FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2005-05-02** | Period of Report: **2005-03-31**
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FILER

LCNB CORP

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SIC: **6021** National commercial banks

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2005

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

to For the transition period from

Commission File Number 000-26121

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

Ohio	**31-1626393**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2 North Broadway, Lebanon, Ohio 45036
(Address of principal executive offices, including Zip Code)

(513) 932-1414
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No _

The number of shares outstanding of the issuer's common stock, without par value, as of April 25, 2005 was 3,325,249 shares.

LCNB Corp.

INDEX

LCNB CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	March 31, 2005 (Unaudited)	December 31, 2004
ASSETS:		
Cash and due from banks	$ 15,967	10,715
Federal funds sold	8,900	32,400
Total cash and cash equivalents	24,867	43,115
Securities available for sale, at market value	127,417	113,437
Federal Reserve Bank stock and Federal Home Loan Bank stock, at cost	3,085	3,058
Loans, net	338,401	334,440
Premises and equipment, net	12,914	12,233
Intangibles, net	2,018	2,173
Other assets	14,774	13,795
TOTAL ASSETS	$ 523,476	522,251
LIABILITIES		
Deposits -		
Noninterest-bearing	$ 73,325	73,417
Interest-bearing	392,436	390,483
Total deposits	465,761	463,900
Long-term debt	2,121	2,137
Accrued interest and other liabilities	3,751	3,918
TOTAL LIABILITIES	471,633	469,955
SHAREHOLDERS' EQUITY		
Common stock-no par value, authorized 4,000,000 shares; issued and outstanding 3,551,884 shares	10,560	10,560
Surplus	10,555	10,553
Retained earnings	37,177	36,735
Treasury shares at cost, 226,635 and 223,585 shares at March 31, 2005 and December 31, 2004, respectively	(6,194)	(6,078)
Accumulated other comprehensive income (loss), net of taxes	(255)	526
TOTAL SHAREHOLDERS' EQUITY	51,843	52,296
TOTAL LIABILITES AND SHAREHOLDERS' EQUITY	$ 523,476	522,251

The accompanying notes to the consolidated financial statements are an integral part of these statements.

LCNB CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands)
(Unaudited)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
INTEREST INCOME:		
Interest and fees on loans	$ 5,335	5,060
Dividends on Federal Reserve Bank and Federal Home Loan Bank stock	27	23
Interest on investment securities-		
Taxable	613	747
Non-taxable	494	494
Other short-term investments	79	34
TOTAL INTEREST INCOME	6,548	6,358
INTEREST EXPENSE:		
Interest on deposits	1,942	1,808
Interest on borrowings	33	54
TOTAL INTEREST EXPENSE	1,975	1,862
NET INTEREST INCOME	4,573	4,496
PROVISION FOR LOAN LOSSES	98	90
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	4,475	4,406
NON-INTEREST INCOME:		
Trust income	314	365
Service charges and fees	926	899
Net gain on sales of securities	-	127
Insurance agency income	311	326
Earnings from bank owned life insurance	118	-
Gains from sales of mortgage loans	11	21
Gain from sale of credit card portfolio	-	403
Other operating income	35	37
TOTAL NON-INTEREST INCOME	1,715	2,178
NON-INTEREST EXPENSE:		
Salaries and wages	1,829	1,772
Pension and other employee benefits	502	532
Equipment expenses	272	248
Occupancy expense – net	350	296
State franchise tax	152	137
Marketing	120	135
Intangible amortization	146	152

Other non-interest expense	954	1,008
TOTAL NON-INTEREST EXPENSE	4,325	4,280
INCOME BEFORE INCOME TAXES	1,865	2,304
PROVISION FOR INCOME TAXES	459	642
NET INCOME	$ 1,406	1,662
Dividends declared per common share	$ 0.29	0.275
Earnings per common share:		
Basic	$ 0.42	0.49
Diluted	0.42	0.49
Average shares outstanding:		
Basic	3,326,606	3,373,582
Diluted	3,327,982	3,374,534

The accompanying notes to consolidated financial statements are an integral part of these statements.

LCNB CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Net Income	$ 1,406	1,662
Other comprehensive income (loss):		
Net unrealized gain (loss) on available for sale securities (net of taxes of $402 and $264 for the three months ended March 31, 2005 and March 31, 2004, respectively)	(781)	512
Reclassification adjustment for net realized gain on sale of available for sale securities included in net income (net of taxes of $43 for the three months ended March 31, 2004)	-	(85)
Total comprehensive income	$ 625	2,089

The accompanying notes to consolidated financial statements are an integral part of these statements.

LCNB CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Shares	Surplus	Retained Earnings	Treasury Shares	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance January 1, 2004	$ 10,560	10,553	33,872	(4,356)	1,819	52,448
Net income			1,662			1,662
Change in estimated fair value of securities available for sale, net of tax and reclassification adjustment					427	427
Treasury shares purchased				(70)		(70)
Cash dividends declared $0.275 per share			(927)			(927)
Balance March 31, 2004	$ 10,560	10,553	34,607	(4,426)	2,246	53,540
Balance January 1, 2005	$ 10,560	10,553	36,735	(6,078)	526	52,296
Net income			1,406			1,406
Change in estimated fair value of securities available for sale, net of tax and reclassification adjustment					(781)	(781)
Compensation expense relating to stock options		2				2
Treasury shares purchased				(116)		(116)
Cash dividends declared $0.29 per share			(964)			(964)
Balance March 31, 2005	$ 10,560	10,555	37,177	(6,194)	(255)	51,843

The accompanying notes to consolidated financial statements are an integral part of these statements.

LCNB CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,406	1,662
Adjustments to reconcile net income to net cash flows from operating activities-		
Depreciation, amortization and accretion	639	783
Provision for loan losses	98	90
Federal Home Loan Bank stock dividends	(27)	(23)
Earnings on bank owned life insurance	(118)	-
Realized gains on sales of securities available for sale	-	(127)
Realized gain on sale of credit card portfolio	-	(403)
Origination of mortgage loans for sale	(728)	(578)
Realized gains from sales of mortgage loans	(11)	(21)
Proceeds from sales of mortgage loans	731	593
Compensation expense related to stock options	2	-
(Increase) decrease in income receivable	(335)	229
(Increase) decrease in other assets	(197)	(29)
Increase (decrease) in other liabilities	267	383
TOTAL ADJUSTMENTS	321	897
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,727	2,559
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of securities available for sale	-	11,510
Proceeds from maturities of securities available for sale	5,065	13,676
Purchase of securities available for sale	(20,394)	(10,618)
Proceeds from sale of credit card portfolio	-	2,963
Net decrease (increase) in loans	(4,115)	(3,551)
Purchases of premises and equipment	(937)	(659)
Proceeds from sales of premises and equipment	-	2
NET CASH FLOWS FROM INVESTING ACTIVITIES	(20,381)	13,323
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in deposits	1,861	(23,894)
Net change in short-term borrowings	(359)	(218)
Principal payments on long-term debt	(16)	(15)
Cash dividends paid	(964)	(927)
Purchases of treasury shares	(116)	(70)
NET CASH FLOWS FROM FINANCING ACTIVITIES	406	(25,124)

NET CHANGE IN CASH AND CASH EQUIVALENTS	(18,248)	(9,242)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	43,115	34,409
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 24,867	25,167

SUPPLEMENTAL CASH FLOW INFORMATION:

CASH PAID DURING THE YEAR FOR:		
Interest paid	$ 1,976	1,949
Income tax paid	23	-

The accompanying notes to consolidated financial statements are an integral part of these statements.

