

LCNB CORP

Form S-4/A

November 29, 2012

As filed with the Securities and Exchange Commission on November 29, 2012 Registration No. 333-184627

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

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AMENDMENT NO. 2  
TO  
FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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

OHIO  
(State or other jurisdiction of  
incorporation or organization)

6022  
(Primary Standard Industrial  
Classification Code Number)

31-1626393  
(I.R.S. Employer Identification  
Number)

2 North Broadway, Lebanon, Ohio 45036  
(513) 932-1414  
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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

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

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per unit	Proposed maximum aggregate offering price (2)	Amount of registration fee
Common shares, no par value	888,888	N/A	\$ 6,021,341.54	\$ 821.31

(1) Based upon the maximum number of common shares that the Registrant may be required to issue in the merger transaction, calculated as the product of (a) 636,102 (the maximum number of shares of First Capital Bancshares, Inc. common stock estimated to be outstanding at the time the merger transaction is consummated), (b) 2.329 (the number of common shares of the Registrant to be exchanged for each share of First Capital Bancshares, Inc. common stock in the merger transaction), and (c) 0.60 (the reallocation percentage provided for under the merger transaction to ensure that no more than 60% of the outstanding First Capital Bancshares, Inc. shares are exchanged for LCNB Corp. common shares).

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933 on the basis of the market value of the shares of First Capital Bancshares, Inc. common stock to be cancelled in the merger transaction, computed, in accordance with Rule 457(f)(2) and (3), as (a) the product of (i) \$21.77 (the book value of a share of First Capital Bancshares, Inc. common stock as of June 30, 2012) and (ii) 636,102 (the

maximum number of shares of First Capital Bancshares, Inc. common stock estimated to be outstanding at the time the merger transaction is consummated), less (b) \$7,826,599.00 (the estimated amount of cash that will be paid by the Registrant to shareholders of First Capital Bancshares, Inc. in the merger transaction).

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

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First Capital  
Bancshares, Inc.

The information in this proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated \_\_\_\_\_, 2012

LCNB CORP.  
PROSPECTUS

for the issuance of up to  
888,888 common shares  
of LCNB Corp.

FIRST CAPITAL  
BANCSHARES, INC.  
PROXY STATEMENT

for the Special Meeting of Shareholders  
to be held on \_\_\_\_\_, 2012  
at \_\_\_\_\_ a.m., local time

MERGER PROPOSAL — YOUR VOTE IS VERY IMPORTANT

LCNB Corp. (“LCNB”), and First Capital Bancshares, Inc. (“First Capital”), have entered into an Agreement and Plan of Merger dated as of October 9, 2012 (the “merger agreement”), which provides for the merger of First Capital with and into LCNB (the “merger”). Consummation of the merger is subject to certain conditions, including, but not limited to, obtaining the requisite vote of the shareholders of First Capital and the approval of the merger by various regulatory agencies.

The Board of Directors of First Capital has called a special meeting of its shareholders to vote on the adoption and approval of the merger agreement. The time, date and place of the First Capital special meeting is as follows: \_\_\_\_\_, local time, on \_\_\_\_\_, 2012, at \_\_\_\_\_. The adoption and approval of the merger agreement by the shareholders of First Capital requires the affirmative vote of the holders of at least two-thirds of the shares of First Capital common stock outstanding and entitled to vote at the special meeting.

Under the terms of the merger agreement, shareholders of First Capital will be entitled to receive after the merger is completed, for each share of First Capital common stock:

\$30.76 in cash, or

2.329 LCNB common shares (subject to an adjustment based upon the average closing price of LCNB common shares for the 25 trading days prior to the effective date of the merger), or

a combination of both.

The form of consideration to be received by each First Capital shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 40% of the merger consideration will consist of cash and no more than 60% and no less than 50% of the merger consideration will consist of LCNB common shares.

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

As of [RECORD DATE], 2012, 636,102 shares of First Capital common stock were outstanding.

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LCNB common shares are traded on the NASDAQ Capital Market (NASDAQ symbol "LCNB").

An investment in the common shares of LCNB involves certain risks. For a discussion of these risks, see "Risk Factors" beginning on page 12 of this proxy statement/prospectus.

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

Not voting by proxy or at the special meeting will have the same effect as voting against the adoption and approval of the merger agreement. We urge you to read carefully this proxy statement/prospectus, which contains a detailed description of the merger, the merger agreement and related matters.

This proxy statement/prospectus is dated \_\_\_\_\_, 2012 and, together with the enclosed proxy card of First Capital, is being first mailed to shareholders of First Capital on or about \_\_\_\_\_, 2012.

Sincerely,

Thomas W. Beard  
President & Chief Executive Officer  
First Capital Bancshares, Inc.

The securities to be issued in connection with the merger described in this proxy statement/prospectus are not savings accounts, deposit accounts or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other federal or state governmental agency. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the LCNB common shares to be issued in the merger or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

#### Sources of Information

LCNB has supplied all information contained in this proxy statement/prospectus relating to LCNB, and First Capital has supplied all information contained in this proxy statement/prospectus relating to First Capital.

You should rely only on the information which is contained in this proxy statement/prospectus or to which we have referred in this proxy statement/prospectus. We have not authorized anyone to provide you with information that is different. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than the date of this proxy statement/prospectus.

First Capital Bancshares, Inc.  
33 West Main Street  
Chillicothe, Ohio 45601  
Phone: (740) 774-6777

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Notice of Special Meeting of Shareholders  
To Be Held at \_\_\_\_\_, local time, on \_\_\_\_\_, 2012, at

To the Shareholders of First Capital Bancshares, Inc.:

Notice is hereby given that a special meeting of the shareholders of First Capital Bancshares, Inc. will be held at \_\_\_\_\_, local time, on \_\_\_\_\_, 2012, at \_\_\_\_\_, for the purpose of considering and voting on the following matters:

1. A proposal to adopt and approve the Agreement and Plan of Merger dated as of October 9, 2012, by and between LCNB Corp. and First Capital Bancshares, Inc.;
2. A proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Agreement and Plan of Merger; and
3. Any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The Board of Directors of First Capital Bancshares, Inc. is unaware of any other business to be transacted at the special meeting.

