Section 1701.85 of the OGCL to demand the fair cash value for your BNB common shares. To exercise your dissenters' rights, you must deliver to BNB a written demand for payment of the fair cash value of your shares before the vote on the Merger is taken at the special shareholders' meeting. The demand for payment must include your address, the number and class of BNB common shares owned by you, and the amount you claim to be the fair cash value of the your BNB common shares, and should be mailed to: BNB Bancorp, Inc., Attention: Roger L. Moler, 225 W. Upper Lewisburg Salem Road, Brookville, Ohio 45309. BNB shareholders who wish to exercise their dissenters' rights must either: (i) vote against the Merger or not return the proxy card, and (ii) deliver written demand for payment prior to the BNB shareholder vote. For additional information regarding dissenters' rights, see "DISSENTERS' RIGHTS" on page 22 of this proxy statement/prospectus and the complete text of the applicable sections of Section 1701.85 of the Ohio General Corporation Law attached to this proxy statement/prospectus as Annex B. No holder of LCNB common shares is entitled to exercise any rights of a dissenting shareholder under the OGCL.

Q: When is the Merger expected to be completed?

A: We are working to complete the Merger as quickly as we can. We expect to complete the Merger in the second quarter of 2015, assuming shareholder approval and all applicable governmental approvals have been received by

that date and all other conditions precedent to the Merger have been satisfied or waived.

Q: Should I send in my BNB stock certificates now?

A. No. Either at the time of closing or shortly after the Merger is completed, the Exchange Agent for the Merger will send you a letter of transmittal with instructions informing you how to send in your stock certificates to the Exchange Agent. You should use the letter of transmittal to exchange your BNB stock certificates for the merger consideration. Do not send in your stock certificates with your proxy form.

Q: What do I need to do now?

A: After carefully reviewing this proxy statement/prospectus, including its annexes, please complete, sign and date the enclosed proxy card and return it in the enclosed postage-paid envelope as soon as possible. By submitting your proxy, you authorize the individuals named in the proxy to vote your BNB common shares at the special meeting of shareholders of BNB in accordance with your instructions. Your vote is very important. Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions to ensure that your BNB common shares will be voted at the special meeting.

Q: Who can answer my questions?

A: If you have questions about the Merger or desire additional copies of this proxy statement/prospectus or additional proxy cards, please contact:

BNB Bancorp, Inc.
Attention: Investor Relations
225 W. Upper Lewisburg Salem Road, Brookville, Ohio 45309
(937) 833-2111

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Summary

This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. You should read carefully this entire document and its annexes and all other documents to which this proxy statement/prospectus refers before you decide how to vote. In addition, we incorporate by reference important business and financial information about LCNB into this document. For a description of this information, see “Incorporation of Certain Documents by Reference” on page 45. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled “Where You Can Find More Information” in the forepart of this document. Each item in this summary includes a page reference directing you to a more complete description of that item.

The Companies

LCNB Corp.

LCNB Corp.
2 North Broadway
Lebanon, Ohio 45036
Phone: (513) 932-1414

LCNB Corp., an Ohio corporation formed in December, 1998, is a financial holding company headquartered in Lebanon, Ohio. Substantially all of the assets, liabilities and operations of LCNB Corp. are attributable to its wholly-owned subsidiary, LCNB National Bank (“LCNB National Bank”). The predecessor of LCNB Corp., LCNB National Bank, was formed as a national banking association in 1877. On May 19, 1999, LCNB National Bank became a wholly-owned subsidiary of LCNB Corp.

On January 11, 2013, LCNB consummated a merger with First Capital Bancshares, Inc. (“First Capital”) in a stock and cash transaction valued at approximately \$20.2 million. Immediately following the merger of First Capital into LCNB, Citizens National Bank (“Citizens”), a wholly-owned subsidiary of First Capital, was merged into LCNB National Bank. At that time, Citizens’ six full-service offices became offices of LCNB. Three of these offices are located in Chillicothe, Ohio and one office is located in each of Frankfort, Ohio, Clarksburg, Ohio, and Washington Court House, Ohio.

On January 24, 2014, LCNB purchased all of the outstanding stock of Eaton National Bank & Trust Co. (“Eaton National”) from its holding company, Colonial Banc Corp., in a cash transaction totaling \$24.75 million. Upon consummation of the transaction, Eaton National was merged into LCNB National Bank and its five offices became offices of LCNB National Bank. Two of these offices are located in Eaton, Ohio and one office is located in each of New Paris, Ohio, Lewisburg, Ohio, and West Alexandria, Ohio.

LCNB National Bank’s main office is located in Warren County, Ohio and 35 branch offices, which includes Citizens’ six offices, are located in Warren, Butler, Clinton, Clermont, Hamilton, Montgomery, Preble, Ross, and Fayette Counties, Ohio. In addition, LCNB National Bank operates 40 automated teller machines (“ATMs”) in its market area.

LCNB National Bank is a full service community bank offering a wide range of commercial and personal banking services. Deposit services include checking accounts, NOW accounts, savings accounts, Christmas and vacation club accounts, money market deposit accounts, Lifetime Checking accounts (a senior citizen program), individual retirement accounts, and certificates of deposit. Additional supportive services include online banking, bill pay, mobile banking, and telephone banking. Commercial customers also have both cash management and remote deposit capture products as potential options. Deposits of LCNB National Bank are insured up to applicable limits by the Deposit Insurance Fund, which is administered by the Federal Deposit Insurance Corporation (the “FDIC”).

Loan products offered include commercial and industrial loans, commercial and residential real estate loans, agricultural loans, construction loans, various types of consumer loans, and Small Business Administration loans. LCNB National Bank's residential mortgage lending activities consist primarily of loans for purchasing or refinancing personal residences, home equity lines of credit, and loans for commercial or consumer purposes secured by residential mortgages. A portion of the fixed-rate residential real estate loans are sold to the Federal Home Loan Mortgage Corporation with servicing retained. Consumer lending activities include automobile, boat, home improvement and personal loans. LCNB National Bank also offers indirect financing through various automotive, boat, and lawn and garden dealers.

The Trust and Investment Management Division of LCNB National Bank performs complete trust administrative functions and offers agency and trust services, retirement savings products, and mutual fund investment products to individuals, partnerships, corporations, institutions and municipalities.

Security brokerage services are offered by LCNB National Bank through arrangements with LPL Financial LLC, a registered broker/dealer. Licensed brokers offer a full range of investment services and products, including financial needs analysis, mutual funds, securities trading, annuities, and life insurance.

Other services offered include safe deposit boxes, night depositories, cashier's checks, bank-by-mail, ATMs, cash and transaction services, debit cards, wire transfers, electronic funds transfer, utility bill collections, notary public service, PC Internet banking, bill pay, mobile banking, 24 hour telephone banking, PC cash management services and remote deposit capture, and other services tailored for both individuals and businesses.

At December 31, 2014, LCNB had total consolidated assets of approximately \$1.108 billion, total loans of approximately \$696 million, total deposits of approximately \$946 million, and total shareholders' equity of approximately \$126 million.

LCNB's common shares are traded on the NASDAQ Capital Market® under the symbol "LCNB." LCNB is subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, and, therefore, files reports, proxy statements and other information with the SEC. Further important business and financial information about LCNB is incorporated by reference into this proxy statement/prospectus. See "Incorporation of Certain Documents by Reference" on page 45 of this proxy statement/prospectus.

BNB Bancorp, Inc.

BNB Bancorp, Inc.
225 W. Upper Lewisburg Salem Road
Brookville, Ohio 45309
Phone: (937) 833-2111

BNB Bancorp, Inc. is a financial holding company registered under the Bank Holding Company Act of 1956, as amended, as was incorporated under the laws of the State of Ohio in 1996. BNB has one wholly owned subsidiary - Brookville National Bank.

Brookville National Bank's main office is located in Brookville, Ohio, which is also the location of its sole branch office.

BNB is a full service community bank offering a range of commercial and personal banking services. Deposit services include a variety of checking accounts, savings accounts and certificates of deposit.

At December 31, 2014, BNB had total assets of approximately \$108.790 million, total loans of approximately \$36.817 million, total deposits of approximately \$97.879 million and total shareholders' equity of approximately \$10.558 million.

BNB's common shares are traded in the over-the-counter market under the symbol "BNBK."

The Merger (page 23)

The Merger Agreement provides that, if all of the conditions are satisfied or waived, BNB will be merged with and into LCNB, with LCNB surviving. Immediately following the Merger, Brookville National Bank will be merged with and into LCNB National Bank. The Merger Agreement is attached to this proxy statement/prospectus as Annex A and is incorporated in this proxy statement/prospectus by reference. We encourage you to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

What BNB shareholders will receive in the Merger (page 34)

Under the terms of the Merger Agreement, shareholders of BNB will be entitled to receive from LCNB, after the Merger is completed, merger consideration in the form of a combination of cash and LCNB common shares to be calculated as set forth in the Merger Agreement. At the effective time of the Merger, each BNB common share will be converted into the right to receive: (i) 2.005 LCNB common shares, and (ii) \$15.75 in cash, subject to adjustment under certain circumstances set forth in the Merger Agreement. The Merger Agreement requires that the merger consideration be adjusted if the number of BNB common shares outstanding immediately prior to the effective time of the Merger exceeds the number of shares outstanding as of the date the Merger Agreement was signed.

In addition, if, prior to the effective time of the Merger and during the time period specified in the Merger Agreement, both the market value of LCNB's common shares and the NASDAQ Bank Index drop below certain pre-determined thresholds, BNB will have the right to terminate the Merger Agreement, unless LCNB increases the exchange ratio for the stock portion of the merger consideration to an extent specified in the Merger Agreement.

LCNB will not issue any fractional shares of common stock in connection with the Merger. Instead, each holder of BNB common shares who would otherwise be entitled to receive a fraction of a share of LCNB's common shares (after taking into account all shares of BNB common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the LCNB fractional common share to which such holder would otherwise be entitled to multiplied by the average closing sale price of a LCNB common share on the NASDAQ Capital Market[®] for the 20 consecutive trading days immediately preceding the date of the Merger Agreement.

Exchange of BNB common shares (page 34)

Once the Merger is complete, Computershare Limited (the "Exchange Agent") will mail you transmittal materials and instructions for exchanging your BNB stock certificates for LCNB's common shares to be issued by book-entry transfer.

BNB special meeting of shareholders (page 19)

A special meeting of shareholders of BNB will be held at 10:00 A.M., Eastern Daylight Savings Time, on April 21, 2015, at the Brookville Event and Music Center, 706 Market Street, Brookville, Ohio 45309, for the purpose of considering and voting on the following matters:

• a proposal to adopt and approve the Merger Agreement;

• a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement; and

any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The BNB board of directors is presently unaware of any other business to be transacted at the special meeting.

You are entitled to vote at the special meeting if you owned BNB common shares as of the close of business on March 10, 2015. As of March 6, 2015, a total of 279,426 BNB common shares were outstanding and eligible to be voted at the BNB special meeting. As of the same date, there were no BNB preferred shares outstanding or eligible to be voted at the BNB special meeting.

Required vote (page 19)

The adoption and approval of the Merger Agreement will require the affirmative vote of the holders of at least 139,714 BNB common shares, which is a majority of the BNB common shares outstanding and entitled to vote at the BNB special meeting. The number of shareholders attending the BNB meeting in person or by proxy will constitute a quorum. The affirmative vote of the holders of a majority of the BNB common shares represented, in person or proxy, at the special meeting is required to adjourn the special meeting, if necessary, to solicit additional proxies.

Recommendation to BNB shareholders (page 24)

The board of directors of BNB unanimously approved the Merger Agreement. The board of directors of BNB believes that the Merger is fair to and in the best interests of BNB and its shareholders, and, as a result, the directors unanimously recommend that BNB shareholders vote "FOR" the adoption and approval of the Merger Agreement and "FOR" the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

In reaching this decision, the board of directors of BNB considered many factors which are described in the section captioned "THE MERGER-BNB's Background and Reasons for the Merger" beginning on page 23 of this proxy

statement/prospectus.

Opinion of BNB's financial advisor (page 25)

On December 29, 2014 Austin Associates, LLC ("Austin") rendered its opinion to the board of directors of BNB that as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the aggregate merger consideration in the Merger was fair, from a financial point of view, to BNB's shareholders, collectively as a group. The full text of Austin's written opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this document as Annex C. BNB shareholders are urged to read the opinion in its entirety. Austin's written opinion is addressed to the board of directors of BNB, is directed only to the aggregate merger consideration in the Merger and does not constitute a recommendation as to how any holder of BNB common shares should vote with respect to the Merger or any other matter.