LCNB Corp. and Subsidiaries
Notes to the Consolidated Financial Statements
(Unaudited)

Note 1 - Basis of Presentation
Substantially all of the assets, liabilities and operations of LCNB Corp. ("LCNB") are attributable to its wholly owned subsidiaries, Lebanon Citizens National Bank ("Lebanon Citizens") and Dakin Insurance Agency, Inc. ("Dakin"). The accompanying unaudited consolidated financial statements include the accounts of LCNB, Lebanon Citizens, and Dakin.

The statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, the unaudited consolidated financial statements include all adjustments (consisting of normal, recurring accruals) considered necessary for a fair presentation of financial position, results of operations, and cash flows for the interim periods.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Results of operations for the three months ended March 31, 2005 are not necessarily indicative of the results to be expected for the full year ending December 31, 2005. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements, accounting policies and financial notes thereto included in LCNB's 2004 Form 10-K filed with the Securities and Exchange Commission.

The Board of Directors of LCNB at the regular meeting of April 13, 2004 declared a stock dividend of one share for each share owned to shareholders of record on April 20, 2004. The stock dividend was paid on April 30, 2004 and was accounted for as a stock split. All share and per share information for all periods presented have been retroactively restated to reflect the stock dividend.

The financial information presented on pages one through twelve of this Form 10-Q has been subject to a review by J.D. Cloud & Co. L.L.P., LCNB's independent registered public accounting firm, as described in their report contained herein.

Note 2 - Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is adjusted for the dilutive effects of stock options. The diluted average number of common shares outstanding has been increased for the assumed exercise of stock options with proceeds used to purchase treasury shares at the average market price for the period. The computations were as follows for the three months ended March 31, 2005 and 2004 (thousands, except share and per share data):

	For the Three Months Ended March 31, 2005	2004
Net income	$ 1,406	1,662
Weighted average number of shares outstanding used in the calculation of basic earnings per common share	3,326,606	3,373,582
Add- Dilutive effect of stock options	1,376	952
Adjusted weighted average number of shares outstanding used in the calculation of diluted earnings per common share	3,327,982	3,374,534
Basic earnings per common share	$ 0.42	0.49
Diluted earnings per common share	$ 0.42	0.49

Note 3 - Investment Securities

The amortized cost and estimated market value of available-for-sale investment securities at March 31, 2005 and December 31, 2004 are summarized as follows (thousands):

	March 31, 2005			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U.S. Treasury notes	$ 4,165	-	39	4,126
U.S. Agency notes	37,835	26	322	37,539
U.S. Agency mortgage-backed securities	27,034	41	534	26,541
Municipal securities:				
Non-taxable	51,289	724	204	51,809
Taxable	7,479	28	105	7,402
	$ 127,802	819	1,204	127,417

Note 3 – Investment Securities (continued)

	December 31, 2004			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U.S. Treasury notes	$ 1,193	1	-	1,194
U.S. Agency notes	23,940	45	196	23,789
U.S. Agency mortgage-backed securities	28,659	98	254	28,503
Municipal securities:				
Non-taxable	51,149	1,197	74	52,272
Taxable	7,699	55	75	7,679
	$ 112,640	1,396	599	113,437

The decline in fair values is primarily due to increases in market interest rates. Unrealized losses on securities at March 31, 2005 and December 31, 2004 have not been recognized into income because management has the intent and ability to hold the securities for a period of time sufficient to allow for any anticipated recovery in fair values. Therefore, no individual declines are deemed to be other than temporary.

Note 4 - Loans

Major classifications of loans at March 31, 2005 and December 31, 2004 are as follows (thousands):

	March 31, 2005	December 31, 2004
Commercial and industrial	$ 35,969	32,931
Commercial, secured by real estate	105,649	107,138
Residential real estate	164,341	159,286
Consumer	32,917	34,672
Agricultural	905	1,653
Other loans	165	167
Lease financing	110	253
	340,056	336,100
Deferred net origination costs	495	490
	340,551	336,590
Allowance for loan losses	(2,150)	(2,150)
Loans – net	$ 338,401	334,440

Note 4 - Loans (continued)

Mortgage loans sold to and serviced for the Federal Home Loan Mortgage Corporation ("FHLMC") are not included in the accompanying balance sheets. The unpaid principal balances of those loans at March 31, 2005 and December 31, 2004 were $45,530,000 and $46,345,000, respectively. Loans sold to the FHLMC during the three months ended March 31, 2005 and 2004 totaled $728,000 and $578,000, respectively.

Changes in the allowance for loan losses for the three months ended March 31, 2005 and 2004 were as follows (thousands):

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Balance - beginning of year	$ 2,150	2,150
Provision for loan losses	98	90
Charge-offs	(196)	(107)
Recoveries	98	17
Balances – end of period	$ 2,150	2,150

Charge-offs for the three months ended March 31, 2005 consisted of consumer loans and checking and NOW account overdrafts. Charge-offs for the three months ended March 31, 2004 consisted of consumer and credit card loans. LCNB charges off overdrafts when considered uncollectible, but no later than 60 days from the date first overdrawn. Prior to 2005, checking and NOW account overdrafts considered uncollectible were netted against service charges and fees in non-interest income. There were no charge-offs on residential real estate or commercial loans for either period.

Non-accrual, past-due, and restructured loans as of March 31, 2005 and December 31, 2004 were as follows (thousands):

	March 31, 2005	December 31, 2004
Non-accrual loans	$ 78	-
Past-due 90 days or more and still accruing	70	165
Restructured loans	1,817	1,817
Total	$ 1,965	1,982

Non-accrual loans at March 31, 2005 consisted of a first and second residential mortgage loan to the same borrower. Past-due 90 days or more and still accruing at March 31, 2005 consisted of consumer loans. Consumer loans totaling $104,000 and residential mortgage loans totaling $61,000 comprised the loans classified as past-due 90 days or more and still accruing at December 31, 2004. The restructured loan at both dates is a commercial loan secured by a combination of mortgages and other collateral.

Note 5 – Other Borrowings
At March 31, 2005 and December 31, 2004, accrued interest and other liabilities included U.S. Treasury demand note borrowings of approximately $910,000 and $1,269,000, respectively.

Note 6 - Commitments and Contingent Liabilities
LCNB is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. They involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheets. Exposure to credit loss in the event of nonperformance by the other parties to financial instruments for commitments to extend credit is represented by the contract amount of those instruments.

LCNB uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. Financial instruments whose contract amounts represent off-balance-sheet credit risk at March 31, 2005 and December 31, 2004 were as follows (thousands):

	March 31, 2005	December 31, 2004
Commitments to extend credit	$ 75,661	68,235
Standby letters of credit	6,270	6,186

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. At March 31, 2005 and December 31, 2004, outstanding guarantees of $2,067,000 and $1,983,000, respectively, were issued to developers and contractors. These guarantees generally are fully secured and have varying maturities. In addition, LCNB has a participation in a letter of credit securing payment of principal and interest on a bond issue. The participation amount at March 31, 2005 and December 31, 2004 was approximately $4.2 million. The letter of credit will expire on July 15, 2009. It is secured by an assignment of rents and the underlying real property.

LCNB evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the borrower. Collateral held varies, but may include accounts receivable; inventory; property, plant and equipment; residential realty; and income-producing commercial properties.

At March 31, 2005, LCNB is committed under various contracts to expend approximately $230,000 to complete certain building and office renovation projects and computer upgrades.

Management believes that LCNB has sufficient liquidity to fund its lending and capital expenditure commitments.

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Note 6 - Commitments and Contingent Liabilities (continued)

LCNB and its subsidiaries are parties to various claims and proceedings arising in the normal course of business. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from such proceedings and claims will not be material to the consolidated financial position or results of operations

Note 7 - Stock Options

LCNB established an Ownership Incentive Plan (the "Plan") during 2002 that allows for stock-based awards to eligible employees. The awards may be in the form of stock options, share awards, and/or appreciation rights. The Plan provides for the issuance of up to 100,000 shares. Stock options for 4,054 shares with an exercise price of $35.315 were granted to key executive officers of LCNB during the first quarter, 2004. No stock options were granted during the first quarter, 2005. At March 31, 2005, 9,582 stock options with a weighted average exercise price of $30.05 were outstanding. The options expire in 2013 and 2014. No options have been exercised as of March 31, 2005.