Holders of record of shares of First Capital Bancshares, Inc. common stock at the close of business on [RECORD DATE], 2012, the record date, are entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting. The affirmative vote of the holders of at least two-thirds is required to adopt and approve the Agreement and Plan of Merger.

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

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

The First Capital Bancshares, Inc. Board of Directors unanimously recommends that you vote (1) "FOR" the adoption and approval of the Agreement and Plan of Merger and (2) "FOR" the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

By Order of the Board of Directors,

Thomas W. Beard  
President & Chief Executive Officer  
First Capital Bancshares, Inc.

\_\_\_\_\_, 2012

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Annex A	Agreement and Plan of Merger
Annex B	Dissenters' Rights Under Section 1701.85 of the Ohio General Corporation Law
Annex C	Opinion of Sterne Agee & Leach, Inc.

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Questions and Answers About the Merger and the Special Meeting

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

A: You are receiving this proxy statement/prospectus because LCNB Corp. (“LCNB”) and First Capital Bancshares, Inc. (“First Capital”) have agreed to a merger of First Capital with and into LCNB pursuant to the terms of the merger agreement attached to this proxy statement/prospectus as Annex A. The merger agreement must be adopted and approved by the holders of at least two-thirds of the shares of First Capital common stock outstanding and entitled to vote at the special meeting, in accordance with Section 1701.78 of the Ohio General Corporation Law and First Capital’s Articles of Incorporation.

This proxy statement/prospectus contains important information about the merger and the special meeting of the shareholders of First Capital, and you should read it carefully. The enclosed voting materials allow you to vote your shares of First Capital common stock without attending the special meeting.

Q. Why are LCNB and First Capital proposing to merge?

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

LCNB believes that the merger will benefit LCNB and its shareholders because the merger will enable LCNB to expand its business into the markets currently served by First Capital, which will be new markets for LCNB, and strengthen the competitive position of the combined organization. Furthermore, LCNB believes its increased asset size after the merger will create additional economies of scale and provide additional opportunities for asset and earnings growth in an extremely competitive banking environment.

Q: What will First Capital shareholders receive in the merger?

A: Under the terms of the merger agreement, shareholders of First Capital will be entitled to receive after the merger is completed, for each share of First Capital common stock:

\$30.76 in cash, or

2.329 LCNB common shares (subject to an adjustment based upon the average closing price of LCNB common shares for the 25 trading days prior to the effective date of the merger), or

a combination of both.

The form of consideration to be received by each First Capital shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 40% of the merger consideration will consist of cash and no more than 60% and no less than 50% of the merger consideration will consist of LCNB common shares.

LCNB will not issue any fractional shares of common shares in connection with the merger. Instead, each holder of First Capital common shares who would otherwise be entitled to receive a fraction of a share of LCNB common shares (after taking into account all shares of First Capital common shares owned by such holder at the effective time of the merger) will receive cash, without interest, in an amount equal to the fractional share to which such holder

would otherwise be entitled multiplied by the closing price of one share of LCNB common stock on the closing date of the merger.

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

A: The special meeting of shareholders of First Capital will be held at \_\_\_\_\_, local time, on \_\_\_\_\_, 2012, at \_\_\_\_\_.

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

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

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Q: Is my vote needed to adopt and approve the merger agreement?

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

Q: How do I vote?

A: If you were the record holder of shares of First Capital common stock as of [RECORD DATE], 2012, you may vote in person by attending the special meeting or, to ensure that your shares of First Capital common stock are represented at the special meeting, you may vote your shares by signing and returning the enclosed proxy card in the postage-paid envelope provided.

If you hold shares of First Capital common stock in the name of a broker, bank or other nominee, please see the discussion below regarding shares held in “street name.”

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

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

If you mark “ABSTAIN” on your proxy card with respect to the proposal to approve the adjournment of the First Capital special meeting, if necessary, to solicit additional proxies, it will have the same effect as a vote “AGAINST” the proposal. The failure to vote, however, will have no effect on the proposal to approve the adjournment of the First Capital special meeting, if necessary, to solicit additional proxies.

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

A: If you sign, date and return your proxy card and do not indicate how you want your shares of First Capital common stock to be voted, then your shares will be voted “FOR” the adoption and approval of the merger agreement and, if necessary, “FOR” the approval of the adjournment of the special meeting to solicit additional proxies.

Q: If my shares of First Capital common stock are held in a stock brokerage account or by a bank or other nominee (in “street name”), will my broker, bank or other nominee vote my shares for me?

A: You must provide your broker, bank or nominee (the record holder of your common shares) with instructions on how to vote your shares of First Capital common stock. Please follow the voting instructions provided by your broker, bank or nominee.

If you do not provide voting instructions to your broker, bank or nominee, then your shares of First Capital common stock will not be voted by your broker, bank or nominee.

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

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

filing a written notice of revocation with the Secretary of First Capital, at 33 West Main Street, Chillicothe, Ohio 45601;

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

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

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

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If you have instructed your broker, bank or nominee to vote your shares of First Capital common stock, you must follow directions received from your broker, bank or nominee to change your vote.