Material U.S. federal income tax consequences of the Merger (page 30)

We intend that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), and that, accordingly, for federal income tax purposes (i) no gain or loss will be recognized by LCNB or BNB as a result of the Merger, (ii) BNB shareholders will recognize gain (but not loss) in an amount not to exceed any cash received in exchange for BNB common shares in the Merger (other than any cash received in lieu of a fractional LCNB common share, as discussed below under the section entitled “THE MERGER -Material U.S. Federal Income Tax Consequences of the Merger -Cash In Lieu of a Fractional Share” beginning on page 33), and (iii) BNB shareholders who exercise dissenters’ rights and receive solely cash in exchange for BNB common shares in the Merger will recognize gain or loss equal to the difference between the amount of cash received and their tax basis in their shares.

All BNB shareholders should read carefully the description under the section captioned “THE MERGER -Material U.S. Federal Income Tax Consequences of the Merger” beginning on page 32 of this proxy statement/prospectus and should consult their own tax advisors concerning these matters. All BNB shareholders should consult their tax advisors as to the specific tax consequences of the Merger to them, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws.

Interests of directors and executive officers of BNB (page 30)

The directors and some of the executive officers of BNB have interests in the Merger that are different from, or in addition to, the interests of BNB shareholders generally. These include:

- continued indemnification and continued insurance for directors and officers of BNB for events occurring before the Merger; and

- a proposed one-year employment agreement between LCNB National Bank and Carolyn Haney, President of Brookville National Bank.

BNB’s board of directors was aware of these interests and considered them in approving the Merger Agreement. See “The Merger-Interests of BNB Directors and Executive Officers in the Merger” beginning on page 30 of this proxy statement/prospectus.

Dissenters’ rights of BNB shareholders (page 22)

Under Ohio law, BNB shareholders who do not vote in favor of the adoption and approval of the Merger Agreement and deliver a written demand for payment for the fair cash value of their BNB common shares prior to the BNB special meeting, will be entitled, if and when the Merger is completed, to receive the fair cash value of their BNB common shares. The right to make this demand is known as “dissenters’ rights.” BNB shareholders’ right to receive the fair cash value of their BNB common shares, however, is contingent upon strict compliance with the procedures set forth in Section 1701.85 of the OGCL. A BNB shareholder’s failure to vote against the adoption and approval of the Merger Agreement will not constitute a waiver of such shareholder’s dissenters’ rights, so long as such shareholder does not vote in favor of the Merger Agreement or return an unmarked proxy card.

For additional information regarding your dissenters’ rights, see “Dissenters’ Rights” on page 22 of this proxy statement/prospectus and the complete text of Section 1701.85 of the OGCL attached to this proxy statement/prospectus as Annex B. If you should have any questions regarding your dissenters’ rights, you should consult with your own legal advisers.

Certain differences in shareholder rights (page 42)

When the Merger is completed, BNB shareholders (other than those exercising dissenters' rights) will receive LCNB common shares and, therefore, will become LCNB shareholders. As LCNB shareholders, your rights will be governed by LCNB's Amended and Restated Articles of Incorporation and Regulations, as well as Ohio law. Notably, BNB shareholders will own less of the combined company and as such will have decreased voting power. See "Comparison of certain rights of BNB and LCNB shareholders" beginning on page 42 of this proxy statement/prospectus.

Regulatory approvals required for the Merger (page 29)

The Merger cannot be completed until LCNB receives the required regulatory approvals, which include the approval (or waiver thereof) of the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the approval of the Office of the Comptroller of the Currency ("OCC"). LCNB has submitted an application to the OCC; this application is currently pending. Upon receipt of approval from the OCC, LCNB will submit an application (or waiver thereof) to the Federal Reserve for such approval.

Conditions to the Merger (page 35)

As more fully described in this proxy statement/prospectus and in the Merger Agreement, the completion of the Merger depends on the adoption and approval of the Merger Agreement by BNB's shareholders and receipt of the required regulatory approvals, in addition to satisfaction of, or where legally permissible, waiver of, other customary conditions. Although LCNB and BNB anticipate the closing of the Merger will occur in the second quarter of 2015, neither LCNB nor BNB can be certain when, or if, the conditions to the Merger will be satisfied or, where permissible, waived, or that the Merger will be completed. See "THE MERGER AGREEMENT-Conditions to Consummation of the Merger" beginning on page 37 of this proxy statement/prospectus.

Termination of the Merger Agreement (page 40)

LCNB and BNB may mutually agree to terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective, whether before or after shareholder approval, if the board of directors of each approves such termination by vote of a majority of the members of its entire board. In addition, either LCNB or BNB, acting alone, may terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective under the following circumstances:

• if any of the required regulatory approvals is denied;

• if the BNB shareholders do not adopt and approve the Merger Agreement at the BNB special shareholder meeting;

• if there is a material breach by the other party of any representation, warranty, covenant or agreement contained in the Merger Agreement that cannot be or has not been cured within 30 days of notice of the breach; or

by a vote of a majority of the members of its entire board, in the event that the Merger has not been consummated by May 31, 2015, unless the failure to complete the Merger by that date is due to the knowing action or inaction of the party seeking to terminate.

BNB, acting alone, may also terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective upon written notice to LCNB:

if, at any time during the five-day period commencing on the first date on which all regulatory approvals necessary for consummation of the Merger have been received, both the market value of LCNB's common shares and the NASDAQ Bank Index drop below certain pre-determined thresholds; subject, however, to LCNB's right to cure by providing notice to BNB that LCNB intends to proceed with the Merger by paying additional consideration.

Acquisition proposals and termination fee (page 41)

Because BNB has entered into the Merger Agreement, a binding legal agreement, if BNB or Brookville National Bank executes a definitive agreement in connection with, or closes, an acquisition proposal (as defined in the Merger Agreement) with any person or entity other than LCNB and its subsidiaries, BNB must pay LCNB the sum of \$503,000 immediately after the earlier of such execution or closing. See "THE Merger Agreement-Acquisition Proposals and Termination Fee" beginning on page 41 of this proxy statement/prospectus.

Recent Developments

On January 30, 2015, LCNB issued a press release announcing its earnings for the quarter and year ended December 31, 2014. LCNB reported net income of \$3,217,000 (total basic and diluted earnings per share of \$0.34) and \$9,869,000 (total basic and diluted earnings per common share of \$1.06 and \$1.05, respectively) for the three and

twelve months ended December 31, 2014, respectively. This compared to net income of \$2,347,000 (total basic and diluted earnings per common share of \$0.27) and \$8,780,000 (total basic and diluted earnings per common share of \$1.12 and \$1.10, respectively) for the same three and twelve-month periods in 2013.

LCNB reported an increase in net interest income for the three and twelve months ended December 31, 2014 of \$1,884,000 and \$6,455,000, respectively, from the comparative periods in 2013. LCNB reported non-interest income for the three and twelve months ended December 31, 2014 of \$91,000, which was \$52,000 greater than the comparable periods in 2013.

LCNB's provision for loan losses for the three months ended December 31, 2014 was \$26,000 less than the comparable period in 2013, while the full-year provision for 2014 was \$342,000 greater than the comparable periods in 2013. Net loan charge-offs for 2014 and 2013 totaled \$1,397,000 and \$437,000, respectively. Non-accrual loans and loans past due 90 days or more and still accruing interest totaled \$5,721,000 or 0.82% of total loans at December 31, 2014, compared to \$3,211,000 or 0.56% of total loans at December 31, 2013.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR LCNB

The following table summarizes financial results achieved by LCNB for the periods and at the dates indicated and should be read in conjunction with LCNB's Consolidated Financial Statements and the notes to the Consolidated Financial Statements contained in reports that LCNB has previously filed with the SEC. Historical financial information for LCNB can be found in its Annual Report on Form 10-K for the fiscal year ended December 31, 2013. The information at and for the nine months ended September 30, 2014 and 2013 is unaudited. However, in the opinion of management of LCNB, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of operations for the unaudited periods have been made. The selected operating data presented below for the nine months ended September 30, 2014 and 2013 are not necessarily indicative of the results that may be expected for future periods. See "WHERE YOU CAN FIND MORE INFORMATION" in the forepart of this document for instructions on how to obtain the information that has been incorporated by reference. You should not assume the results of operations for past periods noted below indicate results for any future period.

The information below has been derived from LCNB's Consolidated Financial Statements.

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	At or For the Years Ended December 31,					At or For the Nine Months Ended September 30,	
	2013	2012	2011	2010	2009	2014	2013
(Dollars in thousands, except ratios and per share data)							
Income Statement:							
Interest income	\$33,497	29,938	32,093	34,031	34,898	29,110	24,931
Interest expense	4,065	4,889	6,387	8,334	10,060	2,746	3,138
Net interest income	29,432	25,049	25,706	25,697	24,838	26,364	21,793
Provision for loan losses	588	1,351	2,089	1,680	1,400	737	369
Net interest income after provision for loan losses	28,844	23,698	23,617	24,017	23,438	25,627	21,424
Non-interest income	9,090	9,049	7,764	8,887	7,180	6,693	6,732
Non-interest expenses	26,212	21,682	21,849	21,277	20,686	23,510	19,578
Income before income taxes	11,722	11,065	9,532	11,627	9,932	8,810	8,578
Provision for income taxes	2,942	2,795	2,210	2,494	2,245	2,158	2,145
Net income from continuing operations	8,780	8,270	7,322	9,133	7,687	6,652	6,433
Income from discontinued operations, net of tax	-	-	793	240	79	-	-
Net income	8,780	8,270	8,115	9,373	7,766	6,652	6,433
Preferred stock dividends and discount accretion	-	-	-	-	1,108	-	-
Net income available to common shareholders	\$8,780	8,270	8,115	9,373	6,658	6,652	6,433
Per Common Share Data:							
Dividends per common share	\$0.64	0.64	0.64	0.64	0.64	0.48	0.48
Basic earnings per common share:							
Continuing operations	1.12	1.23	1.09	1.37	0.99	0.72	0.85
Discontinued operations	-	-	0.12	0.03	0.01	-	-
Diluted earnings per common share:							
Continuing operations	1.10	1.22	1.08	1.36	0.98	0.71	0.83
Discontinued operations	-	-	0.12	0.03	0.01	-	-

	At or For the Years Ended December 31,					At or For the Nine Months Ended September 30,	
	2013	2012	2011	2010	2009	2014	2013
(Dollars in thousands, except ratios and per share data)							
Balance Sheet:							
Securities	\$279,021	276,970	267,771	251,053	217,639	322,341	296,819
Loans, net	570,766	450,346	458,331	452,350	457,418	682,617	562,686
Total assets	932,338	788,637	791,570	760,134	734,409	1,123,356	942,349
Total deposits	785,761	671,471	663,562	638,539	624,179	956,633	808,335

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Short-term borrowings	8,655	13,756	21,596	21,691	14,265	24,954	22,811
Long-term debt	12,102	13,705	21,373	23,120	24,960	11,432	12,446
Total shareholders' equity	118,873	82,006	77,960	70,707	65,615	123,179	92,215

Selected Financial Ratios and
Other Data:

Return on average assets	0.93	%	1.02	%	1.02	%	1.22	%	1.07	%	0.79	%	0.91	%
Return on average equity	9.02	%	10.22	%	10.89	%	13.36	%	10.43	%	7.30	%	9.24	%
Equity-to-assets ratio	12.75	%	10.40	%	9.85	%	9.30	%	8.93	%	10.97	%	9.79	%
Dividend payout ratio	57.14	%	52.03	%	52.89	%	45.71	%	64.39	%	66.67	%	56.47	%
Net interest margin, fully taxable equivalent	3.57	%	3.52	%	3.70	%	3.89	%	3.96	%	3.60	%	3.55	%

UNAUDITED COMPARATIVE PER SHARE DATA

The following table sets forth for LCNB and BNB certain historical, pro forma and pro forma-equivalent per share financial information as of and for the year ended December 31, 2013, and as of and for the nine months ended September 30, 2014. The information in the table below, in part, is derived from and should be read together with the historical Consolidated Financial Statements of LCNB that are incorporated by reference in this proxy statement/prospectus. The unaudited pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect certain anticipated costs and benefits of the Merger and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the Merger been consummated at the beginning of the periods presented. The pro forma data gives effect to the Merger and is based on numerous assumptions and estimates. The pro forma combined per share data and BNB equivalent pro forma per share data are prepared assuming a maximum of 560,250 common shares will be issued in the Merger. See “THE Merger Agreement—Merger Consideration” on page 34.