Effective January 1, 2005, LCNB adopted the fair value method of accounting for stock options as described in Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* ("SFAS No. 123 (revised))". SFAS No. 123 (revised) generally requires an entity to recognize expense for the grant-date fair value of share-based compensation, where the original SFAS No. 123, *Accounting for Stock-Based Compensation*, encouraged but did not require an entity to recognize expense for such transactions. The estimated cost of share-based compensation is to be recognized over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. Compensation expense recognized in the consolidated statements of income for all stock options granted prior to January 1, 2005 is determined using the modified prospective approach as allowed by SFAS No. 123 (revised). Total expense related to options included in salaries and wages in the consolidated statements of income for the three months ended March 31, 2005 was $2,000.

Prior to January 1, 2005, LCNB accounted for stock options under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB No. 25), and related Interpretations. Under APB No. 25, no stock-based employee compensation cost was reflected in net income, as all options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. If LCNB had applied the fair value recognition provisions of SFAS 123 (revised) for the three months ended March 31, 2004, the pro-forma effect on net income and basic and diluted earnings per share would not have been material.

Note 8 – Employee Benefits

LCNB has a noncontributory defined benefit retirement plan that covers all regular full-time employees. The components of net periodic pension cost for the three months ended March 31, 2005 and 2004, are summarized as follows (thousands):

	For the Three Months Ended March 31, 2005	2004
Service cost	$ 155	163
Interest cost	73	62
Expected return on plan assets	(80)	(81)
Amortization on net (gain) loss	1	18
Net periodic pension cost	$ 149	162

LCNB previously disclosed in its consolidated financial statements for the year ended December 31, 2004, that it expected to contribute $650,000 to its pension plan in 2005. As of March 31, 2005, no contributions have been made.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
LCNB Corp. and subsidiaries
Lebanon, Ohio

We have reviewed the accompanying consolidated balance sheet of LCNB Corp. and subsidiaries as of March 31, 2005, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three-month periods ended March 31, 2005 and 2004. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of LCNB Corp. and subsidiaries as of December 31, 2004 (presented herein), and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein), and in our report dated February 14, 2005, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2004, is fairly stated in all material respects.

/s/ J.D. Cloud & Co. L.L.P.

Cincinnati, Ohio
April 14, 2005

LCNB Corp. and Subsidiaries

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

Certain matters disclosed herein may be deemed to be forward-looking statements that involve risks and uncertainties, including regulatory policy changes, interest rate fluctuations, loan demand, loan delinquencies and losses, and other risks. Actual strategies and results in future time periods may differ materially from those currently expected. Such forward-looking statements represent management's judgment as of the current date. LCNB disclaims, however, any intent or obligation to update such forward-looking statements.

Results of Operations

LCNB earned $1,406,000, or $0.42 per share, for the three months ended March 31, 2005 compared to $1,662,000, or $0.49 per share, for the three months ended March 31, 2004. The return on average assets (ROAA) was 1.09% and the return on average equity (ROAE) was 10.83% for the first quarter of 2005, compared with an ROAA of 1.32% and an ROAE of 12.61% for the first quarter of 2004.

LCNB's earnings for the first three months of 2004 included $530,000, or $350,000 on an after-tax basis, in gains from sales of investment securities totaling $11.4 million and credit card receivables totaling approximately $2.5 million. The proceeds from the sale of investment securities were primarily used to purchase securities with a slightly longer maturity and higher average interest rates than the ones sold. LCNB management decided to exit the credit card market and sell its receivables to MBNA America because of the high administrative costs of servicing a small credit card portfolio. LCNB is continuing to offer credit card products through a marketing agreement with MBNA America.

Net Interest Income

LCNB's primary source of earnings is net interest income, which is the difference between earnings from loans and other investments and interest paid on deposits and other liabilities. The following table presents, for the three months ended March 31, 2005 and 2004, average balances for interest-earning assets and interest-bearing liabilities, the income or expense related to each item, and the resultant average yields earned or rates paid.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

	Three Months Ended March 31, 2005			2004		
	Average Outstanding Balance	Interest Earned/ Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Paid	Average Yield/ Rate
	(Dollars in thousands)					
Loans (1)	$ 338,498	$ 5,335	6.39%	$ 318,089	$ 5,062	6.45%
Federal funds sold	14,790	79	2.17	14,206	34	0.97
Federal Reserve Bank stock	647	-	-	647	-	-
Federal Home Loan Bank stock	2,412	27	4.54	2,315	23	4.03
Investment securities:						
Taxable	71,234	613	3.49	88,049	747	3.44
Non-taxable (2)	52,389	748	5.79	53,675	748	5.65
Total interest-earning assets	479,970	6,802	5.75	476,981	6,614	5.62
Non-earning assets	43,233			33,504		
Allowance for loan losses	(2,157)			(2,153)		
Total assets	$ 521,046			$ 508,332		
Interest-bearing deposits	$ 388,706	1,942	2.03	378,089	1,808	1.94
Short-term debt	495	3	2.46	430	1	0.94
Long-term debt	2,129	30	5.71	4,189	53	5.13
Total interest-bearing liabilities	391,330	1,975	2.05	382,708	1,862	1.97
Demand deposits	74,620			69,571		
Other liabilities	2,453			3,017		
Capital	52,643			53,036		
Total liabilities and capital	$ 521,046			$ 508,332		
Net interest rate spread (3)			3.70			3.65
Net interest income and net interest margin on a taxable equivalent basis (4)		$ 4,827	4.08		$ 4,752	4.04
Ratio of interest-earning assets to interest-bearing liabilities	122.65%			124.63%		

(1) Includes nonaccrual loans if any. Income from tax-exempt loans is included in interest income on a tax-equivalent basis, using an incremental rate of 34%.
(2) Income from tax-exempt securities is included in interest income on a taxable-equivalent basis. Interest income has been divided by a factor comprised of the complement of the incremental tax rate of 34%.
(3) The net interest rate spread is the difference between the average rate on total interest-earning assets and interest-bearing liabilities.
(4) The net interest margin is the taxable-equivalent net interest income divided by average interest-earning assets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table presents the changes in tax-equivalent interest income and expense for each major category of interest-earning assets and interest-bearing liabilities and the amount of change attributable to volume and rate changes for the three months ended March 31, 2005 as compared to the comparable period in 2004. Changes not solely attributable to rate or volume have been allocated to volume and rate changes in proportion to the relationship of absolute dollar amounts of the changes in each.

	Three Months Ended March 31, 2005 vs. 2004		
	Increase (decrease) due to:		
	Volume	Rate	Total
	(In thousands)		
Interest-earning Assets:			
Loans	$ 322	(49)	273
Federal funds sold	1	44	45
Federal Reserve Bank stock	-	-	-
Federal Home Loan Bank stock	1	3	4
Investment securities:			
Taxable	(145)	11	(134)
Nontaxable	(18)	18	-
Total interest income	161	27	188
Interest-bearing Liabilities:			
Deposits	52	82	134
Short-term borrowings	-	2	2
Long-term debt	(28)	5	(23)
Total interest expense	24	89	113
Net interest income	$ 137	(62)	75

Net interest income on a fully tax-equivalent basis for the three months ended March 31, 2005 totaled $4,827,000, an increase of $75,000 from the comparable period in 2004. Total interest income increased $188,000 and was largely offset by an increase in total interest expense of $113,000.