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

A: If you are a First Capital shareholder as of [RECORD DATE], 2012, record date and you do not vote your shares in favor of the adoption and approval of the merger agreement, you will have the right under Section 1701.85 of the Ohio General Corporation Law to demand the fair cash value for your shares of First Capital common stock. The right to make this demand is known as “dissenters’ rights.” To exercise your dissenters’ rights, you must deliver to First Capital a written demand for payment of the fair cash value of your shares before the vote on the merger is taken at the special shareholders’ meeting. The demand for payment must include your address, the number and class of First Capital shares owned by you, and the amount you claim to be the fair cash value of the your First Capital shares. For additional information regarding dissenters’ rights, see “Dissenters’ Rights” on page 26 of this proxy statement/prospectus and the complete text of the applicable sections of Section 1701.85 of the Ohio General Corporation Law attached to this proxy statement/prospectus as Annex B.

Q: When is the merger expected to be completed?

A: We are working to complete the merger as quickly as we can. We expect to complete the merger late in the fourth quarter of 2012 or in the first quarter of 2013, assuming shareholder approval and all applicable governmental approvals have been received by that date and all other conditions precedent to the merger have been satisfied or waived.

Q: Should I send in my First Capital stock certificates now?

A: No. Please do not send in your First Capital stock certificates with your proxy card. You will receive an election form in the near future permitting you to indicate whether you want stock, cash or a combination. Please follow the instructions on the election form and return it to Registrar & Transfer Company, LCNB’s stock transfer agent. By doing this prior to the special meeting or the merger closing, it will facilitate your receipt of the merger consideration after the closing. If you do not make an election as to consideration, your shares will be treated as “No Election Shares” which is explained more fully on page 37. Shortly after the merger is completed, LCNB’s exchange agent, Registrar & Transfer Company, will mail to you transmittal materials that you will need to complete and return with your First Capital stock certificates. You should not surrender your First Capital stock certificates for exchange until you receive these transmittal materials from the exchange agent. For additional information, see “The Merger Agreement – Surrender of certificates” beginning on page 36 of this proxy statement/prospectus.

Q: What do I need to do now?

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

Q: Who can answer my questions?

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



Thomas W. Beard  
President & Chief Executive Officer  
First Capital Bancshares, Inc.  
33 West Main Street  
Chillicothe, Ohio 45601  
Phone: (740) 774-6777

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Summary

This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. You should read carefully this entire document and its annexes and all other documents to which this proxy statement/prospectus refers before you decide how to vote. Page references are included in this summary to direct you to a more complete description of topics discussed in this proxy statement/prospectus.

LCNB Corp.  
2 North Broadway  
Lebanon, Ohio 45036  
Phone: (513) 932-1414 or (800) 344-2265

LCNB is a financial holding company registered under the Bank Holding Company Act of 1956, as amended, and was incorporated under the laws of the State of Ohio in 1998. LCNB has one wholly-owned subsidiary – LCNB National Bank.

LCNB National Bank's main office is located in Warren County, Ohio and 24 branch offices are located in Warren, Butler, Clinton, Clermont, Hamilton, and Montgomery Counties, Ohio. In addition, LCNB National Bank operates 31 automated teller machines in its market area.

LCNB National Bank is a full service community bank offering a wide range of commercial and personal banking services. Deposit services include checking accounts, NOW accounts, savings accounts, club accounts, money market deposit accounts, Classic 50 accounts (a Senior Citizen program), individual retirement accounts, certificates of deposit and online and mobile banking. Deposits of LCNB National Bank are insured up to applicable limits by the Deposit Insurance Fund, which is administered by the Federal Deposit Insurance Corporation (the "FDIC").

At September 30, 2012, LCNB had 194 full-time and 64 part-time employees, total assets of \$817 million, total loans of \$455 million, total deposits of \$701 million, and total shareholders' equity of \$82 million.

LCNB common shares are traded on the NASDAQ Capital Market. LCNB common shares are traded through broker/dealers and in private transactions, and quotations are reported on NASDAQ under the symbol "LCNB." LCNB is subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, and, therefore, files reports, proxy statements and other information with the Securities and Exchange Commission. See "Where You Can Find More Information" beginning on page 50 of this proxy statement/prospectus.

First Capital Bancshares, Inc.  
33 West Main Street  
Chillicothe, Ohio 45601  
Phone: (740) 774-6777

First Capital is a bank holding company registered under the Bank Holding Company Act of 1956, as amended, and was incorporated under the laws of the State of Ohio in 1997. First Capital has one wholly-owned subsidiary – The Citizens National Bank of Chillicothe ("Citizens National Bank").

Citizens National Bank is a national bank originally chartered in 1900. Citizens National Bank's main office is located in Chillicothe, Ross County, Ohio and its five branch offices and banking centers are located in Ross and Fayette Counties, Ohio.

Citizens National Bank is a full service community bank offering a wide range of commercial and personal banking services. Deposit services include a variety of checking accounts, savings accounts and certificates of deposit. Deposits of Citizens National Bank are insured up to applicable limits by the Deposit Insurance Fund, which is administered by the FDIC.

At September 30, 2012, First Capital had total assets of \$152.0 million, total deposits of \$135.6 million, total loans of \$102.7 million, and total shareholders' equity of \$14.0 million.

First Capital common shares are not traded on an established market.

The merger (page 36)

The merger agreement provides for the merger of First Capital with and into LCNB, with LCNB surviving the merger. Immediately following the merger, First Capital's wholly-owned banking subsidiary, Citizens National Bank, will be merged with and into LCNB National Bank. The merger agreement is attached to this proxy statement/prospectus as Annex A and is incorporated in this proxy statement/prospectus by reference. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

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What First Capital shareholders will receive in the merger (page 36)

Under the terms of the merger agreement, shareholders of First Capital will be entitled to receive after the merger is completed, for each share of First Capital common stock:

\$30.76 in cash, or

2.329 LCNB common shares (subject to an adjustment based upon the average closing price of LCNB common shares for the 25 trading days prior to the effective date of the merger), or

a combination of both.

