

LCNB CORP  
Form 8-K  
April 18, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 18, 2008

LCNB CORP.

(Exact name of Registrant as specified in its Charter)

Ohio  
(State or other jurisdiction  
of incorporation)

0-26121  
(Commission File No.)

31-1626393  
(IRS Employer  
Identification Number)

2 North Broadway, Lebanon, Ohio

45036

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(Address of principal executive offices)

(Zip Code)

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

N/A

(Former name or former address, if changed since last report)

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**Item 2.02 Results of Operations and Financial Condition.**

On April 18, 2008, LCNB Corp. issued an earnings release announcing its financial results for the first quarter ended March 31, 2008. A copy of the earnings release (Exhibit 99.1) and unaudited financial highlights (Exhibit 99.2) are attached and are furnished under this Item 2.02.

**Item 8.01. Other Events.**

On April 18, 2008, LCNB Corp. issued an earnings release announcing its financial results for the second quarter ended March 31, 2008. A copy of the earnings release (Exhibit 99.1) and unaudited financial highlights (Exhibit 99.2) are attached and are furnished under this Item 8.01.

**Item 9.01 Financial Statements and Exhibits.**

(c)

Exhibits

**Exhibit No.**

**Description**

99.1

Press release dated April 18, 2008

99.2

Unaudited Financial Highlights

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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.

Date: April 18, 2008

By: /s/ Robert C. Haines II

Robert C. Haines II

Chief Financial Officer

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**Exhibit 99.1**

**Press Release**

**April 18, 2008**

**LCNB CORP. REPORTS FINANCIAL RESULTS FOR  
THE THREE MONTHS ENDED MARCH 31, 2008**

LCNB Corp. today announced net income of \$1,444,000 (\$0.22 basic and diluted earnings per share) for the three months ended March 31, 2008. This compares to \$1,398,000 (\$0.22 basic and diluted earnings per share) for the three months ended March 31, 2007. Financial results were influenced by the acquisition of Sycamore National Bank at the close of business on December 20, 2007 in a stock and cash transaction. In accordance with the purchase method of accounting, Sycamore's results of operations were included in LCNB's consolidated statements of income from the date of acquisition. As a result of the merger, LCNB recorded additional net loans of \$42.8 million and additional deposits of \$44.4 million at the time of the acquisition.

Net interest income for the 2008 period was \$454,000 greater than in 2007 primarily due to the additional loans and deposits acquired from Sycamore. Interest income for the first three months of 2008 was \$763,000 greater than in the comparable period of 2007 primarily due to a \$53.1 million increase in average interest-earning assets, slightly offset by a 14 basis point (a basis point equals .01%) decrease in the average rate received on such assets. Interest expense for the first three months of 2008 increased \$309,000 as compared to the same period in 2007 primarily due to a \$51.1 million increase in average interest-bearing liabilities, slightly offset by a 12 basis point decrease in the average rate paid for these liabilities.

Non-interest income for the first three months of 2008 was \$117,000 greater than for the comparable period in 2007 primarily due to increases in trust income, check card income, income from bank owned life insurance, and insurance agency commissions. Non-interest expense for the 2008 period was \$456,000 greater than for 2007. The increase was largely due to increases in salaries and benefits resulting from routine salary and wage increases and an increase in the number of employees. Additionally, occupancy, telephone, and office supplies expenses increased primarily as a result of an increase in branch locations.

LCNB Corp. is a financial holding company headquartered in Lebanon, Ohio. Affiliates of LCNB Corp. are LCNB National Bank, with 24 offices located in Warren, Butler, Montgomery, Clinton, Clermont, and Hamilton Counties, Ohio, and Dakin Insurance Agency, Inc. Additional information about LCNB Corp. and information about products and services offered by LCNB National Bank and Dakin Insurance Agency can be found on the internet at [www.lcnb.com](http://www.lcnb.com) and [www.dakin-ins.com](http://www.dakin-ins.com).

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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 Corp. disclaims any intent or obligation to update such forward-looking statements. LCNB intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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**Exhibit 99.2****April 18, 2008****LCNB Corp. and Subsidiaries****Financial Highlights**

(Dollars in thousands, except per share amounts)

Share and per share data have been restated to reflect a 100% stock dividend paid on May 10, 2007.

Three Months Ended March 31,

**Condensed Income Statement**

|                                     | 2008      | 2007      |
|-------------------------------------|-----------|-----------|
| Interest income                     | \$ 8,615  | 7,852     |
| Interest expense                    | 3,631     | 3,322     |
| Net interest income                 | 4,984     | 4,530     |
| Provision for loan losses           | 83        | 60        |
| Net interest income after provision | 5,901     | 4,470     |
| Non-interest income                 | 2,063     | 1,946     |
| Non-interest expense                | 5,045     | 4,589     |
| Income before income taxes          | 1,919     | 1,827     |
| Provision for income taxes          | 475       | 429       |
| Net income                          | \$ 1,444  | 1,398     |
| Dividends per common share          | \$ 0.16   | 0.155     |
| Basic earnings per common share     | \$ 0.22   | 0.22      |
| Diluted earnings per common share   | \$ 0.22   | 0.22      |
| Average basic shares outstanding    | 6,687,232 | 6,375,893 |
| Average diluted shares outstanding  | 6,687,232 | 6,377,556 |

**Selected Financial Ratios**

|                                      |        |        |
|--------------------------------------|--------|--------|
| Return on average assets             | 0.96%  | 1.04%  |
| Return on average equity             | 10.04% | 11.02% |
| Dividend payout ratio                | 72.73% | 70.45% |
| Net interest margin (tax equivalent) | 3.78%  | 3.87%  |

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|  | March 31,  | December 31, |
|--|------------|--------------|
| <b><u>Selected Balance Sheet Items</u></b> | 2008       | 2007         |
| Investment securities                      | \$ 89,695  | 90,154       |
| Loans                                      | 446,824    | 446,887      |
| Less allowance for loan losses             | 2,468      | 2,468        |
| Net loans                                  | 444,356    | 444,419      |
| Total assets                               | 604,936    | 604,058      |
| Total deposits                             | 537,174    | 535,929      |
| Short-term borrowings                      | 564        | 1,459        |
| Long-term debt                             | 5,000      | 5,000        |
| Total shareholders' equity                 | 57,534     | 56,528       |
| Shares outstanding at period end           | 6,687,232  | 6,687,232    |
| Book value per share                       | \$ 8.60    | 8.45         |
| Equity to assets ratio                     | 9.51%      | 9.36%        |
| <b><u>Assets Under Management</u></b>      |            |              |
| LCNB Corp. total assets                    | \$ 604,936 | 604,058      |
| Trust and investments (fair value)         | 193,960    | 199,053      |
| Loans serviced                             | 41,791     | 40,260       |
| Business cash management                   | 35,437     | 34,532       |
| Brokerage accounts (fair value)            | 56,889     | 58,929       |
| Total assets managed                       | \$ 933,013 | 936,832      |