	As of and for the Year Ended December 31, 2013	As of and for the Nine Months Ended September 30, 2014
Earnings per share: Basic		
LCNB total historical	\$1.12	\$0.72
BNB historical	0.91	0.87
Pro forma total combined	1.06	0.69
Equivalent pro forma for one share of BNB common stock	2.12	1.38
Earnings per share: Diluted		
LCNB total historical	1.10	0.71
BNB historical	0.91	0.87
Pro forma combined	1.04	0.68
Equivalent pro forma for one share of BNB common stock	2.09	1.37
Cash dividends declared per share		
LCNB historical	0.64	0.48
BNB historical	0.45	0.20
Pro forma combined	0.64	0.68
Equivalent pro forma for one share of BNB common stock	1.28	0.96
Book value per share:		
LCNB historical	12.80	13.24
BNB historical	36.57	37.94
Pro forma combined	12.86	13.24
Equivalent pro forma for one share of BNB common stock	25.79	26.55

MARKET PRICE AND DIVIDEND INFORMATION

LCNB's common shares are traded on the NASDAQ Capital Market® under the symbol "LCNB." BNB's common shares are traded in the over-the-counter market under the symbol "BNBK."

The information presented in the following table reflects the last reported sale prices per share of LCNB's common stock and BNB's common stock as of December 29, 2014, the last trading day preceding our public announcement of the Merger, and on March 5, 2015, the last practicable day for which information was available prior to the date of this proxy statement/prospectus. The table also presents the equivalent market value per BNB common share on December 29, 2014 and March 5, 2015, determined by multiplying the share price of a LCNB common share on such dates by the exchange ratio of 2.005 and adding the per share cash consideration of \$15.75. No assurance can be given as to what the market price of LCNB's common shares will be if and when the Merger is consummated.

	LCNB's Common Shares	BNB's Common Shares	Equivalent Market Value Per BNB Common Share
December 29, 2014	\$ 14.64	\$ 40.00	\$ 45.10
March 5, 2015	\$ 15.26	\$ 40.00	\$ 46.35

The following table lists the high and low prices per share for LCNB's common shares and BNB's common shares and the cash dividends declared by each company for the periods indicated.

	LCNB's Common Shares			BNB's Common Shares ⁽¹⁾		
	High	Low	Dividends	High	Low	Dividends
2013						
First Quarter	\$18.95	\$13.65	\$ 0.16	\$ 42.00	\$ 42.00	\$ –
Second Quarter	\$22.68	\$16.25	\$ 0.16	\$ 43.90	\$ 42.00	\$ 0.20
Third Quarter	\$27.65	\$18.53	\$ 0.16	\$ 43.90	\$ 43.90	\$ –
Fourth Quarter	\$20.90	\$17.38	\$ 0.16	\$ 43.90	\$ 43.90	\$ 0.25
2014						
First Quarter	\$18.24	\$17.25	\$ 0.16	\$ 43.90	\$ 43.90	\$ –
Second Quarter	\$18.89	\$14.67	\$ 0.16	\$ 43.90	\$ 39.00	\$ 0.20
Third Quarter	\$17.14	\$14.84	\$ 0.16	\$ 40.00	\$ 40.00	\$ –
Fourth Quarter	\$15.43	\$13.83	\$ 0.16	\$ 40.00	\$ 40.00	\$ 0.25
2015						
First Quarter (through March 5, 2015)	\$16.40	\$13.95	\$ 0.16	\$ 40.00	\$ 40.00	\$ –

Companies that have common shares quoted on the over-the-counter market typically do not have an active trading (1)market. Consequently, the prices quoted above may not represent an accurate indication of the value of BNB common shares.

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the heading “FORWARD-LOOKING STATEMENTS” commencing on page 17 and the matters discussed under the caption “Risk Factors” in the Annual Report on Form 10-K filed by LCNB for the year ended December 31, 2013 and other reports filed with the SEC, you should carefully consider the following risk factors in deciding how to vote on adoption and approval of the Merger Agreement.

Risks Related to the Merger

The market value of LCNB’s common shares you receive in the Merger may decrease if there are fluctuations in the market price of LCNB’s common shares following the Merger.

Under the terms of the Merger Agreement, shareholders of BNB will be entitled to receive from LCNB, after the Merger is completed, merger consideration payable in the form of a combination of cash and LCNB common shares to be calculated as set forth in the Merger Agreement. At the effective time of the Merger, each BNB common share will be converted into the right to receive: (i) 2.005 LCNB common shares, and (ii) \$15.75 in cash, subject to adjustment under certain circumstances set forth in the Merger Agreement.

LCNB will not issue any fractional shares of common stock in connection with the Merger. Instead, each holder of BNB common shares who would otherwise be entitled to receive a fraction of a LCNB common share (after taking into account all shares of BNB common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the LCNB fractional common share to which such holder would otherwise be entitled to multiplied by the average closing sale price of a LCNB common share on the NASDAQ Capital Market® for the 20 consecutive trading days immediately preceding the date of the Merger Agreement. Any change in the market price of LCNB common shares prior to the completion of the Merger will affect the market value of the merger consideration that BNB shareholders will receive following completion of the Merger. Stock price changes may result from a variety of factors that are beyond the control of LCNB and BNB, including but not limited to general market and economic conditions, changes in their respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the BNB special meeting, BNB shareholders will not know the precise market value of the consideration they will receive at the effective time of the Merger. BNB shareholders should obtain current sale prices for LCNB common shares before voting their shares at the BNB special meeting.

LCNB could experience difficulties in managing its growth and effectively integrating the operations of BNB.

The earnings, financial condition and prospects of LCNB after the Merger will depend in part on LCNB’s ability to integrate successfully the operations of BNB and to continue to implement its own business plan. LCNB may not be able to fully achieve the strategic objectives and projected operating efficiencies anticipated in the Merger. The costs or difficulties relating to the integration of BNB with the LCNB organization may be greater than expected or the cost savings from any anticipated economies of scale of the combined organization may be lower or take longer to realize than expected. Inherent uncertainties exist in integrating the operations of any acquired entity, and LCNB may encounter difficulties, including, without limitation, loss of key employees and customers, and the disruption of its ongoing business or possible inconsistencies in standards, controls, procedures and policies. These factors could contribute to LCNB not fully achieving the expected benefits from the Merger.

The Merger Agreement limits BNB’s ability to pursue alternatives to the Merger with LCNB, may discourage other acquirers from offering a higher valued transaction to BNB and may, therefore, result in less value for the BNB shareholders.

The Merger Agreement contains a provision that, subject to certain limited exceptions, prohibits BNB from soliciting, negotiating, or providing confidential information to any third party relating to any competing proposal to acquire BNB. In addition, if BNB executes a definitive agreement in respect of, or closes, an acquisition transaction with a third party, the Merger Agreement provides that BNB must pay a \$503,000 termination fee to LCNB. These provisions of the Merger Agreement could discourage other companies from trying to acquire BNB even though such other companies might be willing to offer greater value to BNB's shareholders than LCNB has offered in the Merger Agreement. The payment of the termination fee also could have a material adverse effect on BNB's financial condition.

The fairness opinion obtained by BNB from its financial advisor will not reflect changes in circumstances prior to the Merger.

Austin Associates, LLC, the financial advisor to BNB, delivered a written fairness opinion to the board of directors of BNB dated December 29, 2014. The fairness opinion states that, as of the date of the opinion, the merger consideration set forth in the Merger Agreement was fair, from a financial point of view, to the holders of BNB common shares. However, the fairness opinion does not reflect changes that may occur or may have occurred after the date on which it was delivered, including changes to the operations and prospects of LCNB or BNB, changes in general market and economic conditions, or other changes. Should any such changes occur, it may alter the relative value of LCNB and BNB.

BNB shareholders will have a reduced ownership and voting interest after the Merger and will exercise less influence over management of the combined organization.

The Merger will result in BNB's shareholders having an ownership stake in the combined company that is smaller than their current stake in BNB. Upon completion of the Merger, we estimate that continuing LCNB shareholders will own approximately 94.4% of the issued and outstanding common shares of the combined company, and former BNB shareholders will own approximately 5.6% of the issued and outstanding common shares of the combined company. Consequently, BNB shareholders, as a general matter, will have less influence over the management and policies of the combined company after the effective time of the Merger than they currently exercise over the management and policies of BNB.

Failure to complete the Merger could negatively impact the value of BNB's common shares and future businesses and financial results of LCNB and BNB.

If the Merger is not completed, the ongoing businesses of LCNB and BNB may be adversely affected and LCNB and BNB will be subject to several risks, including the following:

LCNB and BNB will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as legal, accounting, financial advisor and printing fees;

under the Merger Agreement, BNB is subject to certain restrictions regarding the conduct of its business before completing the Merger, which may adversely affect its ability to execute certain of its business strategies; and

matters relating to the Merger may require substantial commitments of time and resources by LCNB and BNB management, which could otherwise have been devoted to other opportunities that may have been beneficial to LCNB and BNB as independent companies, as the case may be.

In addition, if the Merger is not completed, BNB may experience negative reactions from its customers and employees. A number of BNB operational employees have been informed that their employment will be terminated in connection with the Merger and such employees, as well as others, might resign and obtain other employment as a result of the potential Merger. BNB also could be subject to litigation related to any failure to complete the Merger.

The LCNB common shares to be received by BNB shareholders upon completion of the Merger will have different rights from BNB shares.

Upon completion of the Merger, BNB shareholders will no longer be shareholders of BNB but will instead become shareholders of LCNB, and their rights as shareholders of LCNB will be governed by the Ohio Revised Code and by LCNB's Amended and Restated Articles of Incorporation and Regulations. The terms of LCNB's Amended and Restated Articles of Incorporation and Regulations are in some respects materially different than the terms of BNB's

Amended Articles of Incorporation and Regulations. See “COMPARISON OF CERTAIN RIGHTS OF BNB AND LCNB SHAREHOLDERS” on page 45 of this proxy statement/prospectus.

Completion of the Merger is subject to many conditions and if these conditions are not satisfied or waived, the Merger will not be completed.

The respective obligations of LCNB and BNB to complete the Merger are subject to the fulfillment or written waiver of many conditions, including approval by the requisite vote of the BNB shareholders, receipt of requisite regulatory approvals, absence of orders prohibiting completion of the Merger, effectiveness of the registration statement of which this document is a part, the continued accuracy of the representations and warranties by both parties, and the performance by both parties of their covenants and agreements. See “THE MERGER AGREEMENT—Conditions to Consummation of the Merger” on page 35 of this proxy statement/prospectus. These conditions to the consummation of the Merger may not be fulfilled and, accordingly, the Merger may not be completed. In addition, if the Merger is not completed by May 31, 2015, either LCNB or BNB, by a vote of a majority of the members

of its entire board, may choose not to proceed with the Merger, or the parties can mutually decide to terminate the Merger Agreement at any time, before or after approval by the requisite vote of the BNB shareholders. In addition, LCNB or BNB may elect to terminate the Merger Agreement in certain other circumstances. See “THE MERGER AGREEMENT—Termination of the Merger Agreement” on page 40 of this proxy statement/prospectus for a more complete description of these circumstances.

Following the Merger, a high percentage of the combined company’s loan portfolio will remain in Ohio and in commercial and residential real estate. Deteriorations in economic conditions in this area or in the real estate market generally could be more harmful to the combined company compared to more diversified institutions.

As of September 30, 2014 approximately \$14.2 million, or 39.2%, of BNB’s loan portfolio was comprised of residential real estate loans, and \$11.9 million, or 32.8%, of BNB’s loan portfolio was comprised of commercial real estate loans. As of September 30, 2014, approximately \$248.5 million, or 36.2%, of LCNB’s loan portfolio was comprised of residential real estate loans, and \$261.6 million, or 38.1%, of LCNB’s loan portfolio was comprised of commercial real estate loans. As a result of the Merger, the combined company’s loan portfolio, as of September 30, 2014, would have consisted of \$262.7 million, or 36.4%, of residential real estate loans and \$273.5 million, or 37.9%, of commercial real estate loans.

Inherent risks of commercial real estate (“CRE”) lending include the cyclical nature of the real estate market, construction risk and interest rate risk. The cyclical nature of real estate markets can cause CRE loans to suffer considerable distress. During these times of distress, a property’s performance can be negatively affected by tenants’ deteriorating credit strength and lease expirations in times of softening demand caused by economic deterioration or over-supply conditions. Even if borrowers are able to meet their payment obligations, they may find it difficult to refinance their full loan amounts at maturity due to declines in property value. Other risks associated with CRE lending include regulatory changes and environmental liability. Regulatory changes in tax legislation, zoning, environmental regulation, or similar external conditions that may affect property values and the economic feasibility of existing and proposed real estate projects. Environmental liability as a result of contamination may decrease the real estate collateral’s value or render the collateral worthless. Furthermore, the cost that may be imposed on a responsible borrower for the remediation of a contaminated property may severely impair the borrower’s ability to repay the loan.