The form of consideration to be received by each First Capital shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 40% of the merger consideration will consist of cash and no more than 60% and no less than 50% of the merger consideration will consist of LCNB common shares.

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

First Capital special meeting of shareholders (page 20)

A special meeting of shareholders of First Capital will be held at \_\_\_\_\_, local time, on \_\_\_\_\_, 2012, at \_\_\_\_\_, for the purpose of considering and voting on the following matters:

a proposal to adopt and approve the merger agreement;

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

any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The First Capital Board of Directors is presently unaware of any other business to be transacted at the special meeting.

You are entitled to vote at the special meeting if you owned shares of First Capital common stock as of the close of business on [RECORD DATE], 2012. As of [RECORD DATE], 2012, a total of 636,102 shares of First Capital common stock were outstanding and eligible to be voted at the First Capital special meeting.

Required vote (page 20)

The adoption and approval of the merger agreement will require the affirmative vote of the holders of at least [\_\_\_\_\_] shares of First Capital common stock, which is two-thirds of the shares of First Capital common stock outstanding and entitled to vote at the First Capital special meeting. A quorum, consisting of the holders of [\_\_\_\_\_] of the outstanding shares of First Capital common stock, must be present in person or by proxy at the First Capital special meeting before any action, other than the adjournment of the special meeting, can be taken. The affirmative vote of the holders of a majority of the shares of First Capital common stock represented, in person or

proxy, at the special meeting is required to adjourn the special meeting, if necessary, to solicit additional proxies.

As of [RECORD DATE], 2012, directors and executive officers of First Capital and their respective affiliates beneficially owned an aggregate of [\_\_\_\_\_] shares of First Capital common stock, an amount equal to approximately [\_\_\_\_\_] % of the outstanding shares of First Capital common stock. All of the directors of First Capital, who collectively had the power to vote approximately 26.42% of the outstanding shares of First Capital common stock as of October 9, 2012, entered into a voting agreement with LCNB pursuant to which they agreed, subject to certain terms and conditions, to vote all of their shares in favor of the adoption and approval of the merger agreement. As of the date of this proxy statement/prospectus, LCNB and its directors, executive officers and affiliates beneficially owned no shares of First Capital common stock.

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Recommendation to First Capital shareholders (page 22)

The Board of Directors of First Capital unanimously approved the merger agreement. The Board of Directors of First Capital believes that the merger is fair to and in the best interests of First Capital and its shareholders, and, as a result, the directors unanimously recommend that First Capital shareholders vote “FOR” the adoption and approval of the merger agreement. In reaching this decision, the Board of Directors of First Capital considered many factors which are described in the section captioned “The Proposed Merger – First Capital’s background and reasons for the merger” beginning on page 22 of this proxy statement/prospectus.

Opinion of First Capital’s financial advisor (page 26)

The First Capital Board of Directors has received the written opinion of its financial advisor, Sterne Agee & Leach, Inc. (“Sterne Agee”), to the effect that, as of the date of the opinion, the merger consideration is fair, from a financial point of view, to the holders of shares of First Capital common stock. First Capital has agreed to pay advisory fees of \$250,000 for its services in connection with the merger.

The full text of the fairness opinion, which outlines the matters considered and qualifications and limitations on the review undertaken by Sterne Agee in rendering its opinion, is attached as Annex C to this proxy statement/prospectus. We encourage you to read this fairness opinion in its entirety.

Material federal income tax consequences of the merger (page 32)

We intend that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), and that, accordingly, for federal income tax purposes (i) no gain or loss will be recognized by LCNB or First Capital as a result of the merger, (ii) First Capital shareholders who receive solely LCNB common shares in exchange for shares of First Capital common shares in the merger will recognize no gain or loss (other than the gain or loss to be recognized as to cash received in lieu of fractional LCNB common shares), and their basis in and holding periods for LCNB common shares received may vary among shares if blocks of First Capital common shares were acquired at different times or for different prices, and (iii) First Capital shareholders who receive solely cash in exchange for shares of First Capital common shares in the merger will recognize gain or loss equal to the difference between the amount of cash received and their tax basis in their shares. First Capital shareholders receiving both LCNB common shares and cash for their First Capital shares generally will recognize gain (but not loss) in an amount equal to the lesser of (i) their gain realized (i.e., the excess, if any, of the sum of the amount of cash and the fair market value of the LCNB common shares received over their adjusted cash basis in the First Capital shares surrendered) and (ii) the amount of cash received in the merger.

First Capital shareholders who exercise dissenters’ rights and receive cash for their shares of First Capital common stock generally will recognize gain or loss for federal income tax purposes.

All First Capital shareholders should read carefully the description under the section captioned “The Proposed Merger—Material federal income tax consequences,” and should consult their own tax advisors concerning these matters.

Interests of directors and executive officers of First Capital (page 31)

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

change in control payments pursuant to the Citizens National Bank Executive Employment Agreements;

continued indemnification of directors and officers and continued insurance for directors and officers of First Capital for events occurring before the merger

the covenant of LCNB to cause John Kochensparger III to be elected or appointed to the boards of directors of LCNB and LCNB National Bank and to be nominated for an additional three-year term; and

the appointment of the directors of First Capital to serve on an LCNB Advisory board for a period of at least one year following the merger for a fee of \$500 per quarterly meeting.

The First Capital Board of Directors was aware of these interests and considered them in approving the merger agreement. See “The Proposed Merger – Interests of First Capital directors and executive officers in the merger” beginning on page 31 of this proxy statement/prospectus.

