



FARMERS

NATIONAL BANC CORP.

June 25, 2015 Conference Call Presentation to Discuss
Acquisition of Tri-State 1st Banc, Inc.

Disclosure Statement



Forward-Looking Statements

This investor presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not historical facts, but rather statements based on the Company's current expectations regarding our business strategies and their intended results and future performance. Forward-looking statements are preceded by terms such as "expects," "believes," "anticipates," "intends" and similar expressions, as well as any statements related to future expectations of performance or conditional verbs, such as "will," "would," "should," "could," or "may."

Forward-looking statements are not guarantees of future performance. Numerous risks and uncertainties could cause or contribute to the Company's actual results, performance, and achievements to be materially different from those expressed or implied by the forward-looking statements. Factors that may cause or contribute to these differences include, without limitation, the Company's failure to integrate Tri-State 1st Banc, Inc. and 1st National Community Bank in accordance with expectations; deviations from performance expectations related to Tri-State 1st Banc, Inc. and 1st National Community Bank; general economic conditions, including changes in market interest rates and changes in monetary and fiscal policies of the federal government; legislative and regulatory changes; competitive conditions in the banking markets served by the Company's subsidiaries; the adequacy of the allowance for losses on loans and the level of future provisions for losses on loans; and other factors disclosed periodically in the Company's filings with the Securities and Exchange Commission.

Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this report or made elsewhere from time to time by the Company or on the Company's behalf. The Company assumes no obligation to update any forward-looking statements.

Additional Information for Stockholders



In connection with the proposed merger, Farmers will file with the Securities and Exchange Commission ("SEC") a Registration Statement on Form S-4 that will include a joint proxy statement and a Farmers prospectus, as well as other relevant documents concerning the proposed transaction.

SHAREHOLDERS OF FARMERS AND TRI-STATE 1ST BANC, INC. AND OTHER INVESTORS ARE URGED TO CAREFULLY READ THE PROXY STATEMENT/PROSPECTUS TO BE INCLUDED IN THE REGISTRATION STATEMENT ON FORM S-4, WHICH FARMERS WILL FILE WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT FARMERS, TRI-STATE 1ST BANC, INC., THE MERGER, THE PERSONS SOLICITING PROXIES WITH RESPECT TO THE PROPOSED MERGER AND THEIR INTERESTS IN THE PROPOSED MERGER AND RELATED MATTERS.

The respective directors and executive officers of Farmers and Tri-State 1st Banc, Inc. and other persons may be deemed to be participants in the solicitation of proxies from Tri-State 1st Banc, Inc. and Farmers shareholders with respect to the proposed merger. Information regarding the directors and executive officers of Farmers is available in its proxy statement filed with the SEC on March 13, 2015. Information regarding directors and executive officers of Tri-State 1st Banc, Inc. is available on its website at <http://www.1stncb.com>. Other information regarding the participants in the solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Investors and security holders will be able to obtain free copies of the registration statement (when available) and other documents filed with the SEC by Farmers through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Farmers will be available free of charge on Farmers' website at <https://www.farmersbankgroup.com>.

NBOH Transaction Update



- Acquisition of National Bancshares Corp. completed on June 19th
 - Closing occurred in the 2nd Quarter of 2015 as expected
 - Creates the third largest community bank by asset size headquartered in Northeastern Ohio⁽¹⁾
 - Enhances scale, profitability, growth potential, and brand recognition
 - Integration progressing as expected
- Farmers intends to remain a strategic acquirer within its core and contiguous markets. Yesterday's announcement of the TSOH transaction further illustrates our commitment to identifying opportunities to help Farmers continue to enhance its franchise value.
- Near-term focus will be on seamless integration of both transactions.

History of Acquisition and Business Development

- 2009 Acquired the Butler Wick Trust Company
- 2010 Created Farmers National Insurance
- 2012 Rolled Out Private Client Services
- 2013 Acquired National Associates
- 2015 Acquired National Bancshares Corporation
- 2015 Announced acquisition of Tri-State 1st Banc, Inc.

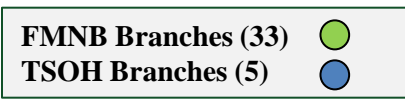
(1) Community Banks defined as those with assets less than \$20.0 billion. Northeast Ohio includes area codes 216, 330 and 440

TSOH Acquisition



Transaction Highlights

- Strengthens presence in attractive Columbiana County while underscoring Farmers' commitment to the community
 - Pro-forma, Farmers will rank 2nd in market share with ~20% of the county's deposits, trailing only Huntington
 - TSOH provides an attractive deposit base with \$54.3 million of demand deposits and an overall cost of deposits of 0.19%
- Expands wealth management client base
- President & CEO Steve Sant to continue as Community President of the South East Market (Southern Columbiana County and Western PA)
 - Experienced leader with prior experience at Sky and First Western



Pro Forma Highlights

Branches	38
Assets	\$1.8 Billion
Loans	\$1.2 Billion
Deposits	\$1.5 Billion
Market Cap	\$221 Million ¹

(1) Based on FMNB's stock price of \$8.20 on June 23, 2015
Source: SNL Financial

Transaction Overview



Structure/Consideration

- Each shareholder of TSOH will elect to receive \$14.20 per share in cash or 1.747 shares of FMNB, subject to 75% of the shares being exchanged for stock and 25% for cash
- \$14.2 million based on FMNB's closing price of \$8.20 on June 23, 2015

Transaction Multiples

- Deal value/tangible book value of 134%^{1,2}
- Deal value/ LTM Earnings of 18.7x¹
- Core deposit premium of 2.9%^{1,3}