The combined company’s CRE loan portfolio will be concentrated in Ohio. There are a wide variety of economic conditions within the local markets of Ohio in which most of the combined company’s CRE loan portfolio will be situated. Rates of employment, consumer loan demand, household formation, and the level of economic activity can vary widely from state to state and among metropolitan areas, cities and towns. Metropolitan markets comprise various submarkets where property values and demand can be affected by many factors, such as demographic makeup, geographic features, transportation, recreation, local government, school systems, utility infrastructure, tax burden, building-stock age, zoning and building codes, and available land for development. Despite the Merger, as a result of the continued high concentration of the combined company’s loan portfolio, the combined company may be more sensitive, compared to more diversified institutions, to future disruptions in, and deterioration of, this market, which could lead to losses which could have a material adverse effect on the business, financial condition and results of operations of the combined company.

Risks Related to LCNB’s Business

You should read and consider risk factors specific to LCNB’s business that will also affect the combined company after the Merger, described in LCNB’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as updated by subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed by LCNB with the SEC and incorporated by reference into this document. See “INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE” on page 45 of this proxy statement/prospectus.

FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated herein by reference contain forward-looking statements, including statements about LCNB's financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements express LCNB's management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Certain statements contained in this proxy statement/prospectus and the documents incorporated herein by reference that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act, notwithstanding that such statements are not specifically identified.

In addition, certain statements may be contained in the future filings of LCNB with the SEC, in press releases and in oral and written statements made by or with the approval of LCNB that are not statements of historical fact and constitute forward-looking statements within the meaning of the Reform Act. Examples of forward-looking statements include, but are not limited to:

- statements about the benefits of the Merger between LCNB and BNB, including future financial and operating results, cost savings, enhanced revenues and accretion to reported earnings that may be realized from the Merger;
- statements regarding plans, objectives and expectations of LCNB or BNB or their respective management or boards of directors;
- statements regarding future economic performance; and
- statements regarding assumptions underlying any such statements.

Words such as "believes," "anticipates," "expects," "intends," "targeted," "continue," "remain," "will," "should," "may" and other expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- the risk that the businesses of LCNB and BNB will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;
- expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame;
- revenues or earnings following the Merger may be lower than expected;
- deposit attrition, operating costs, customer loss and business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;
- the inability to obtain governmental approvals of the Merger on the proposed terms and schedule;
- the failure of BNB's shareholders to approve the Merger;

• local, regional, national and international economic conditions and the impact they may have on LCNB and its customers and LCNB's assessment of that impact;

• changes in the level of non-performing assets, delinquent loans, and charge-offs;

• material changes in the value of LCNB's common shares;

• changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;

• the risk that LCNB's or BNB's management's assumptions and estimates used in applying critical accounting policies prove unreliable, inaccurate or not predictive of actual results;

inflation and, interest rate, securities market and monetary fluctuations;

changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity;

competitive pressures among depository and other financial institutions may increase and have an effect on pricing, spending, third-party relationships and revenues;

changes in laws and regulations (including laws and regulations concerning taxes, banking and securities) with which LCNB and BNB must comply;

the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve;

legislation affecting the financial services industry as a whole, and/or LCNB and its subsidiaries, individually or collectively;

governmental and public policy changes;

LCNB's ability to integrate the BNB acquisition and any future acquisition targets may be unsuccessful, or may be more difficult, time-consuming or costly than expected; and

the impact on LCNB's businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Additional factors that could cause LCNB's results to differ materially from those described in the forward-looking statements can be found in LCNB's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to LCNB or BNB or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. LCNB and BNB undertake no obligation to update any forward-looking statement.

THE SPECIAL MEETING OF SHAREHOLDERS OF BNB

Time, Date and Place

This proxy statement/prospectus is being provided to BNB shareholders in connection with the solicitation of proxies by the BNB board of directors for use at the special meeting of shareholders to be held at 10:00 A. M., Eastern Daylight Savings Time, on April 21, 2015, at the Brookville Event and Music Center, 706 Market Street, Brookville, Ohio 45309, including any adjournments of the special meeting.

Matters to be Considered

At the special meeting, the shareholders of BNB will be asked to consider and vote upon the following matters:

a proposal to adopt and approve the Merger Agreement;

a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement; and

any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The board of directors of BNB is unaware of any other business to be transacted at the special meeting.

The board of directors of BNB believes that the Merger with LCNB is in the best interests of BNB shareholders and recommends that you vote (1) "FOR" the adoption and approval of the Merger Agreement and (2) "FOR" the proposal to adjourn the special meeting of BNB shareholders, if necessary, to solicit additional proxies.

Record Date; Shares Outstanding and Entitled to Vote

The board of directors of BNB has fixed the close of business on March 10, 2015, as the record date for determining the BNB shareholders who are entitled to notice of and to vote at the BNB special meeting of shareholders. Only holders of BNB common shares at the close of business on the record date will be entitled to notice of and to vote at the BNB special meeting.

As of the close of business on March 6, 2015, there were 279,426 BNB common shares outstanding and entitled to vote at the special meeting. As of the same date, there were no shares of BNB preferred stock outstanding. The BNB common shares were held of record by approximately 300 shareholders. Each BNB common share entitles the holder to one vote on all matters properly presented at the special meeting.

Votes Required; Quorum

Your vote is important, BNB's Amended Articles of Incorporation require the affirmative vote of the holders of at least a majority of the BNB common shares outstanding and entitled to vote at the BNB special meeting in order to adopt and approve the Merger Agreement. Approval of an adjournment of the special meeting requires the affirmative vote of the holders of a majority of BNB's common shares represented, in person or by proxy, at the special meeting.

Brokers who hold BNB common shares in "street name" for the beneficial owners cannot vote these BNB common shares on the adoption and approval of the Merger Agreement without specific instructions from the beneficial owners. If you fail to vote or if you mark "ABSTAIN" on your proxy card, or if your BNB common shares are held in "street name" and you fail to instruct your broker how to vote, it will have the same effect as a vote "AGAINST" the

adoption and approval of the Merger Agreement.

The number of BNB shareholders attending the BNB special meeting in person or by proxy will constitute a quorum. The BNB board of directors does not expect any matter other than the adoption and approval of the Merger Agreement and, if necessary, the approval of the adjournment of the special meeting to solicit additional proxies, to be brought before the BNB special meeting. If any other matters are properly brought before the special meeting for consideration, BNB common shares represented by properly executed proxy cards will be voted, to the extent permitted by applicable law, in the discretion of the persons named in the proxy card in accordance with their best judgment.

Solicitation and Revocation of Proxies

A proxy card accompanies each copy of this proxy statement/prospectus mailed to BNB shareholders. Your proxy is being solicited by the board of directors of BNB. Whether or not you attend the special meeting, the BNB board of directors urges you to

return your properly executed proxy card as soon as possible. If you return your properly executed proxy card prior to the special meeting and do not revoke it prior to its use, the BNB common shares represented by that proxy card will be voted at the special meeting or, if appropriate, at any adjournment of the special meeting. BNB's common shares will be voted as specified on the proxy card or, in the absence of specific instructions to the contrary, will be voted "FOR" the adoption and approval of the Merger Agreement and, if necessary, "FOR" the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies.

If you have returned a properly executed proxy card, you may revoke it at any time before a vote is taken at the special meeting by:

filing a written notice of revocation with the President of BNB, at 225 W. Upper Lewisburg Salem Road, Brookville, Ohio 45309;

executing and returning another proxy card with a later date; or

attending the special meeting and giving notice of revocation in person.

Your attendance at the special meeting will not, by itself, revoke your proxy.

If you hold your BNB common shares in "street name" through a broker, bank or other nominee, you must provide your broker, bank or nominee (the record holder of your common shares) with instructions on how to vote your common shares. Your broker, bank or other nominee will provide you with a proxy card and voting instructions. If you have instructed your broker, bank or other nominee to vote your common shares, you must follow the directions received from your broker, bank or other nominee to change or revoke your vote.

BNB will bear its own cost of solicitation of proxies on behalf of the BNB board of directors. Proxies will be solicited by mail, and may be further solicited by additional mailings, personal contact, telephone, facsimile or electronic mail, by directors, officers and employees of BNB, none of whom will receive additional compensation for their solicitation activities. BNB will also pay the standard charges and expenses of brokerage houses, voting trustees, banks, associations and other custodians, nominees and fiduciaries, who are record holders of BNB common shares not beneficially owned by them, for forwarding this proxy statement/prospectus and other proxy solicitation materials to, and obtaining proxies from, the beneficial owners of BNB common shares entitled to vote at the special meeting.

PROPOSALS SUBMITTED TO BNB SHAREHOLDERS

BNB Merger Proposal

As discussed throughout this proxy statement/prospectus, BNB is asking its shareholders to adopt and approve the Merger Agreement. BNB shareholders should carefully read this document in its entirety for more detailed information regarding the Merger Agreement and the Merger. In particular, shareholders are directed to the copy of the Merger Agreement attached as Annex A to this proxy statement/prospectus.

The board of directors of BNB recommends a vote "FOR" the approval and adoption of the Merger Agreement.

BNB Adjournment Proposal

The BNB special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, the solicitation of additional proxies if there are insufficient votes at the time of the BNB special meeting to approve and adopt the Merger Agreement. If, at the time of the BNB special meeting, the number of common shares of BNB present or represented and voting in favor of the Merger Agreement proposal is insufficient to approve and adopt the Merger Agreement, BNB intends to move to adjourn the BNB special meeting in order to enable the

BNB board of directors to solicit additional proxies for approval of the proposal. In that event, BNB will ask the BNB shareholders to vote only upon the adjournment proposal and not the merger proposal or the proposal on the specified compensation.

In the BNB adjournment proposal, BNB is asking its shareholders to authorize the holder of any proxy solicited by the BNB board of directors to vote in favor of granting discretionary authority to the proxy holders to adjourn the BNB special meeting to another time and place for the purpose of soliciting additional proxies. If the BNB shareholders approve the adjournment proposal, BNB could adjourn the BNB special meeting and any adjourned session of the BNB special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from BNB shareholders who have previously voted.

The BNB board of directors recommends a vote “FOR” the BNB adjournment proposal.

Other Matters to Come Before the BNB Special Meeting

No other matters are intended to be brought before the BNB special meeting by BNB, and BNB does not know of any matters to be brought before the BNB special meeting by others. If, however, any other matters properly come before the BNB special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with their best judgment on any such matter.

DISSENTERS' RIGHTS

Rights of Dissenting BNB Shareholders

Shareholders of BNB are entitled to certain dissenters' rights pursuant to Sections 1701.84(A) and 1701.85 of the OGCL. Section 1701.85 generally provides that shareholders of BNB will not be entitled to such rights without strict compliance with the procedures set forth in Section 1701.85, and failure to take any one of the required steps may result in the termination or waiver of such rights. Specifically, any BNB shareholder who is a record holder of BNB common shares on March 10, 2015, the record date for the BNB special meeting and whose shares are not voted in favor of the adoption of the Merger Agreement may be entitled to be paid the "fair cash value" of such BNB common shares after the effective time of the Merger. To be entitled to such payment, a shareholder must deliver to BNB a written demand for payment of the fair cash value of the shares held by such shareholder, before the vote on the Merger proposal is taken, the shareholder must not vote in favor of approval and adoption of the Merger Agreement, and the shareholder must otherwise comply with Section 1701.85. A BNB shareholder's failure to vote against the adoption and approval of the Merger Agreement will not constitute a waiver of such shareholder's dissenters' rights. Any written demand must specify the shareholder's name and address, the number and class of shares held by him, her or it on the BNB record date, and the amount claimed as the "fair cash value" of such BNB common shares. See the text of Section 1701.85 of the OGCL attached as Annex B to this proxy statement/prospectus for specific information on the procedures to be followed in exercising dissenters' rights.