The increase in total interest income was primarily due to a $3.0 million increase in average interest earning assets, from $477.0 million for the three months ended March 31, 2004 to $480.0 million for the same period in 2005. A secondary factor was 13 basis point (a basis point equals 0.01%) increase in the average rate earned on earning assets, from 5.62% for the first quarter of 2004 to 5.75% for the first quarter of 2005. The increase in average interest earning assets was due to a $20.4 million increase in average loans, largely offset by a combined decrease of $18.1 million in average taxable and nontaxable investment securities. Most of the loan growth was in the real estate mortgage and commercial loan portfolios. The decrease in investment securities was partially due to a reallocation of $10.0 million of investment securities to bank owned life insurance during the fourth quarter, 2004.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The increase in total interest expense was primarily due to an 8 basis point increase in the average rate paid and secondarily to an $8.6 million increase in average interest-bearing liabilities. Average interest-bearing deposits increased $10.6 million, while average long-term debt decreased $2.1 million. Most of the increase in average interest-bearing deposits was in certificate of deposit accounts equal to or greater than $100,000, NOW accounts, and IRA accounts. The decrease in long-term debt was due to the maturation of a $2.0 million Federal Home Loan Bank advance in December, 2004.

Provision and Allowance for Loan Losses

The total provision for loan losses is determined based upon management's evaluation as to the amount needed to maintain the allowance for credit losses at a level considered appropriate in relation to the risk of losses inherent in the portfolio. The total loan loss provision and the other changes in the allowance for loan losses are shown below.

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
	(In thousands)	
Balance, beginning of period	$ 2,150	2,150
Charge-offs	(196)	(107)
Recoveries	98	17
Net charge-offs	(98)	(90)
Provision for loan losses	98	90
Balance, end of period	$ 2,150	2,150

Charge-offs for the three months ended March 31, 2005 consisted of consumer loans. Charge-offs for the three months ended March 31, 2004 consisted of consumer and credit card loans. There were no charge-offs on residential real estate or commercial loans for either period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table sets forth information regarding non-accrual, past due, and restructured loans of LCNB at the dates indicated:

	March 31, 2005	December 31, 2004
	(In thousands)	
Non-accrual loans	$ 78	-
Past due 90 days or more and still accruing	70	165
Restructured loans	1,817	1,817
Total	$ 1,965	1,982

Charge-offs for the three months ended March 31, 2005 consisted of consumer loans and checking and NOW account overdrafts. Charge-offs for the three months ended March 31, 2004 consisted of consumer and credit card loans. LCNB charges off overdrafts when considered uncollectible, but no later than 60 days from the date first overdrawn. Prior to 2005, checking and NOW account overdrafts considered uncollectible were netted against service charges and fees in non-interest income. There were no charge-offs on residential real estate or commercial loans for either period.

Non -Interest Income

Total non-interest income for the first quarter of 2005 was $463,000 less than for the first quarter of 2004 primarily due to $530,000 in gains recognized during the first quarter, 2004 from the sales of investment securities and credit card receivables (previously discussed in the "Results of Operations" section). The remaining $67,000 increase is primarily due to income from bank owned life insurance and an increase in service charges and fees. LCNB did not hold bank owned life insurance during the first quarter, 2004. These increases were partially offset by decreases in trust income, insurance agency income, and gains from sales of mortgage loans. Trust income was less, despite a $14.1 million increase in trust assets under management when comparing March 31, 2005 with March 31, 2004, because of the absence of certain non-recurring executor and account termination fees recognized during the first quarter, 2004. Insurance agency commissions were less primarily due to the absence of contingency commissions in 2005. Contingency commissions are profit-sharing arrangements on property and casualty policies between the originating agency and the underwriter and are generally based on underwriting results and written premium. As such, the amount received each year can vary significantly depending on loss experience.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Non-Interest Expense

Total non-interest expense increased $45,000 or 1.1% during the first quarter, 2005 compared with the first quarter, 2004 primarily due to increases in salaries and wages and equipment and occupancy expenses. Salaries and wages increased due to normal wage increases and to additional staffing required by the openings of the Fairfield branch office during the fourth quarter, 2004 and the Lebanon High School Warrior Office ("Warrior Office") during the first quarter, 2005. Equipment expense increased due to increased phone equipment rental costs caused by additional equipment and upgrades, primarily for the Fairfield and Warrior Offices, and to increased maintenance contract costs. Increased expenditures for building related maintenance and repairs and additional rent expense for the Fairfield office contributed to the increase in occupancy expenses.

Income Taxes

LCNB' s effective tax rates for the three months ended March 31, 2005 and 2004 were 24.6% and 27.9%, respectively. The difference between the statutory rate of 34.0% and the effective tax rate is primarily due to tax-exempt interest income and, for the 2005 period, tax-exempt income from bank owned life insurance.

Financial Condition

Loans at March 31, 2005 were approximately $4.0 million greater than at December 31, 2004. Most of the growth occurred in the residential real estate loan and commercial loan portfolios. Growth in the home equity loan portfolio also contributed to the increase.

Interest-bearing deposits at March 31, 2005 were approximately $2.0 million greater than at December 31, 2004. Most of the growth occurred in the NOW account, IRA, and certificate of deposit categories, partially offset by a decrease in regular savings.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table highlights the changes in the balance sheet. The analysis uses quarterly averages to give a better indication of balance sheet trends.

CONDENSED QUARTERLY AVERAGE BALANCE SHEETS

	March 31, 2005	December 31, 2004	September 30, 2004
		(In thousands)	
ASSETS			
Interest earning:			
Federal funds sold	$ 14,790	31,674	8,252
Investment securities	126,682	122,496	137,943
Loans	338,498	336,022	333,352
Total interest-earning assets	479,970	490,192	479,547
Noninterest-earning:			
Cash and due from banks	14,433	14,080	14,153
All other assets	28,800	21,264	19,146
Allowance for credit losses	(2,157)	(2,155)	(2,160)
TOTAL ASSETS	$ 521,046	523,381	510,686
LIABILITIES			
Interest-bearing:			
Interest-bearing deposits	$ 388,706	386,722	376,460
Short-term borrowings	495	691	529
Long-term debt	2,129	3,747	4,160
Total interest-bearing liabilities	391,330	391,160	381,149
Noninterest-bearing:			
Noninterest-bearing deposits	74,620	76,498	75,157
All other liabilities	2,453	3,120	2,549
TOTAL LIABILITIES	468,403	470,778	458,855
SHAREHOLDERS' EQUITY	52,643	52,603	51,831
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 521,046	523,381	510,686

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Average total interest-earning assets decreased approximately $10.2 million or 2.1% during the first quarter, 2005 compared to the fourth quarter, 2004. The decrease was due to the replacement of $10.0 million of interest-earning assets with bank owned life insurance during the fourth quarter, 2004. Bank owned life insurance is included in non-interest earning assets in the consolidated balance sheets.

Average interest-bearing deposits increased $2.0 million when comparing the first quarter, 2005 with the fourth quarter, 2004. Certificate of deposit accounts increased $5.9 million, while regular savings decreased $3.7 million when comparing the same periods. The increase in deposits was largely offset by a $1.6 million decrease in average long-term debt, reflecting the maturation of a $2.0 Federal Home Loan Bank note during December, 2004.