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Dissenters' rights (page 21)

Under Ohio law, if you do not vote in favor of the adoption and approval of the merger agreement and if you deliver a written demand for payment for the fair cash value of your shares of First Capital common stock prior to the First Capital special meeting, you will be entitled, if and when the merger is completed, to receive the fair cash value of your shares of First Capital common stock. The right to make this demand is known as "dissenters' rights." Your right to receive the fair cash value of your shares of First Capital common stock, however, is contingent upon your strict compliance with the procedures set forth in Section 1701.85 of the Ohio General Corporation Law. For additional information regarding your dissenters' rights, see "Dissenters' Rights" on page 21 of this proxy statement/prospectus and the complete text of Section 1701.85 of the Ohio General Corporation Law attached to this proxy statement/prospectus as Annex B.

Certain differences in shareholder rights (page 45)

When the merger is completed, some First Capital shareholders will receive LCNB common shares and, therefore, will become LCNB shareholders. As LCNB shareholders, your rights will be governed by LCNB's Amended and Restated Articles of Incorporation and Regulations, as well as Ohio law. See "Comparison of certain rights of LCNB and First Capital shareholders" beginning on page 45 of this proxy statement/prospectus.

Conditions to the merger (page 38)

The completion of the merger depends upon the satisfaction of a number of conditions set forth in the merger agreement, including the adoption and approval of the merger agreement by First Capital shareholders and the receipt of all necessary governmental and regulatory approvals. LCNB and First Capital have submitted an application to the Office of the Comptroller of the Currency to receive approval of the merger; this application is currently pending. LCNB and First Capital will submit an application to the Board of Governors of the Federal Reserve System shortly upon obtaining necessary approval of the merger from the Office of the Comptroller of the Currency.

Termination of the merger agreement (page 42)

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

if any of the required regulatory approvals is denied;

if the First Capital shareholders do not adopt and approve the merger agreement at the First Capital special meeting;

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

if the merger has not been consummated by June 30, 2013, unless the failure to complete the merger by that date is due to the knowing action or inaction of the party seeking to terminate.

Acquisition proposals and termination fee (page 43)



If First Capital or its subsidiary executes a definitive agreement in connection with, or closes, an acquisition proposal (as defined in the merger agreement) with any person or entity other than LCNB and its subsidiaries, First Capital must pay LCNB the sum of \$784,000 immediately after the earlier of such execution or closing. See “The Merger Agreement – Acquisition proposals and termination fee” beginning on page 43 of this proxy statement/prospectus.

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Risk Factors

The merger and the acquisition of LCNB common shares involve significant risks. In addition to the other information included in this proxy statement/prospectus, you should consider carefully the risk factors described below in deciding whether to vote to adopt and approve the merger agreement. In addition, please refer to the section captioned "Forward-Looking Statements" beginning on page 14 of this proxy statement/prospectus.

Risks Related to the Merger

The market value of the LCNB common shares you receive in the merger may decrease if there are fluctuations in the market price of the LCNB common shares prior to or following the merger.

Under the terms of the merger agreement, shareholders of First Capital will be entitled to receive after the merger is completed, for each share of First Capital common stock:

\$30.76 in cash, or

2.329 LCNB common shares (subject to an adjustment based upon the average closing price of LCNB common shares for the 25 trading days prior to the effective date of the merger), or

a combination of both.

The form of consideration to be received by each First Capital shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 40% of the merger consideration will consist of cash and no more than 60% and no less than 50% of the merger consideration will consist of LCNB common shares.

The share exchange ratio (2.329 LCNB common shares for each share of First Capital common stock owned) was established and agreed to by LCNB and First Capital based upon the average closing price of LCNB's common shares for 25 trading days preceding the execution of the merger agreement. The exchange ratio will be adjusted in the event of an increase or decrease in the 25 trading day average closing price of LCNB common shares of 10% or more (less than \$11.89 or greater than \$14.53) prior to the consummation of the merger.

As of \_\_\_\_\_, 2012, the last practicable trading day for which information was available prior to the date of this proxy statement/prospectus, the last reported sales price reported on the NASDAQ Capital Market for LCNB common shares was \$\_\_\_\_\_ a share. The market price of the LCNB common shares may decrease, however, following the date of this proxy statement/prospectus and prior to the closing of the merger. Moreover, you will not receive your merger consideration until several days after the closing of the merger, during which the market price of the LCNB common shares may decrease. If there is a decrease in the market price of the LCNB common shares during this period, you will not be able to sell any of the LCNB common shares that you may be entitled to receive in the merger to avoid losses resulting from such decrease in the market price of the LCNB common shares.

You may receive a form of consideration different from the form of consideration you elect.

The consideration you receive in the merger is subject to the requirement that the aggregate cash consideration that will be paid to First Capital shareholders, including cash paid to shareholders who properly exercise dissenters' rights and cash paid in lieu of the issuance of fractional shares, will be an amount equal to the number of shares to which the holders have elected to receive cash consideration multiplied by \$30.76 per share, subject to certain adjustments. Under the terms of the merger agreement, shareholders of First Capital will be entitled to receive after the merger is completed, for each share of First Capital common stock: (i) \$30.76 in cash, (ii) 2.329 LCNB common

shares (subject to an adjustment based upon the average closing price of LCNB common shares for the 25 trading days prior to the effective date of the merger), or (iii) a combination of both. The form of consideration to be received by each First Capital shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 40% of the merger consideration will consist of cash and no more than 60% and no less than 50% of the merger consideration will consist of LCNB common shares. The merger agreement contains proration and allocation methods to achieve this result. If you elect to receive all cash and the available cash is oversubscribed, then you may receive a portion of the merger consideration in the form of LCNB common shares. If you elect to receive all LCNB common shares and the available stock is oversubscribed, then you may receive a portion of the merger consideration in cash. If you elect a combination of cash and LCNB common shares, you may not receive the specific combination you request.