If BNB so requests, dissenting shareholders must submit their share certificates to BNB within 15 days of such request, for endorsement on such certificates by BNB that a demand for appraisal has been made. Failure to comply with such request will terminate the dissenting shareholders' rights. Such certificates will be promptly returned to the dissenting shareholders by BNB. If BNB and any dissenting shareholder cannot agree upon the "fair cash value" of BNB's common shares, either may, within three months after service of demand by the shareholder, file a petition in the Common Pleas Court of Montgomery County, Ohio, for a determination of the "fair cash value" of such dissenting shareholder's BNB common shares. The fair cash value of an BNB common share to which a dissenting shareholder is entitled to under Section 1701.85 will be determined as of the day prior to the special meeting. The court may appoint one or more appraisers to determine the "fair cash value" and, if the court approves the appraisers' report, judgment will be entered for the "fair cash value," and the costs of the proceedings, including reasonable compensation of the appraisers, will be assessed or apportioned as the court considers equitable.

If a BNB shareholder exercises his or her dissenters' rights under Section 1701.85, all other rights with respect to such shareholder's BNB common shares will be suspended until BNB purchases the shares, or the right to receive the fair cash value is otherwise terminated. Such rights will be reinstated should the right to receive the fair cash value be terminated other than by the purchase of the shares.

The foregoing description of the procedures to be followed in exercising dissenters' rights available to holders of BNB's common shares pursuant to Section 1701.85 of the OGCL may not be complete and is qualified in its entirety by reference to the full text of Section 1701.85 attached as Annex B to this proxy statement/prospectus.

THE MERGER

The Proposed Merger

The Merger Agreement provides for the merger of BNB with and into LCNB, with LCNB surviving (the “Merger”). Immediately following the Merger, and upon receipt of the required regulatory approvals, Brookville National Bank will be merged with and into LCNB National Bank, with LCNB National Bank surviving the subsidiary bank merger. The Merger Agreement is attached to this proxy statement/prospectus as Annex A and is incorporated in this proxy statement/prospectus by reference. You are encouraged to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

BNB’s Background and Reasons for the Merger

Background of the Merger

The BNB board of directors has periodically discussed and reviewed with its management team and industry consultants, the business of banking, strategic direction, financial performance and prospects of BNB in the context of its current and prospective business, including local, regional, and national economic and competitive environments. The BNB board of directors has at times also discussed various potential strategic options, including strategies to increase BNB’s market area and products offerings, with the intent of ultimately creating more value for its shareholders. The BNB board of directors also has identified impediments to future growth and profitability, including expensive technological changes, the proliferation of competition by both bank and non-bank financial services providers and the increase in cost of doing business due to heightened regulatory demands.

During the beginning of 2014, the BNB board of directors and management discussed these interests and concerns in connection with the trends in the financial services industry and the likely nature of cost increases on an on-going basis. As a result of these discussions, it was decided to evaluate strategic options to enhance and maximize the value of and the liquidity for shares of BNB common stock, including examining potential transaction alternatives. It was determined that a preliminary meeting would be held with LCNB management. BNB management met with senior management of LCNB during July of 2014 for the purpose of learning more about its potential interest in a business combination with BNB during which LCNB senior management confirmed their general interest in pursuing discussions with BNB regarding an affiliation. As a result of those conversations LCNB and BNB executed a mutual confidentiality agreement in order to preserve the confidentiality of the process and the information to be exchanged by the parties. Management of BNB then met with representatives of Austin Associates, LLC (“Austin”), a nationally recognized bank consulting and investment banking firm, and BNB’s counsel Shumaker, Loop & Kendrick, LLP (“Shumaker”) on August 4, 2014 at Austin’s offices in Toledo, Ohio, to discuss the potential transaction, other alternatives including other potential purchasers and the process that would be most beneficial to BNB’s interests.

Subsequently, on August 11, 2014, the full BNB board of directors met to discuss the results of these meetings. After a thorough discussion of the value of BNB, alternatives and the potential pursuit of other merger partners, the BNB board of directors elected to proceed with exclusive discussions with LCNB. The BNB board of directors believed that LCNB’s community bank philosophy, proximity to BNB’s markets, publicly traded stock and high interest level made them the best candidate for a business combination with BNB and its wholly-owned subsidiary, Brookville National Bank. The BNB board of directors also retained Austin to represent BNB in the discussions and negotiations with LCNB at the August 11, 2014 meeting.

Austin provided LCNB and its advisors access to a confidential data site that included non-public information of BNB. After reviewing this information, as well as having numerous conversations between Austin, LCNB and LCNB’s financial advisor, LCNB submitted a nonbinding indication of interest to BNB during late September 2014. After a period of negotiation, including the purchase price, LCNB submitted a final nonbinding indication of interest on October 3, 2014. On October 6, 2014, Richard F. Maroney, Jr. of Austin and Martin D. Werner from Shumaker

met with the board of directors of BNB to discuss the indication of interest. At the conclusion of that meeting the board of directors of BNB authorized management to execute an exclusivity agreement with LCNB as the only party with whom BNB would negotiate a potential transaction for a limited period of time and to permit LCNB to complete its due diligence. Management was also directed by the BNB board of directors to negotiate, with the assistance of Austin and Shumaker, a draft form of a merger agreement.

During October, November and into the beginning of December, LCNB conducted its due diligence of BNB. In addition, Austin performed a review of nonpublic information from LCNB to support and validate assumptions made as part of the issuance of its fairness opinion.

During November of 2014, a draft of the Merger Agreement was provided to Shumaker and BNB by LCNB's legal counsel, Dinsmore & Shohl, LLP, for review and negotiation. Austin and Shumaker were actively involved in reviewing, drafting and negotiating the final terms of the Merger Agreement. Members of BNB's management were also involved in the review of drafts of the Merger Agreement. The full BNB board of directors received a copy of a draft Merger Agreement on or about December 8, 2014. Austin and Shumaker met with the BNB board of directors on December 18, 2014 to review and approve the Merger Agreement. At

the conclusion of that meeting the BNB board of directors approved the proposed definitive Merger Agreement and authorized its execution. Austin rendered its oral opinion that the transaction was fair, from a financial point of view at the December 18, 2014 meeting of the board of directors of BNB, and subsequently, confirmed such oral opinion in writing. The transaction was announced on December 29, 2014.

BNB's Reasons for the Merger

The board of directors of BNB considered the combined staff and resources of the resulting institution and determined that the Merger will enhance the ability to deliver a high level of professional, relationship-driven banking services to Brookville National Bank's business and retail customers and provide for career opportunities for its employees. Additionally, in reaching its determination to approve the Merger Agreement and to recommend the approval and adoption of the Merger Agreement by the shareholders, the board of directors consulted with BNB management, Shumaker, and Austin, and considered the following material factors in support of the board of directors' recommendation:

- (1) the ability to combine BNB with LCNB and the financial strength of the resulting merged companies;
- (2) the risks associated with BNB's continued operation and the possibility that current levels of capital may not be sufficient to absorb losses associated with its loan portfolio;
- (3) the financial terms of the Merger, as presented to the board of directors of BNB, are considered fair to the shareholders of BNB, based upon the opinion of Austin and the members of the board of directors;
- (4) the benefits to current customers of Brookville National Bank through the enhanced ability to meet their financial needs by combining with a larger financial institution;
- (5) the effect on shareholder value of BNB remaining an independent entity in light of BNB's financial condition, management's financial projections and increased regulatory burdens and increased competition;
- (6) the long-term interests of BNB and its shareholders, as well as the interests of Brookville National Bank employees, customers, and the communities in which Brookville National Bank serves; and
- (7) the ability of LCNB to perform its obligations under the Merger Agreement, to complete the Merger and to pay the consideration contemplated by the Merger Agreement to BNB's shareholders and the likelihood of LCNB obtaining the required regulatory approvals for the Merger and being in a financial position to consummate the Merger.

The board of directors of BNB also considered a variety of risks and other potentially negative factors in deliberations concerning the Merger. In particular, the board of directors of BNB considered:

- (1) the costs associated with negotiating the Merger Agreement, calling the special meeting of shareholders and other Merger-related costs;
- (2) the loss of BNB's and Brookville National Bank's independence as separate institutions; and
- (3) the tax effects of a merger on the shareholders of BNB.

The board of directors of BNB concluded that the anticipated benefits of the Merger outweighed the possible detriments.

This discussion is not intended to be exhaustive but includes the material information and factors considered by the BNB board of directors in its consideration of the Merger. In view of the wide variety of factors considered, the BNB board of directors did not assign relative weights to the specific factors considered in reaching its determination. The determination was made after consideration of all of the factors as a whole.

Recommendation of the BNB Board of Directors

The board of directors of BNB unanimously approved the Merger Agreement. The board of directors of BNB believes that the Merger is fair to and in the best interests of BNB and its shareholders, and, as a result, the directors unanimously recommend that BNB shareholders vote "FOR" the adoption and approval of the Merger Agreement and "FOR" the approval of the adjournment of

the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement.

Opinion of BNB's Financial Advisor

In August 2014, BNB jointly engaged Austin Associates, LLC ("Austin") and Investment Bank Services ("IBS"), a registered broker-dealer, to provide financial advisory services in connection with the potential sale of BNB. Austin is an investment banking and consulting firm specializing in community bank mergers and acquisitions. Principals of Austin's investment banking team that assisted BNB are also registered representatives of IBS. BNB selected Austin and IBS as its financial advisors on the basis of their experience and expertise in representing community banks in similar transactions.

Austin acted as financial advisor to BNB in connection with the proposed merger and participated in the negotiations leading to the Merger Agreement. As part of its engagement, Austin assessed the fairness, from a financial point of view, of the merger consideration being received by the shareholders of BNB. The full text of Austin's opinion is attached as Annex C to this proxy statement/prospectus and is incorporated by reference herein. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. Austin has consented to the inclusion of its opinion letter as Annex C to this proxy statement/prospectus.

You should consider the following when reading the discussion of Austin's opinion in this document:

The opinion letter attached as Annex C details the procedures followed, assumptions made, matters considered, and qualifications and limitations of the review undertaken by Austin, in connection with its opinion, and should be read in its entirety;

Austin expressed no opinion as to the price at which BNB's or LCNB's common stock would actually trade at any given time;

Austin's opinion does not address the relative merits of the Merger and the other business strategies considered by BNB's board, nor does it address the board's decision to proceed with the Merger; and

Austin's opinion rendered in connection with the Merger does not constitute a recommendation to any BNB shareholder as to how it should vote at the BNB special meeting of shareholders.

The preparation of a fairness opinion involves various determinations as to the most appropriate methods of financial analysis and the application of those methods to the particular circumstances. It is, therefore, not readily susceptible to partial analysis or summary description. In performing its analyses, Austin made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of BNB and LCNB and may not be realized. Any estimates contained in Austin's analyses are not necessarily predictive of future results or values, and may be significantly more or less favorable than the estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the prices at which the companies or their securities may actually be sold. Unless specifically noted, none of the analyses performed by Austin was assigned a greater significance by Austin than any other. The relative importance or weight given to these analyses is not affected by the order of the analyses or the corresponding results. The summaries of financial analyses include information presented in tabular format. The tables should be read together with the text of those summaries.

With respect to the internal projections and estimates prepared by BNB pertaining to BNB and the projections and estimates prepared by Austin pertaining to LCNB (based on publicly available information), and the expected transaction costs, purchase accounting adjustments and cost savings, BNB's and LCNB's management and advisors confirmed to us that the projections and estimates prepared by BNB and Austin, respectively, reflected the best

currently available estimates and judgments of management of the future financial performance of BNB and LCNB, and Austin assumed that such performance would be achieved. Austin expresses no opinion as to such financial projections and estimates or the assumptions on which they are based. Austin also assumed that there has been no material change in BNB or LCNB's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to us. Austin has assumed in all respects material to its analyses that BNB and LCNB will remain as a going concern for all periods relevant to its analyses, that all of the representations and warranties contained in the Agreement are true and correct, that each party to the Merger Agreement will perform all of the covenants required to be performed by such party under the Merger Agreement, and that the conditions precedent in the Merger Agreement are not waived. Finally, Austin has relied upon the advice BNB has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the Merger and the other transactions contemplated by the Merger Agreement.

Austin has relied, without independent verification, upon the accuracy and completeness of the information it reviewed for the purpose of rendering its opinion. Austin did not undertake any independent evaluation or appraisal of the assets and liabilities of BNB or LCNB, nor was it furnished with any appraisals. Austin has not reviewed any individual credit files of BNB or LCNB, and

has assumed that BNB's and LCNB's allowances are, in the aggregate, adequate to cover inherent credit losses. Austin's opinion is based on economic, market and other conditions existing on the date of its opinion. No limitations were imposed by BNB's board or its management upon Austin with respect to the investigations made or the procedures followed by Austin in rendering its opinion.