Capital

Lebanon Citizens and LCNB are required by regulators to meet certain minimum levels of capital adequacy. These are expressed in the form of certain ratios. Capital is separated into Tier 1 capital (essentially shareholders' equity less goodwill and other intangibles) and Tier 2 capital (essentially the allowance for loan losses limited to 1.25% of risk-weighted assets). The first two ratios, which are based on the degree of credit risk in LCNB's assets, provide for weighting assets based on assigned risk factors and include off-balance sheet items such as loan commitments and stand-by letters of credit. The ratio of Tier 1 capital to risk-weighted assets must be at least 4.0% and the ratio of Total capital (Tier 1 capital plus Tier 2 capital) to risk-weighted assets must be at least 8.0%. The capital leverage ratio supplements the risk-based capital guidelines. Banks are required to maintain a minimum ratio of Tier 1 capital to adjusted quarterly average total assets of 3.0%. For various regulatory purposes, financial institutions are classified into categories based upon capital adequacy. The highest "well-capitalized" category requires capital ratios of at least 10% for total risk-based, 6% for Tier 1 risk-based, and 5% for leverage. As of the most recent notification from their regulators, Lebanon Citizens and LCNB were categorized as "well-capitalized" under the regulatory framework for prompt corrective action. Management believes that no conditions or events have occurred since the last notification that would change the Lebanon Citizens' or LCNB's category. A summary of the regulatory capital and capital ratios of LCNB follows:

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

	At March 31, 2005	At December 31, 2004
	(Dollars in thousands)	
Regulatory Capital:		
Shareholders' equity	$ 51,843	52,296
Goodwill and other intangibles	(1,792)	(1,939)
Net unrealized securities losses (gains)	255	(526)
Tier 1 risk-based capital	50,306	49,831
Eligible allowance for loan losses	2,150	2,150
Total risk-based capital	$ 52,456	51,981
Capital ratios:		
Total risk-based	15.56%	15.49%
Tier 1 risk-based	14.92%	14.85%
Leverage	9.70%	9.58%
Minimum Requited Capital Ratios:		
Total risk-based	8.00%	8.00%
Tier 1 risk-based	4.00%	4.00%
Tier 1 leverage	3.00%	3.00%

Item 2. Management' s Discussion and Analysis of Financial Condition and Results of Operations (continued)

Liquidity

LCNB depends on dividends from its subsidiaries for the majority of its liquid assets, including the cash needed to pay dividends to its shareholders. National banking law limits the amount of dividends Lebanon Citizens may pay to the sum of retained net income, as defined, for the current year plus retained net income for the previous two years. Prior approval from the Office of the Comptroller of the Currency, Lebanon Citizens' primary regulator, is necessary for Lebanon Citizens to pay dividends in excess of this amount. In addition, dividend payments may not reduce capital levels below minimum regulatory guidelines. Management believes Lebanon Citizens will be able to pay anticipated dividends to LCNB without needing to request approval.

Liquidity is the ability to have funds available at all times to meet the commitments of LCNB. Asset liquidity is provided by cash and assets which are readily marketable or pledgeable or which will mature in the near future. Liquid assets include cash, federal funds sold and securities available for sale. At March 31, 2005, LCNB liquid assets amounted to $152.3 million or 29.1% of total gross assets, a slight decrease from $156.6 million or 30.0% at December 31, 2004.

Liquidity is also provided by access to core funding sources, primarily core depositors in the bank' s market area. Approximately 84.9% of total deposits at March 31, 2005 were "core" deposits. Core deposits, for this purpose, are defined as total deposits less public funds and certificates of deposit greater than $100,000.

Secondary sources of liquidity include LCNB' s ability to sell loan participations, borrow funds from the Federal Home Loan Bank, purchase federal funds, and borrow funds from its Federal Reserve Primary Line. Management closely monitors the level of liquid assets available to meet ongoing funding needs. It is management' s intent to maintain adequate liquidity so that sufficient funds are readily available at a reasonable cost. LCNB experienced no liquidity or operational problems as a result of the current liquidity levels.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

The Bank's Asset and Liability Management Committee ("ALCO") primarily uses a combination of Interest Rate Sensitivity Analysis (IRSA) and Economic Value of Equity (EVE) analysis for measuring and managing interest rate risk. The IRSA model is used to estimate the effect on net interest income during a one-year period of instantaneous and sustained movements in interest rates, also called interest rate shocks, of 100, 200, and 300 basis points. The base projection uses a current interest rate scenario. As shown below, the March 31, 2005 IRSA indicates that an increase in interest rates would have a positive effect on net interest income, and a decrease in rates would have a negative effect on net interest income. The changes in net interest income for the up and down 100, 200, and 300 basis point rate assumptions are within LCNB' s acceptable ranges.

Rate Shock Scenario in Basis Points		Amount (In thousands)	$ Change in IRSA	% Change in IRSA
Up 300	$	20,135	1,592	8.59%
Up 200		19,628	1,085	5.85%
Up 100		19,111	568	3.06%
Base		18,543	-	-%
Down 100		17,886	(657)	-3.54%
Down 200		17,302	(1,241)	-6.69%
Down 300		16,827	(1,716)	-9.25%

IRSA shows the affect on net interest income during a one-year period only. A more long-range model is the EVE analysis, which shows the estimated present value of future cash inflows from interest-earning assets less the present value of future cash outflows for interest-bearing liabilities for the same rate shocks. The EVE analysis at March 31, 2005 is shown below. The changes in the economic value of equity for these rate assumptions are within LCNB' s acceptable ranges.

Rate Shock Scenario in Basis Points		Amount (In thousands)	$ Change in EVE	% Change in EVE
Up 300	$	76,561	(3,391)	-4.24%
Up 200		78,867	(1,085)	-1.36%
Up 100		80,417	465	0.58%
Base		79,952	-	-%
Down 100		76,989	(2,963)	-3.71%
Down 200		72,005	(7,947)	-9.94%
Down300		65,533	(14,419)	-18.03%

The IRSA and EVE simulations discussed above are not projections of future income or equity and should not be relied on as being indicative of future operating results. Assumptions used, including the nature and timing of interest rate levels, yield curve shape, prepayments on loans and securities, deposit decay rates, pricing decisions on loans and deposits, and reinvestment or replacement of asset and liability cash flows, are inherently uncertain and, as a result, the models cannot precisely measure future net interest income or equity. Furthermore, the models do not reflect actions that borrowers, depositors, and management may take in response to changing economic conditions and interest rate levels.

Item 4. Controls and Procedures

a) Disclosure controls and procedures. The Chief Executive Officer and the Chief Financial Officer have carried out an evaluation of the effectiveness of LCNB's disclosure controls and procedures that ensure that information relating to LCNB required to be disclosed by LCNB in the reports that it files or submits under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Based upon this evaluation, these officers have concluded, that as of March 31, 2005, LCNB's disclosure controls and procedures were adequate.

b) Changes in internal control over financial reporting. During the period covered by this report, there were no changes in LCNB's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, LCNB's internal control over financial reporting.

PART II. OTHER INFORMATION

LCNB Corp. and Subsidiaries

Item 1. Legal Proceedings - Not Applicable

Item 2. Changes in Securities and Use of Proceeds

On April 17, 2001, LCNB's Board of Directors authorized three separate stock repurchase programs, two phases of which continue. The shares purchased will be held for future corporate purposes.

Under the "Market Repurchase Program" LCNB will purchase up to 100,000 shares of its stock through market transactions with a selected stockbroker. Through March 31, 2005, 65,581 shares had been purchased under this program. The following table shows information relating to the repurchase of shares under the Market Repurchase Program during the three months ended March 31, 2005:

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January	-	$ -	-	37,469
February	3,050	38.00	3,050	34,419
March	-	-	-	34,419
Total	3,050	$ 38.00	3,050	34,419

The "Private Sale Repurchase Program" is available to shareholders who wish to sell large blocks of stock at one time. Because LCNB's stock is not widely traded, a shareholder releasing large blocks may not be able to readily sell all shares through normal procedures. Purchases of blocks will be considered on a case-by-case basis and will be made at prevailing market prices. There is no limit to the number of shares that may be purchased under this program. A total of 160,144 shares have been purchased since the inception of this program. No shares were purchased during the first quarter, 2005.