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LCNB could experience difficulties in managing its growth and effectively integrating the operations of First Capital and Citizens National Bank.

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

The merger agreement limits First Capital's ability to pursue alternatives to the merger with LCNB, may discourage other acquirers from offering a higher valued transaction to First Capital and may, therefore, result in less value for the First Capital shareholders.

The merger agreement contains a provision that, subject to certain limited exceptions, prohibits First Capital from soliciting, negotiating, or providing confidential information to any third party relating to any competing proposal to acquire First Capital or any of its subsidiaries. In addition, if First Capital executes a definitive agreement in respect of, or closes, an acquisition transaction with a third party, the merger agreement provides that First Capital must pay a \$784,000 termination fee to LCNB. These provisions of the merger agreement could discourage a potential competing acquirer that might have an interest in acquiring First Capital, even if it were prepared to pay a higher per share price than proposed in the merger agreement.

The fairness opinion obtained by First Capital from its financial advisor will not reflect changes in circumstances prior to the merger.

Sterne Agee, the financial advisor to First Capital, delivered a written fairness opinion to the Board of Directors of First Capital dated October 9, 2012. The fairness opinion states that, as of the date of the opinion, the merger consideration set forth in the merger agreement was fair, from a financial point of view, to the holders of shares of First Capital common stock. However, the fairness opinion does not reflect changes that may occur or may have occurred after the date on which it was delivered, including changes to the operations and prospects of LCNB or First Capital, changes in general market and economic conditions, or other changes. Any such changes may alter the relative value of LCNB and First Capital.

The merger may not result in increased liquidity for First Capital shareholders with respect to the portion of their shares of First Capital common stock to be exchanged for LCNB common shares because a limited trading market exists for LCNB's common shares.

Although the common shares of LCNB are quoted on the NASDAQ Capital Market, trading in LCNB common shares is not active, and the spread between the bid and the asked price is often wide. As a result, you may not be able to sell your shares on short notice, and the sale of a large number of shares at one time could temporarily depress the market price. The price at which you may be able to sell your common shares may be significantly lower than the price at which you could buy LCNB common shares at that time.

Certain of First Capital's officers and directors have interests that are different from, or in addition to, interests of First Capital's stockholders generally.

The directors and officers of First Capital have interests in the merger that are different from, or in addition to, the interests of First Capital stockholders generally. These include: agreements that certain officers of Citizens National Bank had in place in the event a change of control occurred; provisions in the merger agreement relating to indemnification of directors and officers and insurance for directors and officers of First Capital for events occurring before the merger; appointment to an Advisory Board that will be comprised of all members of the First Capital Board of Directors who are also directors of Citizens National Bank; and the appointment of John Kochensparger III to be elected or appointed to the boards of directors of LCNB and LCNB National Bank to serve on such boards for an initial term to expire on the date of the LCNB annual shareholder meeting in 2015.

Failure to complete the merger could negatively impact the value of First Capital's stock and future businesses and financial results of LCNB and First Capital

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

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

under the merger agreement, First Capital is subject to certain restrictions on the conduct of its business before completing the merger, which may adversely affect its ability to execute certain of its business strategies; and

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

In addition, if the merger is not completed, First Capital may experience negative reactions from its customers and employees. First Capital also could be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against LCNB and First Capital to perform their respective obligations under the agreement of merger.

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

First Capital shareholders currently have the right to vote in the election of the First Capital board of directors and on various other matters affecting First Capital. Upon the completion of the merger, many of the First Capital shareholders will become shareholders of LCNB with a percentage ownership of the combined organization that is much smaller than the shareholder's percentage ownership of First Capital.

### Risks Related to LCNB's Business

Like all financial companies, LCNB's business and results of operations are subject to a number of risks, many of which are outside of our control. In addition to the other information in this report, readers should carefully consider that the following important factors, among others, could materially impact our business and future results of operations.

Changes in interest rates could adversely affect our financial condition and results of operations.

Our results of operations depend substantially on our net interest income, which is the difference between (i) the interest earned on loans, securities and other interest-earning assets and (ii) the interest paid on deposits and borrowings. These rates are highly sensitive to many factors beyond our control, including general economic conditions, inflation, recession, unemployment, money supply and the policies of various governmental and regulatory authorities. If the interest we pay on deposits and other borrowings increases at a faster rate than the interest we receive on loans and other investments, our net interest income and therefore earnings, could be adversely affected. Earnings could also be adversely affected if the interest we receive on loans and other investments falls more quickly than the interest we pay on deposits and borrowings. While we have taken measures intended to manage the risks of operating in a changing interest rate environment, there can be no assurance that these measures will be effective in avoiding undue interest rate risk.

Increases in interest rates also can affect the value of loans and other assets, including our ability to realize gains on the sale of assets. We originate loans for sale and for our portfolio. Increasing interest rates may reduce the origination of loans for sale and consequently the fee income we earn on such sales. Further, increasing interest rates may adversely affect the ability of borrowers to pay the principal or interest on loans and leases, resulting in an increase in non-performing assets and a reduction of income recognized.

Changes in national and local economic and political conditions could adversely affect our earnings, as our borrowers' ability to repay loans and the value of the collateral securing our loans decline and as loans and deposits decline.