In rendering its opinion, Austin made the following assumptions:

all material governmental, regulatory and other consents and approvals necessary for the consummation of the Merger would be obtained without any adverse effect on BNB or on the anticipated benefits of the Merger;

- BNB has provided all of the information that might be material to Austin in its review;
and

any financial projections reviewed by Austin were reasonably prepared on a basis reflecting the best currently available estimates and judgment of the management of BNB and LCNB as to their future operating and financial performance.

In connection with its opinion, Austin reviewed:

- the Merger Agreement;
- certain publicly available financial statements and other historical financial information of BNB that Austin deemed relevant;
- certain publicly available financial statements and other historical financial information of LCNB that Austin deemed relevant;
- internal financial projections for BNB for the year ending December 31, 2014 prepared by and reviewed with management of BNB;
- the pro forma financial impact of the Merger prepared by Austin relative to LCNB, based on assumptions relating to transaction expenses, preliminary purchase accounting adjustments and cost savings considered reasonable by Austin;
- publicly reported historical price and trading activity for LCNB's common stock, including an analysis of certain financial and stock market information of LCNB compared to certain other publicly traded companies;
- the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available;
- the current market environment generally and the banking environment in particular; and
- such other public information, financial studies, analyses and investigations and financial, economic and market criteria as Austin considered relevant.

Austin also discussed with certain members of senior management of BNB the business, financial condition, results of operations and prospects of BNB, including certain operating, regulatory and other financial matters. Austin held similar discussions with senior management of LCNB regarding generally the business, financial condition, results of operations and prospects of LCNB.

The following is a summary of the material factors considered and analyses performed by Austin in connection with its opinion dated December 29, 2014. The summary does not purport to be a complete description of the analyses performed by Austin. Capitalized terms used herein without definition shall have the meanings given to such terms in the Merger Agreement.

Summary of Financial Terms of Merger Agreement. Austin reviewed the financial terms of the Merger Agreement, including the form of consideration to be received by BNB common shareholders pursuant to the proposed Merger.

The financial terms of the Merger Agreement provide that each BNB Common Share shall be converted into the right to receive: (i) 2.005 shares of LCNB Common Shares (“Per Share Stock Consideration”); and (ii) cash in the amount of \$15.75 (“Per Share Cash Consideration”). Based on LCNB’s 20-day average closing price of \$14.59, the per share consideration would equal \$45.00 and the aggregate consideration would approximate \$12.6 million, based on 279,426 BNB shares outstanding as of the date of this proxy statement/prospectus. The approximate aggregate consideration of \$12.6 million, as of September 30, 2014, represented:

- 19% of BNB’s book value;
- 19% of BNB’s tangible book value;

- 43.5 times BNB's last twelve months stated net income; and
- 2.1% premium above BNB's tangible equity as a percent of core deposits.

LCNB Financial Performance and Market Trading Data versus Peer. Austin compared selected results of LCNB's operating performance to those of 17 selected Ohio, Kentucky and Indiana publicly traded banks with \$750 million to \$2.5 billion in total assets. Austin considered this group of financial institutions comparable to LCNB on the basis of asset size and geographic location.

Austin noted the following selected financial measures for the peer group as compared to LCNB:

	Peer Financial Performance ⁽¹⁾			LCNB ⁽¹⁾	
	25 th Pct	Median	75 th Pct		
Total Assets (\$mil)	\$925.2	\$1,139.7	\$1,769.9	\$1,123.4	
Tangible Equity / Tangible Assets	8.86	% 9.88	% 10.43	% 8.36	%
LTM PTPP / Average Assets	1.13	% 1.29	% 1.73	% 1.43	%
LTM Core Return on Average Assets	0.78	% 0.91	% 1.05	% 0.93	%
LTM Core Return on Average Equity	8.03	% 8.69	% 9.67	% 8.52	%
NPAs / Total Assets	0.95	% 0.70	% 0.55	% 0.70	%
NPAs / (Tangible Equity + ALLL)	11.0	% 6.9	% 5.3	% 8.3	%

LTM = Last Twelve Months

PTPP = Pre-Tax Pre-Provision = Net Interest Income + Noninterest Income - Noninterest Expense

NPAs = Nonperforming Assets

ALLL = Allowance for Loans Losses

⁽¹⁾ Peer and LCNB's financial performance as of September 30, 2014.

This comparison indicated that LCNB approximated the peer median in profitability as measured by core ROAA and ROAE. LCNB ranked between the median and 25th percentile in nonperforming assets (NPAs/Total Assets and NPAs/Tangible Equity + ALLL). The following presents a summary of the market trading data of LCNB compared to this same peer group as of December 15, 2014:

As of 12/15/2014	Peer Market Trading Data			LCNB	
	25 th Pct	Median	75 th Pct		
Price / Tangible Book Value per Share	107	% 119	% 136	% 150	%
Price / LTM Core EPS	11.3	13.0	14.2	13.5	
Dividend Yield	1.42	% 1.94	% 3.29	% 4.35	%

LCNB traded above the 75th percentile of the peer group as measured by price to tangible book and between the median and 75th percentile as measured by price to LTM Core EPS. LCNB significantly exceeded the peer group's 75th percentile in dividend yield.

Comparable Transaction Analysis. Austin compared the financial performance of certain selling institutions and the prices paid in selected transactions to BNB's financial performance and the transaction multiples being paid by LCNB for BNB. Specifically, Austin reviewed certain information relating to select bank and thrift transactions in Ohio and in the three-state area of Indiana, Kentucky and Ohio. For both the Ohio and three-state guideline transactions, Austin eliminated any deals that were subsequently terminated or did not include complete pricing information.

The Ohio guideline transactions include all deals involving selling institutions announced between January 1, 2013 and December 15, 2014. Eighteen (18) transactions comprised this group.

The three-state guideline transactions include all deals involving selling institutions announced between January 1, 2013 and December 15, 2014 with total assets less than \$500 million and nonperforming assets to total assets less than 2.5 percent. Thirteen (13) deals comprise the three-state guideline transaction group.

The following table highlights the results of the guideline transaction comparison:

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Summary Results	Seller's Financial Performance						Deal Multiples		
	Total Assets (in millions)	Tangible Equity/ Tangible Assets	LTM ROAA	LTM ROAE	LTM Effic. Ratio	NPAs/ Assets	Price/ Tangible Book	Price/ LTM Earnings	
Ohio (18 transactions)									
25th Percentile	\$105,286	7.84	%0.30	%3.41	%85.4	%3.10	%124%	17.9	
Median	\$195,534	9.35	%0.60	%6.39	%73.9	%1.75	%144%	22.5	
75th Percentile	\$349,356	10.31	%0.88	%7.83	%68.3	%1.15	%151%	26.7	
IN, KY & OH (13 transactions)									
25th Percentile	\$104,638	9.31	%0.36	%2.58	%83.9	%1.65	%117%	16.2	
Median	\$147,758	10.18	%0.63	%6.22	%72.4	%1.12	%141%	19.8	
75th Percentile	\$219,327	12.18	%0.98	%9.56	%69.1	%0.96	%147%	33.5	
BNB – Stated Performance	\$109,014	9.73	%0.30	%3.10	%82.2	%0.04	%119%	43.5	

The indicated stated price-to-tangible book ratio being paid by LCNB of 119 percent was below the median Ohio transaction group and three-state median transaction group. The stated price-to-earnings multiples being paid by LCNB for BNB of 43.5 compares favorably to the Ohio and three-state transaction groups. BNB's asset size ranked near the 25th percentile of the deals reviewed. BNB's profitability as measured by ROAA and ROAE also approximated the 25th percentile performance levels of the selling banks.

BNB Control-Level Discounted Cash Flow Analysis. Austin performed an analysis that estimated the control-level discounted cash flow value of BNB as of September 30, 2014. The discounted cash flow projections were based on the following:

DCF Analysis – Key Assumptions:

Asset Growth (Per Year)	3.0%
Net Income Range Year 1 – 5 (\$000)	\$347 - \$391
Annual Cost Savings Range (%)	32%
Annual Cost Savings Range (\$000)	\$710 - \$799
Annual Interest Income Enhancement	\$395
Required Tang. Equity/Asset Ratio	8.00%
Long-Term Growth Rate in Earnings	3.0%
Discount Rate Range	12.0% - 14.0%
Transaction Costs (After-Tax) (\$000)	\$300

DCF Analysis – Key Results:

Aggregate Value Range (\$mil)	\$10.2 - \$12.2
Per Share Value Range	\$36.62 - \$43.76

Based on the above assumptions, the aggregate control-level discounted cash flow value of BNB ranged between \$10.2 and \$12.2 million. On a per share basis, the discounted cash flow value ranged between \$36.62 and \$43.76.

Pro Forma Merger Analysis. Austin analyzed the potential pro forma effect of the acquisition assuming the Merger was completed on December 31, 2014. Assumptions were made regarding the accounting adjustments, cost savings

and other acquisition adjustments based on discussions with management of BNB and LCNB and their representatives. Based on 75% phased-in cost savings in the first year and 100% in the second year and potential net interest margin enhancement, the analysis indicated that the acquisition is expected to be accretive to LCNB's estimated stand-alone EPS in the first year following closing. Austin calculated that LCNB's tangible book value per share would be diluted at closing, but recovered within approximately one year.

Pro Forma Dividends Per Share to BNB. Based on the 2.005 exchange ratio and LCNB's current annual cash dividend rate of \$0.64 per share, BNB's shareholders would have received \$1.28 in equivalent cash dividends per share. BNB's current annual cash dividend for 2014, as of the time of the opinion, was estimated at \$0.45 per share. As a result, BNB's shareholders would have received a 184.4 percent increase in annual cash dividends.

Summary. Based on the preceding summary discussion and analysis, and subject to the qualifications described herein, Austin has determined the terms of the Merger Agreement are fair, from a financial point of view, to BNB and its shareholders.

The opinion expressed by Austin was based on market, economic and other relevant considerations as they existed and could be evaluated as of the date of the opinion. Events occurring after the date of issuance of the opinion, including, but not limited to, changes affecting the securities markets, the results of operations or material changes in the financial condition of BNB could materially affect the assumptions used in preparing this opinion.

The text of Austin's written opinion is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference. BNB's shareholders are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Austin.

LCNB's Reasons for the Merger

LCNB believes that the Merger is in the best interests of LCNB and its shareholders. In reaching this determination, the LCNB board of directors consulted with its management, as well as its accounting and legal advisors, and considered the projected pro forma impact of the Merger and a number of other factors, including, without limitation, the following:

the long-term interests of LCNB and its shareholders, as well as the interests of its employees, customers, creditors and the communities in which LCNB operates;

the opportunity to acquire a bank with deep community banking relationships;

enhanced market share in Ohio with incremental high-quality, low-cost core deposits;

the market area in which BNB's offices are located is a market in which LCNB would like to expand to;

LCNB believes it can realize cost savings and other benefits of size and operating efficiencies;

LCNB believes that the Merger should assist it in maintaining its status as an independent holding company and LCNB National Bank as a community bank; and

the size and structure of the transaction allows LCNB to maintain its strong capital position and fund the cash portion of the transaction through current operations; additionally, the merged banks will also maintain a strong capital position allowing the organization to expand within its new markets.

The board of directors of LCNB also considered a variety of risks and other potentially negative factors in deliberations concerning the Merger. In particular, the board of directors of LCNB considered:

the costs associated with the regulatory approval process, the costs associated with calling a special meeting of the BNB shareholders and other Merger related costs; and

the risks associated with combining the operations of BNB with LCNB's existing operations, including difficulty in combining corporate, accounting, financial information and information systems.

The above discussion of the information and factors considered by LCNB's board of directors is not intended to be exhaustive, but includes all material factors considered by the board in arriving at its determination to approve. The

board of directors of LCNB did not assign any relative or specific weights to the above factors, and individual directors may have given differing weights to different factors.

Regulatory Approvals Required

The Merger must receive approval (or waiver thereof) from both the OCC and the Federal Reserve before the proposed Merger may be consummated.

The approval of any regulatory applications merely implies the satisfaction of regulatory criteria for approval, which does not include review of the adequacy or fairness of the merger consideration to BNB shareholders. Furthermore, regulatory approvals do not constitute or imply any endorsement or recommendation of the Merger or the terms of the Merger Agreement.

Interests of BNB Directors and Officers in the Merger

As described below, some of BNB's directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of BNB shareholders generally. The BNB board of directors was aware of these interests and considered them in approving the Merger Agreement.