PART II. OTHER INFORMATION

LCNB Corp. and Subsidiaries

Item 3. Defaults Upon Senior Securities - Not Applicable

Item 4. Submission of Matters to a Vote of Security Holders - Not Applicable

Item 5. Other Information - Not Applicable

Item 6. Exhibits

(a)Exhibits

Exhibit No.	Title
3(i)	Articles of Incorporation
3(ii)	Regulations
15	Letter regarding unaudited interim financial information.
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	LCNB Corp.
May 2, 2005	/s/ Stephen P. Wilson Stephen P. Wilson, President, CEO & Chairman of the Board of Directors
May 2, 2005	/s/Steve P. Foster Steve P. Foster, Executive Vice President and Chief Financial Officer

Exhibit 3(i)

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
LCNB CORP.

The undersigned, desiring to form a corporation for profit, under the General Corporation Law of Ohio, does hereby certify:

FIRST: The name of this Corporation shall be LCNB Corp.

SECOND: The place in Ohio where its principal office is to be located is Lebanon, County of Warren.

THIRD: The purpose for which the Corporation is formed is to engage in any lawful act or activity for which corporations may be formed under Chapter 1701 of the Ohio Revised Code.

FOURTH:(A) The maximum number of Common Stock which the Corporation is authorized to have outstanding is Eight Million (8,000,000) shares, all of which shall be without par value.

(B) The maximum number of Preferred Stock which the Corporation is authorized to have outstanding is One Million (1,000,000) shares, all of which shall be without par value. The Board of Directors is hereby authorized, subject to the limitations prescribed by law or the provisions of this Article Four, by filing articles of amendment pursuant to the applicable laws of the State of Ohio, to provide for the issuance of shares of Preferred Stock in series, to establish from time to time the number of shares to be included in each series and the fix the designations, powers and preferences and rights of the shares of each such series and qualifications, limitations or restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, the determination of the following:

(i) the number of shares constituting that series and the distinct designation of that series;

(ii) the dividend rate, if any, on such shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends or other distributions on shares of that series;

(iii) whether that series shall have voting rights in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for the adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) whether the shares of that series shall be redeemable or exchangeable, and, if so, the terms and conditions of such redemption or exchange, including the date or dates upon or after which they shall be redeemable or exchangeable, and the amount per share payable in case of redemption or exchange, which amount may vary under different conditions and at different redemption or exchange rates;

(vi) whether that series shall have a sinking fund for redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(vii) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(viii) any other relative rights, preferences and limitations of that series.

FIFTH: The number of Directors of the Corporation shall be fixed from time to time in accordance with the Corporation's Regulations and may be increased or decreased as therein provided. The Board of Directors shall be divided into three classes, as nearly equal in number as the then total number of Directors constituting the whole Board permits, it not being required that each class have the same number of members if such is mathematically impossible with the term of office of one class expiring each year. At the organizational meeting of shareholders, Directors of the first class shall be elected to hold office for a term expiring at the next succeeding Annual Meeting; Directors of the second class shall be selected to hold office for a term expiring at the second succeeding Annual Meeting and Directors of the third class shall be selected to hold office for a term expiring at the third succeeding Annual Meeting. Thereafter, at each Annual Meeting of shareholders, the successors to the class of Directors whose term shall then expire shall be elected to hold office for a term expiring at the third succeeding Annual Meeting after such election. In the event of any increase in the number of Directors of the Corporation, the additional Directors shall be so classified that all classes of Directors shall be increased equally as nearly as may be possible. In the event of any decrease in the number of Directors of the Corporation, all classes of Directors shall be decreased equally as nearly as possible.

SIXTH: (A) Except as otherwise provided in Clause (B) of this Article SIXTH:

(i) any merger or consolidation of the Corporation with or into any other corporation;

(ii) any sale, lease, exchange or other disposition of all or any substantial part of the assets of the Corporation to or with any other corporation, person or other entity;

(iii) the issuance or transfer of any securities of the Corporation to any other corporation, person or other entity in exchange for assets or securities or a combination thereof (except assets or securities or a combination thereof so acquired in a single transaction or a series of related transactions having an aggregate fair market value of less than $250,000), or

(iv) the issuance or transfer of any securities of the Corporation by the Corporation to any other corporation, person or other entity for cash; shall require the affirmative vote of the holders of at least eighty percent (80%) of the outstanding shares of capital stock of the Corporation which are not beneficially owned by such other corporation, person or other entity if, as of the record date for the determination of shareholders entitled to notice thereof and to vote thereon, such other corporation, person or entity is the beneficial owner, directly or indirectly, of 10% or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of Directors, considered for the purposes of this Article SIXTH as one class. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that some lesser percentage may be specified, by law or in any agreement with any national securities exchange.

(B) The provisions of this Article SIXTH shall not apply to any transaction described in clauses (i), (ii), (iii) or (iv) of Clause (A) of this Article SIXTH, (i) with another corporation if a majority, by vote, of the outstanding shares of all classes of capital stock of such other corporation entitled to vote generally in the election of Directors, considered for this purpose as one class, is owned of record or beneficially by the Corporation and/or its subsidiaries; (ii) with another corporation, person or other entity if the Board of Directors of the Corporation shall by resolution have approved a memorandum of understanding with such other corporation, person or other entity with respect to and substantially consistent with such transaction prior to the time such other corporation, person or other entity became the beneficial owner, directly or indirectly, of 10% or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of Directors; or (iii) approved by resolution adopted by the affirmative vote of at least a majority of the members of the whole Board of Directors of the Corporation at any time prior to the consummation thereof.

(C) For the purposes of this Article SIXTH, a corporation, person or other entity shall be deemed to be the beneficial owner of any shares of capital stock of the corporation (i) which it has the right to acquire pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise; or (ii) which are beneficially owned, directly or indirectly (including shares deemed owned through application of clause (i) above), by any other corporation, person or other entity with which it or its "affiliate" or "associate" (as defined below) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of capital stock of the Corporation, or which is its "affiliate" or "associate" as those terms were defined in Rule 12b-2 of the general rules and regulations under the Securities Exchange Act of 1934. For the purposes of this Article SIXTH, the outstanding shares of any class of capital stock of the Corporation shall include shares deemed owned through the application of clauses (i) and (ii) of this Clause (C) but shall not include any other shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise.

(D) The Board of Directors of the Corporation shall have the power and duty to determine for the purposes of this Article SIXTH, on the basis of information then known to it, whether (i) any other corporation, person or other entity beneficially owns, directly or indirectly, 10% or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of Directors, or is an "affiliate" or an "associate" (as defined above) of another, (ii) any proposed sale, lease, exchange or other disposition of part of the assets of the Corporation involves a substantial part of the assets of the Corporation, (iii) assets or securities, or a combination thereof, to be acquired in exchange for securities of the Corporation, have an aggregate fair market value of less than $250,000 and whether the same are proposed to be acquired in a single transaction or a series of related transactions, and (iv) the memorandum of understanding referred to above is substantially consistent with the transaction to which it relates. Any such determination by the Board shall be conclusive and binding for all purposes of this Article SIXTH.

SEVENTH: The Board of Directors of the Corporation, when evaluating any offer of another party to (i) purchase or exchange any securities or property for any outstanding equity securities of the Corporation, (ii) merge or consolidate the Corporation with another corporation, or (iii) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation, shall, in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its shareholders, give due consideration not only to the price or other consideration being offered but also to all other relevant factors, including without limitation the financial and managerial resources and future prospects of the other party; the possible effects on the business of the Corporation and its subsidiaries and on the depositors, employees, and other constituents of the Corporation and its subsidiaries; and the possible effects on the communities and the public interest which the Corporation and its subsidiaries serve. In evaluating any such offer, the Board of Directors shall be deemed to be performing their duly authorized duties and acting in good faith and in the best interests of the Corporation within the meaning of Section 1701.13 of the Ohio Revised Code, as it may be amended from time to time, and the Corporation's Regulations.