There are inherent risks associated with our lending activities, including credit risk, which is the risk that borrowers may not repay outstanding loans or the value of the collateral securing loans will decrease. Conditions such as inflation, recession, unemployment, changes in interest rates and money supply and other factors beyond our control may adversely affect the ability of our borrowers to repay their loans and the value of collateral securing the loans, which could adversely affect our earnings. Because we have a significant amount of real estate loans, a decline in the value of real estate could have a material adverse affect on us. As of September 30, 2012, 60% of our loan portfolio consisted of commercial and industrial, commercial real estate, real estate construction, installment and agricultural loans, all of which are generally viewed as having more risk of default than residential real estate loans and all of which, with the exception of installment loans, are typically larger than residential real estate loans. Residential real estate loans held in the portfolio are typically originated using conservative underwriting standards that does not include sub-prime lending. We attempt to manage credit risk through a program of underwriting standards, the review of certain credit decisions and an on-going process of assessment of the quality of the credit already extended. Economic and political changes could also adversely affect our deposits and loan demand, which could adversely affect our earnings and financial condition. Since substantially all of our loans are to individuals and businesses in Ohio, any decline in the economy of this market area could have a materially adverse effect on our credit risk and on our deposit and loan levels.

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Recent developments in the residential mortgage and related markets and the economy may adversely affect our business.

Recently, the residential mortgage market in the United States, including Ohio, has been negatively impacted by several economic factors. Included among those factors are decreasing housing values and increased credit standards for borrowers. As a result, across Ohio and the United States, delinquencies, foreclosures and losses with respect to residential construction and mortgage loans have increased and may continue to increase. Additionally, the lower housing prices and appraisal values may result in additional delinquencies and loan losses. While the residential real estate loans held in our portfolio are typically originated using conservative underwriting standards and do not include sub-prime loans, we do originate and hold fixed- and adjustable-rate loans and residential construction loans. If the residential loan market continues to deteriorate, especially in Ohio and our local markets, our financial condition and results of operation could be adversely affected.

Difficult conditions in the financial markets may adversely affect our business and results of operations.

Our financial performance depends on the quality of loans in our portfolio. That quality may be adversely affected by several factors, including underwriting procedures, collateral quality or geographic or industry conditions. Market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies and defaults, reduced consumer confidence, increased market volatility and widespread reduction of business activity. In addition, our credit risk may be increased when our collateral cannot be sold or is sold at prices not sufficient to recover the full amount of the loan balance. Deterioration in our ability to collect our loans receivable may adversely affect our profitability and financial condition.

We operate in an extremely competitive market, and our business will suffer if we are unable to compete effectively.

In our market area, we encounter significant competition from other banks, savings and loan associations, credit unions, mortgage banking firms, securities brokerage firms, asset management firms and insurance companies. The increasingly competitive environment is a result primarily of changes in regulation and the accelerating pace of consolidation among financial service providers. LCNB is smaller than many of our competitors. Many of our competitors have substantially greater resources and lending limits than we do and may offer services that we do not or cannot provide.

Legislative or regulatory changes or actions could adversely impact the financial services industry.

The financial services industry is extensively regulated. Banking laws and regulations are primarily intended for the protection of consumers, depositors and the deposit insurance fund, not to benefit our shareholders. Changes to laws and regulations or other actions by regulatory agencies may negatively impact us, possibly limiting the services we provide, increasing the ability of non-banks to compete with us or requiring us to change the way we operate. Regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities, including the ability to impose restrictions on the operation of an institution and the ability to determine the adequacy of an institution's allowance for loan losses. Failure to comply with applicable laws, regulations and policies could result in sanctions being imposed by the regulatory agencies, including the imposition of civil money penalties, which could have a material adverse effect on our operations and financial condition.

Our ability to pay cash dividends is limited.

We are dependent primarily upon the earnings of our operating subsidiary for funds to pay dividends on our common shares. The payment of dividends by us and our subsidiary is subject to certain regulatory restrictions. As a result, any payment of dividends in the future will be dependent, in large part, on our ability to satisfy these regulatory



restrictions and our subsidiary's earnings, capital requirements, financial condition and other factors. Although our financial earnings and financial condition have allowed us to declare and pay periodic cash dividends to our shareholders, there can be no assurance that our dividend policy or size of dividend distribution will continue in the future.

The preparation of financial statements requires management to make estimates about matters that are inherently uncertain.

Management's accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Our management must exercise judgment in selecting and applying many of these accounting policies and methods in order to ensure that they comply with generally accepted accounting principles and reflect management's judgment as to the most appropriate manner in which to record and report our financial condition and results of operations. One of the most critical estimates is the level of the allowance of loan losses. Due to the inherent nature of these estimates, we cannot provide absolute assurance that we will not significantly increase the allowance for loan losses or sustain loan losses that are significantly higher than the provided allowance.

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Trading in our common shares is very limited, which may adversely affect the time and the price at which you can sell your LCNB common shares.

Although the common shares of LCNB are quoted on the NASDAQ Capital Market, trading in LCNB common shares is not active, and the spread between the bid and the asked price is often wide. As a result, you may not be able to sell your shares on short notice, and the sale of a large number of shares at one time could temporarily depress the market price. The price at which you may be able to sell your common shares may be significantly lower than the price at which you could buy LCNB common shares at that time.

Our organizational documents and the large percentage of shares controlled by management and family members of management may have the effect of discouraging a third party from acquiring us.

Our Amended and Restated Articles of Incorporation and Regulations contain provisions that make it more difficult for a third party to gain control or acquire us without the consent of the board of directors. These provisions could also discourage proxy contests and may make it more difficult for dissident shareholders to elect representatives as directors and take other corporate actions. Moreover, as of [RECORD DATE], 2012, directors and executive officers controlled the vote of [\_\_\_\_]% of the outstanding common shares of LCNB in addition to the [\_\_\_\_]% of the outstanding shares with respect to which LCNB National Bank controls the vote as trustee and an additional [\_\_\_\_]% owned by relatives of directors. The provisions in our Amended and Restated Articles and Regulations and the percentage of voting control by LCNB affiliates and relatives could have the effect of delaying or preventing a transaction or a change in control that a shareholder might deem to be in the best interests of that shareholder.