Severance Payments

Under the terms of the Merger Agreement, LCNB shall pay to each employee, including officers, of BNB or Brookville National Bank who (i) is not subject to an existing contract providing for severance and/or a change in control payment, (ii) is an employee of BNB or Brookville National Bank immediately before the effective time of the Merger, (iii) has been an employee of BNB or Brookville National Bank for at least twelve months prior to the effective time of the Merger, and (iv) is not offered continued employment by LCNB or any of its subsidiaries after the effective time of the Merger, a severance amount equal to two weeks base pay multiplied by the number of whole years of service of such employee with BNB or Brookville National Bank, less applicable local, state and federal tax withholding; provided, however, that the minimum severance payment shall equal four weeks of base pay, and the maximum severance payment shall not exceed the lesser of (a) 26 weeks of base pay or (b) \$20,000. The limitation in the prior sentence does not apply to severance payments made to Roger Moler, President of BNB, which are estimated to be in the amount of \$25,000.

Further, for any employee of BNB or Brookville National Bank participating in BNB's or Brookville National Bank's group health program at the effective time of the Merger who is entitled to a severance payment, the employee will be able to purchase health insurance coverage for the employee and for any spouse or other dependent covered by BNB's or Brookville National Bank's group health program at the effective time of the Merger, at the full premium rate for the entire COBRA period.

Indemnification and Directors' and Officers' Liability Insurance

For a period of three years following the effective time of the Merger and subject to compliance with applicable state and federal laws, LCNB will indemnify each person who served as a director or officer of BNB before the effective time of the Merger to the fullest extent provided by BNB's governing documents, from and against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding by reason of the fact that the person was an officer or director of BNB. In addition, the Merger Agreement provides that, prior to the Merger, BNB will purchase up to six years extended tail coverage available under its current directors' and officers' liability insurance policy.

Continued Employment

In addition, LCNB National Bank intends to enter into an employment agreement with Carolyn Haney, President of Brookville National Bank. It is anticipated that the term of the employment agreement will be for 12 months and Ms. Haney will receive a base annual salary of \$100,000. Ms. Haney will be eligible to receive annual bonus pursuant to the terms of LCNB National Bank's bonus program, as well as severance payments under certain circumstances if Ms. Haney is terminated prior to the end of the term.

Material U.S. Federal Income Tax Consequences of the Merger

This section describes the intended, material U.S. federal income tax consequences of the Merger to LCNB, BNB, and U.S. holders of BNB common shares who exchange their shares for a combination of LCNB common shares and cash pursuant to the Merger. LCNB and BNB intend for the Merger to be treated as a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code, and LCNB and BNB intend that each will be a "party to the

reorganization” within the meaning of Section 368(b) of the Internal Revenue Code.

LCNB and BNB have not requested and do not intend to request any ruling from the IRS as to the U.S. federal income tax consequences of the Merger, and the tax opinion to be delivered in connection with the Merger is not binding on the IRS. Consequently, there is no assurance of the accuracy of the anticipated U.S. federal income tax consequences to LCNB, BNB, and the shareholders of BNB described in this proxy statement/prospectus.

The following discussion is based on the Internal Revenue Code, existing and proposed Treasury Department regulations promulgated thereunder and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

For purposes of this discussion, a “U.S. holder” is a beneficial owner of BNB common shares who, for U.S. federal income tax purposes, is:

• a citizen or resident of the U.S.;

• a corporation, or an entity treated as a corporation, created or organized in or under the laws of the U.S. or any state or political subdivision thereof;

• a trust that (1) is subject to (A) the primary supervision of a court within the U.S. and (B) the authority of one or more U.S. persons to control all substantial decisions of the trust or (2) has a valid election in effect under applicable Treasury Department regulations to be treated as a U.S. person; or

• an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership (including for this purpose any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds BNB common shares, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. If you are a partnership, or a partner in such partnership, holding BNB common shares, you should consult your tax advisor.

This discussion addresses only those BNB shareholders that hold their BNB common shares as a capital asset within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment), and does not address all of the U.S. federal income tax consequences that may be relevant to particular BNB shareholders in light of their individual circumstances or to BNB shareholders that are subject to special rules, such as:

• financial institutions;

• pass-through entities and investors in those through entities;

• retirement plans;

• insurance companies;

• tax-exempt organizations;

• dealers in securities or foreign currencies;

• traders in securities that elect to use the mark-to-market method of accounting;

• persons that exercise dissenters' rights;

• persons that hold BNB common shares as part of a straddle, hedge, constructive sale, conversion transaction or other risk management transaction;

• persons who purchase or sell their BNB common shares as part of a wash sale;

• expatriates or persons that have a functional currency other than the U.S. dollar;

• persons who are not U.S. holders; and

• persons that acquired their BNB common shares through the exercise of an employee stock option or otherwise as compensation or through a tax-qualified retirement plan.

In addition, this discussion does not address any alternative minimum tax, U.S. federal estate or gift tax or any state, local or foreign tax consequences of the Merger. All holders of BNB common shares should consult their tax advisors as to the specific tax consequences of the Merger to them, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws.

Reorganization Treatment

The Merger is intended to be a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code, and LCNB and BNB are each intended to be a “party to the reorganization” within the meaning of Section 368(b) of the Internal Revenue Code. If the intended reorganization treatment is respected by the Internal Revenue Service and the courts, then the material federal income tax consequences described below are anticipated.

Federal Income Tax Consequences to LCNB and BNB

No Gain or Loss. No gain or loss will be recognized by LCNB or BNB as a result of the Merger.

Tax Basis. The tax basis of the assets of BNB in the hands of LCNB will be the same as the tax basis of such assets in the hands of BNB immediately prior to the Merger.

Holding Period. The holding period of the assets of BNB to be received by LCNB will include the period during which such assets were held by BNB.

Federal Income Tax Consequences to U.S. Holders of BNB Common Shares who Receive a Combination of Cash and LCNB Common Shares

A U.S. holder of BNB common shares will recognize gain (but not loss) with respect to the LCNB common shares such holder receives pursuant to the Merger, in an amount equal to the lesser of (i) the amount by which the sum of the fair market value of the LCNB common shares and the amount of cash received by such holder (other than cash received in lieu of a fractional LCNB common share), exceeds such holder's basis in its BNB common shares, and (ii) the amount of cash received by such holder (other than any cash received in lieu of a fractional LCNB common share, as discussed below under "—Cash In Lieu of a Fractional Shares"). Any recognized gain could be taxed as a capital gain or a dividend, as described below. The tax basis of the LCNB common shares received by such U.S. holder (including a fractional LCNB common share, if any, deemed issued and redeemed by LCNB) will be the same as the basis of the BNB common shares surrendered in exchange for the LCNB common shares, reduced by the amount of cash received by such holder in the Merger (other than any cash received in lieu of a fractional LCNB common share), and increased by any gain recognized by such U.S. holder in the Merger (including any portion of the gain that is treated as a dividend (as described below), but excluding any gain or loss resulting from the deemed issuance and redemption of a fractional LCNB common share). The holding period for LCNB common shares received by such U.S. holder will include such U.S. holder's holding period for BNB common shares surrendered in exchange for the LCNB common shares (including a fractional LCNB common share, if any, deemed to be issued and redeemed by LCNB).

If a U.S. holder of BNB common shares acquired different blocks of BNB common shares at different times or at different prices, any gain or loss will be determined separately with respect to each block of BNB common shares. In computing the amount of gain recognized, if any, a U.S. holder of BNB common shares may not offset a loss realized on one block of shares against the gain realized on another block of shares. U.S. holders of BNB common shares should consult their tax advisors regarding the manner in which LCNB common shares and cash received in the Merger should be allocated among different blocks of BNB common shares and regarding their bases and holding periods in the particular shares of LCNB common shares received in the Merger.

Subject to possible dividend treatment (as discussed in more detail under "Possible Dividend Treatment", below), gain or loss that U.S. holders of BNB common shares recognize in connection with the Merger generally will constitute capital gain or loss and will constitute long-term capital gain or loss if such holders have held their BNB common shares for more than one year at the effective time of the Merger. Long-term capital gain of certain non-corporate holders of BNB common shares, including individuals, is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations.

Cash in Lieu of Fractional Shares

A U.S. holder of BNB common shares that receives cash in lieu of a fractional LCNB common share generally will be treated as having received such fractional share and then having received such cash in redemption of such fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of

the fractional share and the portion of the U.S. holder's aggregate adjusted basis in the BNB common shares surrendered which is allocable to the fractional share. Subject to possible dividend treatment (as discussed in more detail under "Possible Dividend Treatment", below), such gain or loss generally will be long-term capital gain or loss if the U.S. holder's holding period for its BNB shares exceeds one year at the effective time of the Merger.

Tax Consequences to BNB Shareholders who Receive Only Cash

A U.S. holder of BNB common shares who properly exercises its dissenters' rights and receives solely cash in exchange for all of its BNB common shares (and is not treated as constructively owning LCNB common shares after the Merger under the circumstances referred to below under "Possible Dividend Treatment") will recognize a gain or loss for federal income tax purposes equal to the difference between the cash received and such U.S. holder's tax basis in BNB's common shares surrendered in exchange for the cash. Such gain or loss will be a capital gain or loss, provided that such shares were held as capital assets of the U.S. holder at the effective time of the Merger. Such gain or loss will be long-term capital gain or loss if the U.S. holder's holding period is more

than one year. The Internal Revenue Code contains limitations on the extent to which a taxpayer may deduct capital losses from ordinary income.

Possible Dividend Treatment

In some cases, if a U.S. holder of BNB common shares actually or constructively owns LCNB common shares other than the LCNB common shares received pursuant to the Merger, the gain recognized by such holder could be treated as having the effect of the distribution of a dividend under the tests set forth in Section 302 of the Internal Revenue Code, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends primarily upon each holder's particular circumstances, including the application of certain constructive ownership rules, U.S. holders of BNB common shares should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances.

Backup Withholding and Reporting Requirements

Under certain circumstances, cash payments made to a U.S. holder of BNB common shares pursuant to the Merger may be subject to backup withholding at a rate of 28% of the cash payable to the holder, unless the holder furnishes its taxpayer identification number in the manner prescribed in applicable Treasury Department regulations, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the backup withholding rules are not an additional tax and will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

A U.S. holder of BNB common shares owning at least 5% (by vote or value) of the outstanding shares of BNB common shares or having a basis of \$1,000,000 or more in its BNB common shares, immediately before the Merger, is required to file a statement with such holder's U.S. federal income tax return setting forth such holder's tax basis in and the fair market value of shares of the BNB common shares exchanged by such holder pursuant to the Merger. In addition, all U.S. holders of BNB common shares will be required to retain records pertaining to the Merger.

The preceding discussion of material U.S. federal income tax consequences of the Merger is included in this proxy statement/prospectus for general information only, and is intended only as a summary of material U.S. federal income tax consequences of the Merger. It is not a complete analysis or discussion of all potential tax effects that may be important to you.

Each BNB shareholder should consult with his, her or its own tax advisor regarding the specific tax consequences to the shareholder of the Merger, including the application and effect of state, local and foreign income and other tax laws.

Accounting Treatment

The Merger will be accounted for under the acquisition method of accounting in accordance with U.S. GAAP. Under the acquisition method of accounting, the assets and liabilities of BNB will be recorded and assumed at estimated fair values at the time the Merger is consummated. The excess of the estimated fair value of LCNB's common shares issued and the cash proceeds paid over the net fair values of the assets acquired, including identifiable intangible assets, and liabilities assumed will be recorded as goodwill and will not be deductible for income tax purposes. Goodwill will be subject to an annual test for impairment and the amount impaired, if any, will be charged as an expense at the time of impairment.

Resale of LCNB's Common Shares

LCNB has registered its common shares to be issued in the Merger with the SEC under the Securities Act of 1933, as amended (the “Securities Act”). No restrictions on the sale or other transfer of LCNB’s common shares issued in the Merger will be imposed solely as a result of the Merger, except for restrictions on the transfer of LCNB’s common shares issued to any BNB shareholder who may become an “affiliate” of LCNB for purposes of Rule 144 under the Securities Act. The term “affiliate” is defined in Rule 144 under the Securities Act and generally includes executive officers, directors and shareholders beneficially owning 10% or more of the outstanding LCNB’s common shares.

Employee Matters

The Merger Agreement provides that employees of BNB or Brookville National Bank who become employees of LCNB as a result of the Merger will, as determined by LCNB, participate in either BNB’s or Brookville National Bank’s employee benefit plans or, as soon as administratively practicable, in the employee benefit plans sponsored by LCNB for LCNB’s employees. Employees of BNB or Brookville National Bank will receive credit for their years of service with BNB or Brookville National Bank, as applicable, for participation and vesting purposes under the applicable LCNB employee benefit plans, including credit for years of service and for seniority under vacation and sick pay plans and programs. The employee benefit plans offered to BNB or Brookville National Bank

employees who become employees of LCNB will be substantially similar to those offered to similarly situated employees of LCNB. In addition, LCNB will waive all restrictions and limitations for pre-existing conditions under the LCNB group health plan and insurance policy.