EIGHTH: When authorized by the affirmative vote of a majority of the Board of Directors, without the action or approval of the shareholders of this Corporation, this Corporation may redeem, purchase, or contract to purchase, at any time and from time to time, shares of any class issued by this Corporation for such prices and upon and subject to such terms and conditions as the Board of Directors may determine.

NINTH: The statutes of Ohio require that action on certain specified matters at a shareholders' meeting shall be taken by the affirmative vote of the holders of more than a majority of shares entitled to vote thereon, unless other provision is made in the Articles of Incorporation. On all these specified matters, action may be taken by the affirmative vote of a two-thirds majority of shares entitled to vote thereon or, if the vote is required to be by classes, by the affirmative vote of a two-thirds majority of each class of shares entitled to vote thereon as a class, except that any amendment, alteration, addition to or repeal of Article FIFTH, SIXTH or this Article NINTH and of any of the matters specified above in Article SIXTH as requiring a vote other than the affirmative vote of the holders of a two-thirds majority of the shares entitled to vote thereon, may only be taken by the affirmative vote of the holders of at least eighty percent (80%) of the outstanding shares of capital stock of the Company entitled to vote thereon, considered for the purposes of this Article as one class.

TENTH: No holder of any share or shares of any class issued by the Corporation shall be entitled as such, as a matter of right, at any time, to subscribe for or purchase (i) shares of any class issued by the Corporation, now or hereafter authorized, (ii) securities of the Corporation convertible into or exchangeable for shares of any class issued by the Corporation, now or hereafter authorized, or (iii) securities of the Corporation to which shall be attached or appertain to any rights or options whether by the terms of such securities or in the contracts, warrants, or other instruments (whether transferable or non-transferable or separable or inseparable from such securities) evidencing such rights or options entitling the holders thereof to subscribe for or purchase shares of any class issued by the Corporation, now or hereafter authorized; it being the intent and is the effect of this Article Tenth to fully eliminate any and all pre-emptive rights with respect to the shares of any class issued by the Corporation now or hereafter authorized.

Exhibit 3(ii)

REGULATIONS
OF
LCNB CORP.

ARTICLE I
SEAL

The Board of Directors may from time to time adopt such seal or seals, if any, as they deem appropriate for the use of the Corporation in transacting its business.

ARTICLE II
SHAREHOLDERS

(a) Annual Meeting. The annual meeting of the shareholders shall be held at the principal office of the Corporation, or at such other place either within or without the State of Ohio as may be specified
in the notice required under paragraph (c) of this Article on a date between the fourth Tuesday in January and the fourth Tuesday in April of each year, at which time there shall be elected Directors to serve until the end of the term to which they are elected and until their successors are elected and qualified. Any other business may be transacted at the annual meeting without specific notice of such business being given, except such business as may require specific notice by law.

(b) Special Meetings. Special meetings of the shareholders may be called and held within or without the State of Ohio, as provided by law.

(c) Notice. Notice of each annual or special meeting of the shareholders shall be given in writing either by the President, any Vice President, the Secretary, or any Assistant Secretary, not less than ten (10) days before the meeting. Any shareholder may, at any time, waive any notice required to be given under these Regulations.

(d) Quorum. The shareholders present in person or by proxy at any meeting shall constitute a quorum unless a larger proportion is required to take the action stated in the notice of the meeting, in which case, to constitute a quorum, there shall be present in person or by proxy the holders of record of shares entitling them to exercise the voting power required by the Articles of Incorporation of the Corporation or applicable law to take the action stated.

(e) Order of Business. At all shareholders' meetings the order of business shall be as follows unless changed by a majority vote:

1. Reading of minutes of previous meeting and acting thereon;
2. Reports of Directors and Committees;
3. Financial report or statement;
4. Reports from Chairman, President or other officers;
5. Unfinished business;
6. Election of Directors;
7. New or miscellaneous business;
8. Adjournment.

(f) Organization. The Chairman of the Board shall preside at all meetings of the shareholders, but in his absence the President shall preside, and in his absence the shareholders shall elect another officer or a shareholder to so preside. The Secretary of the Corporation shall act as Secretary of all meetings of the shareholders, but in the absence of the Secretary at any meeting of the shareholders, the presiding officer may appoint any person to act as Secretary of the meeting.

ARTICLE III
DIRECTORS

(a) Number. The Board of Directors shall be composed of not less than five (5) nor more than fifteen (15) persons, as shall be fixed by the shareholders in accordance with applicable law, who shall be elected in accordance with the provisions of the Articles of Incorporation by action of the shareholders. Any Director's office created by the Directors by reason of an increase in their number may be filled by action of a majority of the Directors then in office.

(b) Changes. The number of Directors fixed in accordance with the immediately preceding paragraph may also be increased or decreased by the Directors at a meeting or by action in writing without a meeting, and the number of Directors as so changed shall be the number of Directors until further changed in accordance with this Section; provided, that no such decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director; and provided, further, that the number of Directors shall not be increased by the Directors to more than three Directors beyond the number of Directors as fixed at the most recently held meeting of shareholders called for the purpose of electing Directors.

(c) Nominations. Nominations for the election of Directors may be made by the Board of Directors or a proxy committee appointed by the Board of Directors or by any shareholder entitled to vote in the election of Directors generally. However, any shareholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such shareholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (1) with respect to an election to be held at an annual meeting of shareholders, 45 days in advance of the corresponding date for the date of the preceding year's annual meeting of shareholders, and (2) with respect to an election to be held at a special meeting of shareholders for the election of Directors, the close of business on the seventh day following the date on which notice of such meeting is first given to shareholders. Each such notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; and (d) the consent of each nominee to serve as a Director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

(d) Age Limitation. No person shall be eligible to stand as a candidate for election as a member of the Board of Directors who has passed his or her 75th birthday. The foregoing age limitation shall not apply to persons who are members of the Board of Directors as of the date of adoption of these Regulations.

(e) Vacancies. Vacancies in the Board of Directors shall be filled as provided by the laws of the State of Ohio then in effect.

(f) Time of Meeting. The Board of Directors shall meet at the principal office of the Corporation, at least annually, immediately following the annual meeting of the shareholders, but the Directors shall have the authority to change the time and place of such meeting by the adoption of By-Laws or by resolution.

(g) Call and Notice. Meetings of the Board of Directors other than the annual meeting may be called at any time by the Chairman of the Board and shall be called by the Chairman upon the request of two members of the Board. Such meetings may be held at any place within or without the State of Ohio. Notice of the annual meeting need not be given and each director shall take notice thereof, but this provision shall not be held to prevent the giving of notice in such manner as the Board may determine. The Board shall decide what notice shall be given and the length of time prior to the meetings that such notice shall be given of all other meetings. Any meeting at which all of the directors are present shall be a valid meeting whether notice thereof was given or not and any business may be transacted at such a meeting.

(h) Presence Through Communications Equipment. Meetings of the Board of Directors, and meetings of any Committee thereof, may be held through any communications equipment if all persons participating can hear each other, and participation in a meeting pursuant to this subparagraph (h) shall constitute presence at such a meeting.

(i) By Laws. The Board of Directors may adopt By Laws for their own government and that of the Corporation provided such By Laws are not inconsistent with the Articles of Incorporation or these Regulations.

ARTICLE IV
COMMITTEES

The Board of Directors may, by resolution, designate not less than three (3) of its number to serve on an Executive Committee or such other committee or committees as the Board may from time to time constitute. The Board of Directors may delegate to any such Executive Committee any of the authority of the Directors, however conferred, other than that of filling vacancies among the Directors or in any committee of the Directors and to incur debts, excepting for current expenses, unless specifically authorized. The specific duties and authority of any such committee or committees shall be stated in the resolution constituting the same.