## Forward-Looking Statements

Certain statements contained in this proxy statement/prospectus which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, the statements specifically identified as forward-looking statements within this proxy statement/prospectus. Examples of forward-looking statements include: (a) projections of income or expense, earnings per share, the payment or non-payment of dividends, capital structure and other financial items; (b) statements of plans and objectives of each of LCNB and First Capital, or their respective directors and officers, including those relating to products or services; (c) statements of future economic results; and (d) statements of assumptions underlying the foregoing statements.

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying the important factors that could cause actual results to differ materially from those discussed in the forward-looking statements. We desire to take advantage of the “safe harbor” provisions of that Act.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Actual results could differ materially from those contained or implied by such forward-looking statements because of various factors and possible events, including those factors specifically identified as “Risk Factors” in this proxy statement/prospectus beginning on page 12.

Forward-looking statements speak only as of the date on which they are made, and, except as may be required by law, neither LCNB nor First Capital undertakes any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made. All subsequent written and oral forward-looking statements attributable to LCNB or First Capital or any person acting on behalf of either of them are qualified in their entirety by the cautionary statements set forth in this proxy statement/prospectus.



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## Selected Historical Consolidated Financial Data of LCNB Corp.

The tables below contain information regarding the financial condition and earnings of LCNB Corp. for the five years ended December 31, 2011, and the nine months ended September 30, 2011 and 2012. This information is based on information contained in LCNB's quarterly reports on Form 10-Q and annual reports on Form 10-K filed with the Securities and Exchange Commission.

	At or for the Years Ended December 31,					At or for the Nine Months Ended September 30,	
	2011	2010	2009	2008	2007	2012	2011
	(Dollars in thousands, except ratios and per share data)						
Income Statement:							
Interest income	\$ 32,093	34,031	34,898	34,398	32,041	22,706	24,205
Interest expense	6,387	8,334	10,060	13,421	13,838	3,784	4,976
Net interest income	25,706	25,697	24,838	20,977	18,203	18,922	19,229
Provision for loan losses	2,089	1,680	1,400	620	266	742	1,476
Net interest income after provision for loan losses	23,617	24,017	23,438	20,357	17,937	18,180	17,753
Non-interest income	7,764	8,887	7,180	6,759	6,614	6,296	5,783
Non-interest expenses	21,849	21,277	20,686	18,555	16,991	16,342	16,528
Income before income taxes	9,532	11,627	9,932	8,561	7,560	8,134	7,008
Provision for income taxes	2,210	2,494	2,245	2,134	1,823	2,023	1,640
Net income from continuing operations	7,322	9,133	7,687	6,427	5,737	6,111	5,368
Income from discontinued operations, net of tax	793	240	79	176	217	-	793
Net income	8,115	9,373	7,766	6,603	5,954	6,111	6,161
Preferred stock dividends and discount accretion	-	-	1,108	-	-	--	-
Net income available to common shareholders	\$ 8,115	9,373	6,658	6,603	5,954	6,111	6,161

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Dividends per common share (1)	\$ 0.64	0.64	0.64	0.64	0.62	0.48	0.48
<b>Basic earnings per common share (1):</b>							
Continuing operations	1.09	1.37	0.99	0.96	0.90	0.91	0.80
Discontinued operations	0.12	0.03	0.01	0.03	0.04	-	0.12
<b>Diluted earnings per common share (1):</b>							
Continuing operations	1.08	1.36	0.98	0.96	0.90	0.90	0.80
Discontinued operations	0.12	0.03	0.01	0.03	0.04	-	0.12
<b>Balance Sheet:</b>							
Securities	\$ 267,771	251,053	217,639	139,272	90,154	281,280	282,182
Loans, net	458,331	452,350	457,418	451,343	444,419	454,541	446,295
Total assets	791,570	760,134	734,409	649,731	604,058	817,192	808,559
Total deposits	663,562	638,539	624,179	577,622	535,929	701,080	689,697
<b>Short-term borrowings</b>							
	21,596	21,691	14,265	2,206	1,459	12,076	12,386
<b>Long-term debt</b>							
	21,373	23,120	24,960	5,000	5,000	14,049	21,718
<b>Total shareholders' equity</b>							
	77,960	70,707	65,615	58,116	56,528	82,131	77,460
<b>Selected Financial Ratios and Other Data:</b>							
Return on average assets	1.02%	1.22%	1.07%	1.03%	1.08%	1.01%	1.04%
Return on average equity	10.89%	13.36%	10.43%	11.35%	11.41%	10.17%	11.22%
Equity-to-assets ratio	9.85%	9.30%	8.93%	8.94%	9.36%	10.05%	9.58%
Dividend payout ratio	52.89%	45.71%	64.39%	64.65%	65.96%	52.75%	52.17%
<b>Net interest margin, fully taxable equivalent</b>							
	3.70%	3.89%	3.96%	3.74%	3.77%	3.55%	3.73%

(1) All per share data in 2007 has been adjusted to reflect a 100% stock dividend accounted for as stock split.

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## Selected Historical Financial Data of First Capital Bancshares, Inc.

The following tables set forth selected consolidated historical financial and other data of First Capital Bancshares, Inc. and its subsidiary for the periods and at the dates indicated. The information at and for the years ended December 31, 2011 is derived in part from audited consolidated financial statements that do not appear in this document. The information at September 30, 2012 and for the nine months ended September 30, 2012 and 2011, is unaudited and reflects only normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. The results of operations for the nine months ended September 30, 2012, are not necessarily indicative of the results to be achieved for all of 2012.

	At September 30, 2012	At December 31, 2011	2010
Selected Financial Condition Data:		(In thousands)	
Total assets	\$ 152,107	\$ 148,235	\$ 143,787
Cash and cash equivalents	18,934	11,679	13,040
Investment securities, available for sale	21,491		