Under the terms of the Merger Agreement, LCNB shall pay to each employee, including officers, of BNB or Brookville National Bank who (i) is not subject to an existing contract providing for severance and/or a change in control payment, (ii) is an employee of BNB or Brookville National Bank immediately before the effective time of the Merger, (iii) has been an employee of BNB or Brookville National Bank for at least twelve months prior to the effective time of the Merger, and (iv) is not offered continued employment by LCNB or any of its subsidiaries after the effective time of the Merger, a severance amount equal to two weeks base pay multiplied by the number of whole years of service of such employee with BNB or Brookville National Bank, less applicable local, state and federal tax withholding; provided, however, that the minimum severance payment shall equal four weeks of base pay, and the maximum severance payment shall not exceed the lesser of (a) 26 weeks of base pay or (b) \$20,000. The limitation in the prior sentence does not apply to severance payments made to Roger Moler, President of BNB, which are estimated to be in the amount of \$25,000.

Further, for any employee of BNB or Brookville National Bank participating in BNB's or Brookville National Bank's group health program at the effective time of the Merger who is entitled to a severance payment, the employee will be able to purchase health insurance coverage for the employee and for any spouse or other dependent covered by BNB's or Brookville National Bank's group health program at the effective time of the Merger, at the full premium rate for the entire COBRA period.

THE MERGER AGREEMENT

The following is a description of the material terms of the Merger Agreement. A complete copy of the Merger Agreement is attached as Annex A to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference. We encourage you to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

The Merger Agreement contains representations and warranties of BNB and LCNB. The assertions embodied in those representations and warranties are qualified by information contained in confidential disclosure schedules that the parties delivered in connection with the execution of the Merger Agreement. In addition, certain representations and warranties were made as of a specific date, may be subject to a contractual standard of materiality different from the standard of materiality generally applicable to statements made by a corporation to shareholders or may have been used for purposes of allocating risk between the respective parties rather than establishing matters as facts. Accordingly, you should not rely on the representations and warranties as characterizations of the actual state of facts, or for any other purpose, at the time they were made or otherwise.

The Merger and Subsidiary Bank Merger

Pursuant to the terms and subject to the conditions of the Merger Agreement, BNB will merge with and into LCNB, with LCNB surviving the Merger and continuing as an Ohio corporation and a registered financial holding company. Immediately following the Merger, LCNB will cause Brookville National Bank to be merged with and into LCNB National Bank, with LCNB National Bank surviving the subsidiary bank merger and continuing as a national banking association.

Effective Time

LCNB and BNB will cause the effective time of the Merger to occur as soon as practicable after the last of the conditions set forth in the Merger Agreement have been satisfied or waived. Unless LCNB and BNB otherwise agree

in writing, the effective time of the Merger will not be later than May 31, 2015. The Merger will become effective upon the latest to occur of (a) the filing of a certificate of merger with the Ohio Secretary of State, or (b) at a later time that LCNB and BNB agree to in writing and specify in the certificate of merger.

LCNB and BNB currently anticipate closing the Merger and filing the certificate of merger with the Ohio Secretary of State in the second quarter of 2015.

Merger Consideration

Under the terms of the Merger Agreement, shareholders of BNB will be entitled to receive from LCNB, after the Merger is completed, merger consideration in the form of a combination of cash and LCNB common shares to be calculated as set forth in the Merger Agreement. At the effective time of the Merger, each BNB common share will be converted into the right to receive: (i) 2.005 LCNB common shares, and (ii) \$15.75 in cash, subject to adjustment under certain circumstances set forth in the Merger Agreement. The Merger Agreement requires that the merger consideration be adjusted if the number of BNB common shares outstanding

immediately prior to the effective time of the Merger exceeds the number of shares outstanding as of the date the Merger Agreement was signed.

In addition, if, prior to the effective time of the Merger and during the time period specified in the Merger Agreement, both the market value of LCNB's common shares and the NASDAQ Bank Index drop below certain pre-determined thresholds, BNB will have the right to terminate the Merger Agreement, unless LCNB increases the exchange ratio for the stock portion of the merger consideration to an extent specified in the Merger Agreement.

LCNB will not issue any fractional shares of common stock in connection with the Merger. Instead, each holder of BNB common shares who would otherwise be entitled to receive a fraction of a share of LCNB's common shares (after taking into account all shares of BNB common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the LCNB fractional common share to which such holder would otherwise be entitled to multiplied by the average closing sale price of a LCNB common share on the NASDAQ Capital Market® for the 20 consecutive trading days immediately preceding the date of the Merger Agreement.

At the effective time of the Merger, BNB's common shares will no longer be outstanding and will automatically be cancelled and cease to exist, and holders of BNB common shares will cease to be, and will have no rights as, shareholders of BNB, other than to receive the merger consideration pursuant to the terms and conditions of the Merger Agreement (and dissenters' rights under Section 1701.85 of the OGCL in the case of BNB common shares as to which a holder has properly exercised dissenters' rights).

Surrender of Certificates

LCNB will engage Computershare Limited (the "Exchange Agent") to act as its exchange agent to handle the exchange of BNB common shares for the merger consideration. As soon as practicable after the effective time, the Exchange Agent will send to each BNB shareholder a letter of transmittal for use in the exchange with instructions explaining how to surrender BNB common share certificates to the Exchange Agent. BNB shareholders that surrender their certificates to the Exchange Agent, together with a properly completed letter of transmittal, will receive the merger consideration. BNB shareholders that do not exchange their BNB common shares will not be entitled to receive the merger consideration or any dividends or other distributions by LCNB until their certificates are surrendered. After surrender of the certificates representing BNB shares, any unpaid dividends or distributions with respect to LCNB common shares represented by the certificates will be paid without interest.

If any BNB stock certificate has been lost, wrongfully taken, or destroyed, the transmittal materials received from the Exchange Agent will explain the steps that the BNB shareholder must take.

Indemnification and Directors' and Officers' Liability Insurance

For a period of three years following the effective time of the Merger and subject to compliance with applicable state and federal laws, LCNB will indemnify each person who served as a director or officer of BNB before the effective time of the Merger to the fullest extent provided by BNB's governing documents, from and against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding by reason of the fact that the person was an officer or director of BNB. In addition, BNB will purchase up to six years extended tail coverage available under its current directors' and officers' liability insurance policy.

NASDAQ Stock Listing

LCNB's common shares currently are listed on the NASDAQ Capital Market® under the symbol "LCNB." The shares to be issued to BNB's shareholders as merger consideration also will be eligible for trading on the NASDAQ. LCNB will use its reasonable best efforts to (i) list, prior to the effective time if such listing is required to be made prior to the effective time under NASDAQ rules, the LCNB common shares to be issued pursuant to the Merger, or (ii) make such

post-closing filings with NASDAQ as may be required by the applicable NASDAQ rules.

Conditions to Consummation of the Merger

Conditions of LCNB and BNB. The respective obligations of LCNB and BNB to complete the Merger are subject to the fulfillment or written waiver of each of the following conditions:

the Merger Agreement must be duly adopted and approved by the requisite vote of the shareholders of BNB;

all regulatory approvals required to consummate the Merger must have been obtained and remain in full force and effect and all statutory waiting periods in respect thereof shall have expired and no such approvals shall contain (i) any

conditions, restrictions or requirements which the board of directors of LCNB reasonably determines would, either before or after the effective time of the Merger, have a material adverse effect on LCNB and its subsidiaries taken as a whole after giving effect to the consummation of the Merger, or (ii) any conditions, restrictions or requirements that are not customary and usual for approvals of such type and which the board of directors of LCNB reasonably determines would, either before or after the effective time of the Merger, be unduly burdensome. For purposes of this condition, the failure of any regulatory order applicable to BNB to be terminated or the pendency or threat of any of certain regulatory actions against BNB shall constitute grounds for LCNB to terminate the Merger Agreement; and

there must not be any temporary, preliminary or permanent statute, rule, regulation, judgment, decree, injunction or other order issued by or imposed by any court or any other governmental authority that is in effect and prohibits consummation of the transactions contemplated by the Merger Agreement.

Conditions of BNB. BNB will not be required to complete the Merger unless the following conditions are fulfilled or waived in writing:

the representations and warranties of LCNB contained in the Merger Agreement must be true and correct, subject to the standard set forth in the Merger Agreement, as of the date of the Merger Agreement and as of the effective time of the Merger (or if any representation or warranty speaks as of a specific date, as of that date), and BNB must have received a certificate, dated as of the effective time, signed on behalf of LCNB by the chief executive officer of LCNB to such effect; and

LCNB must have performed in all material respects all of its obligations under the Merger Agreement which are required to be performed at or prior to the effective time of the Merger, and BNB must have received a certificate, dated as of the effective time, signed on behalf of LCNB by the chief executive officer of LCNB to such effect.

Conditions of LCNB. LCNB will not be required to consummate the Merger unless the following conditions are also fulfilled or waived in writing:

the representations and warranties of BNB contained in the Merger Agreement must be true and correct, subject to the standard set forth in the Merger Agreement, as of the date of the Merger Agreement and as of the effective time of the Merger (or if any representation or warranty speaks as of a specific date, as of that date), and LCNB must have received a certificate, dated as of the effective time, signed on behalf of BNB by its president to such effect;

BNB must have performed in all material respects all of its obligations under the Merger Agreement which are required to be performed at or prior to the effective time of the Merger, and LCNB must have received a certificate, dated as of the effective time, signed on behalf of BNB by its president to such effect;

BNB must have obtained the consent or approval of each person (other than governmental authorities) whose consent or approval is required under the Merger Agreement or under any loan or credit agreement, note, mortgage, indenture, lease, license or other agreement or instrument in connection with the Merger Agreement, except those for which failure to obtain such consents and approvals would not, individually or in the aggregate, have a material adverse effect on LCNB after the Merger;

LCNB must have received a statement executed on behalf of BNB, dated as of the effective time of the Merger, that satisfies the requirements of regulations of the United States Department of Treasury (“Treasury Regulations”) Section 1.1445-2(c)(3) and complies with Treasury Regulations Section 1.897-2(h), in a form reasonably applicable to LCNB certifying that BNB’s common shares do not represent United States real property interests within the meaning of Section 897 of the Internal Revenue Code and the Treasury Regulation promulgated thereunder;

the holders of not more than 5% of the outstanding BNB's common shares shall have perfected their dissenters' rights under Section 1701.84 of the OGCL in connection with the Merger;

there must have been no condemnation , eminent domain or similar proceedings commenced or threatened in writing by any government authority with respect to any real estate owned by BNB or Brookville National Bank, including real estate acquired in connection with foreclosure;

BNB shall have procured a policy of directors' and officers' liability insurance in accordance with the terms of the Merger Agreement; and

there must not have occurred any event, circumstance or development that has resulted in or could reasonably be expected to result in a material adverse effect on BNB.

LCNB or BNB can waive in writing any of the conditions listed above, unless the waiver is prohibited by law.

Representations and Warranties

BNB has made representations and warranties in the Merger Agreement relating to:

corporate organization, standing and authority;
capitalization;
subsidiaries;
corporate power;
corporate authority and enforceability of the Merger Agreement;
regulatory approvals;
accuracy of financial statements and internal controls;
legal proceedings;
regulatory actions;
compliance with laws;
material contracts;
broker's and finder's fees;
 employee benefit
 plans;
labor matters;
takeover laws;
environmental matters;
tax matters;
risk management instruments;
books and records;
insurance;
title to real properties and assets;
loans and insider transactions;
allowance for loan losses;
repurchase agreements;
investment portfolio;
deposit insurance;
The Bank Secrecy Act, anti-money laundering and Office of Foreign Assets Control and customer information;
Community Reinvestment Act compliance;
related party transactions;
prohibited payments;
Austin Associates' fairness opinion;
absence of undisclosed liabilities;
material adverse effect; and
limitation on express and implied representations and warranties.

LCNB has made representations and warranties in the Merger Agreement relating to:

corporate organization, standing and authority;
capitalization;
subsidiaries;

no ownership of BNB's common shares;
corporate power;
corporate authority and enforceability of the Merger Agreement;
accuracy of SEC reports;
accuracy of financial statements and internal controls;
regulatory matters;
legal proceedings;
compliance with laws;
deposit insurance;
absence of undisclosed liabilities;
regulatory approvals;

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broker's and finder's fees;
takeover laws;