ARTICLE V
OFFICERS

(a) Number. The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice Presidents, a Secretary and a Treasurer. Any two or more of the offices may be held by the same persons, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required to be executed, acknowledged or verified by two or more officers.

(b) Other Officers. The Board of Directors is authorized in its discretion to establish the office of Executive Vice President, and shall have the further power to provide for such other officers, assistant officers and agents as it shall deem necessary from time to time and may dispense with any of said offices and agencies at any time.

(c) Election, Term and Removal. At the first meeting of the Board of Directors after the annual meeting of shareholders, the Board shall select one of its members by a majority vote to be Chairman of the Board and shall select one of its members by a majority vote to be President of the Corporation. It shall also select all other officers of the Corporation by a majority vote, but none of such other officers shall be required to be members of the Board, except the Chairman of the Board and President. All officers of the Corporation shall hold office for one year and until their successors are elected and qualified.

(d) Vacancies and Absence. If any office shall become vacant by reason of the death, resignation, disqualification, or removal of the incumbent thereof, or other cause, the Board of Directors may elect a successor to hold office for the unexpired term in respect to which such vacancy occurred or was created. In case of the absence of any officer of the Corporation or for any reason that the Board of Directors may determine as sufficient, the said Board may delegate the powers and duties of such officer to any other officer or to any director, except where otherwise provided by these Regulations or by statute, for the time being.

ARTICLE VI
DUTIES OF OFFICERS

(a) Chairman of the Board. The Chairman of the Board of Directors shall preside at all meetings of the Board and of the shareholders, appoint all special or other committees unless otherwise ordered by the Board, confer with and advise all other officers of the Corporation, and perform such other duties as may be delegated to him from time to time by the Board.

(b) President. The President shall be the Chief Executive Officer and active head of the Corporation, and in the recesses of the Board of Directors and the Executive Committee, if the Board establishes such a committee, shall have general control and management of all its business and affairs. He shall make such recommendations to the Board of Directors, or any committees thereof, as he thinks proper, and he shall bring before said Board such information as may be required touching the business and property of the Corporation. He shall perform generally all the duties incident to the office of President, as required or authorized by law and such as are usually vested in the President of a similar corporation.

(c) Vice Presidents. The Vice Presidents, including the Executive Vice President, if the Board establishes such office, shall perform such duties as may be delegated to them by the Board of Directors, or assigned to them from time to time by the Board of Directors or the President. The Executive Vice President, if the Board establishes such office, or the Vice President, or in the event there shall be more than one Vice President, such Vice President as may be designated by the Board, shall perform the duties and have
the powers of the President in case of the absence of the latter from his office, and during such absence such Vice President shall be authorized to exercise all the functions of the President and shall sign all papers and perform all duties as acting President.

(d) Secretary. The Secretary shall keep a record of all proceedings of the Board of Directors, and of all meetings of shareholders, and shall perform such other duties as may be assigned to him by the Board of Directors or the President.

(e) Treasurer. The Treasurer shall have charge of the funds and accounts of the Corporation and shall keep proper books of account showing all receipts, expenditures and disbursements of the Corporation, with vouchers in support thereof. The Treasurer shall also from time to time, as required, make reports and statements to the Directors as to the financial condition of the Corporation, and submit detailed statements of receipts and disbursements; he shall perform such other duties as shall be assigned to him from time to time by the Board of Directors or the President.

(f) Bonds of Officers. The Board of Directors shall determine which officers, if any, of the Corporation shall give bond, and the terms and amount thereof, the expense to be paid by the Corporation.

ARTICLE VII
INDEMNIFICATION

The Corporation shall indemnify each director and each officer of the Corporation, and each person employed by the Corporation who serves at the written request of the Chairman or President of the
Corporation as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, non-profit or for profit, partnership, joint venture, trust or other enterprise, to the full extent permitted by Ohio law. The term "officer" as used in this Article VII shall include the Chairman of the Board, the President, each Vice President, the Treasurer, the Secretary, the Controller, the Auditor, the Counsel and any other person who is specifically designated as an "officer" within the operation of this Article VII
by action of the Board of Directors. The Corporation may indemnify assistant officers, employees and others by action of the Board of Directors to the extent permitted by Ohio law.

ARTICLE VIII
STOCK

(a) Certificates of Stock. Each shareholder of this Corporation whose stock has been fully paid for shall be entitled to a certificate or certificates, showing the number of shares registered in his or her name on the books of the Corporation. Each certificate shall be signed by the Chairman of the Board or the President or any Vice President and by the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. A full record of each certificate, as issued, shall be entered on the stub thereof.

(b) Transfers of Stock. Shares shall be transferable on the books of the Corporation by the holders thereof in person or by a duly authorized attorney upon surrender of the Certificates therefor with duly executed assignment endorsed thereon or attached thereto. Evidence of authority to endorse any certificate and to request its transfer shall be produced to the Corporation. In case of transfer by executors, administrators, guardians or other legal representatives or fiduciaries, appropriate legal evidence of their authority to act shall be produced and may be required to be filed with the Corporation. No transfer shall be made until the stock certificate in question and such evidence of authority are delivered to the Corporation.

(c) Transfer Agents and Registrars. The Board of Directors may appoint an agent or agents to keep the records of the shares of the Corporation, or to transfer or to register shares, or both, in Ohio or any other state and shall define the duties and liabilities of any such agent or agents.

(d) Lost, Destroyed or Mutilated Certificates. If any certificate of stock in this Corporation becomes worn, defaced or mutilated, the Directors, upon production and surrender thereof, may order the same cancelled, and may issue a new certificate in lieu of the same. If any certificate of stock be lost or destroyed, a new certificate may be issued upon such terms and under such regulations as may be adopted by the Board of Directors.

ARTICLE IX
AMENDMENTS

These Regulations, or any of them, may be altered, amended, added to or repealed as provided by law and the Articles of Incorporation of the Corporation.

Exhibit 15

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Commissioners:

We are aware that our report dated April 14, 2005 on our review of interim financial statements of LCNB Corp. and Subsidiaries (the "Company"), issued pursuant to the provisions of Statement on Auditing Standards No. 100, as of and for the three-month periods ended March 31, 2005 and 2004 and included in the Company's quarterly report on Form 10-Q for the quarter then ended, is incorporated by reference in the Registration Statement of the Company on Form S-8, filed on March 13, 2003. We are also aware of our responsibilities under the Securities Act of 1933.

/s/ J.D. Cloud & Co. L.L.P.
J.D. Cloud & Co. L.L.P.

Cincinnati, Ohio
April 29, 2005

Exhibit 31.1

CERTIFICATIONS

In connection with the Quarterly Report of LCNB Corp. on Form 10-Q for the period ending March 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen P. Wilson, President and Chief Executive Officer of LCNB Corp., certify, that:

1) I have reviewed this quarterly report on Form 10-Q of LCNB Corp.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen P. Wilson	
Stephen P. Wilson	
President and Chief Executive Officer	
May 2, 2005	

Exhibit 31.2

CERTIFICATIONS

In connection with the Quarterly Report of LCNB Corp. on Form 10-Q for the period ending March 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steve P. Foster, Executive Vice President and Chief Financial Officer of LCNB Corp., certify, that:

1) I have reviewed this annual report on Form 10-Q of LCNB Corp.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

1)

2) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Steve P. Foster	
Steve P. Foster	
Executive Vice President and Chief Financial Officer	
May 2, 2005	

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of LCNB Corp. (the "Company") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Stephen P. Wilson, Chief Executive Officer, and Steve P. Foster, Chief Financial Officer, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen P. Wilson		/s/ Steve P. Foster
Stephen P. Wilson Chief Executive Officer		Steve P. Foster Chief Financial Officer

Date: May 2, 2005