Financial Impact

- Transaction expected to be accretive to earnings per share by approximately 5% in the first full year of combined operations (excluding one-time merger charges)
- <2% dilutive to TBV with dilution earned back in 2.3 years
- Projected IRR of over 20%

Required Approvals/ Timing

- Customary regulatory approvals and TSOH shareholder approval
- Estimated close Q4 2015

(1) Deal pricing metrics based on aggregate \$14.2 million deal value and TSOH 3/31/2015 financials

(2) Tangible book value as of 3/31/2015 adjusted for sales of Cooper, Gateminder, and MDH

(3) Core deposit premium defined as aggregate deal value less TSOH's tangible equity divided by TSOH's deposits less time deposit accounts with balances over \$100,000

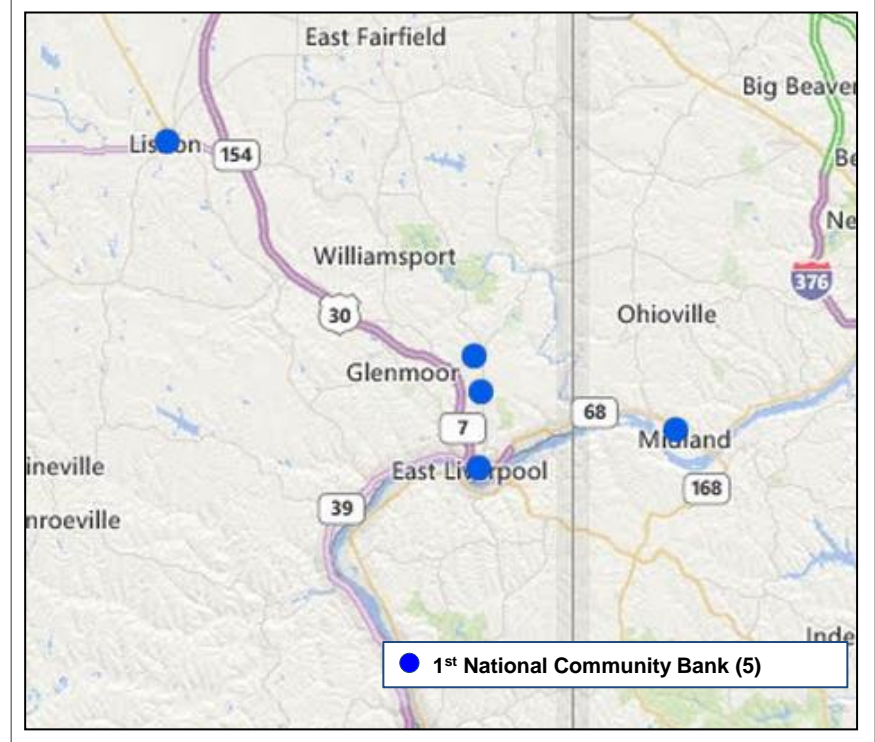
1st National Community Bank



Overview

Parent Name	Tri-State 1st Banc, Inc.	Date Established	6/1/1987
Industry	Commercial Bank	Primary Regulator	OCC
Chief Executive Officer	Stephen R. Sant	Number of Offices	5
Chief Financial Officer	Jean Butch Edwards	States of Operation	OH(4),PA(1)

Branch Map



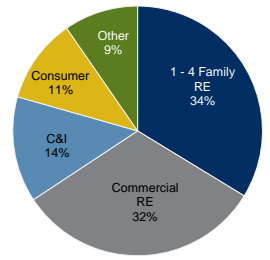
Regulatory Financial Highlights

	2011	2012	2013	2014	YTD 3/31
Total Assets (\$000)	130,195	136,601	124,060	130,363	138,974
Total Net Loans (\$000)	60,316	62,100	66,342	66,133	66,125
Total Deposits (\$000)	103,223	102,052	108,176	114,308	122,946
Tangible Common Eqty (\$000)	12,889	14,075	11,538	12,916	13,325
ROAA (%)	0.61	0.70	0.74	0.72	0.64
ROAE (%)	6.64	7.33	7.77	7.50	6.55
Net Interest Margin (%)	3.62	3.33	3.27	3.48	3.45
TCE / TA (%)	9.90	10.30	9.30	9.91	9.59
Tier 1 Ratio (%)	17.38	17.72	15.91	16.89	18.41
TRBC Ratio (%)	18.64	18.98	17.16	18.09	19.70
NPAs / Assets (%)	1.80	1.30	1.66	1.29	1.25
NCOs / Avg Loans (%)	0.39	0.21	0.14	0.12	0.02
LLRs / Gross Loans (%)	1.99	1.76	1.47	1.23	1.23

Loan Mix (Bank Level)

Dollars in thousands

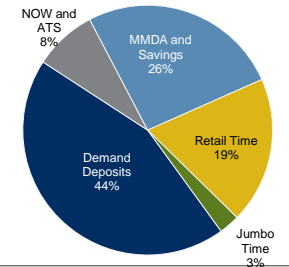
1 - 4 Family RE	\$ 22,570
Commercial RE	21,427
C&I	9,161
Consumer	7,349
Other	6,443
Gross Loans and Leases	\$ 66,950



Deposit Mix (Bank Level)

Dollars in thousands

Demand Deposits	\$ 54,320
NOW and ATS	9,999
MMDA and Savings	32,016
Retail Time	23,327
Jumbo Time	3,284
Total Deposits	\$ 122,946



Source: SNL Financial

TSOH Perspective: Partnering with Farmers



- Maintains and strengthens community banking presence in
Columbiana County
 - Opportunity to partner with a larger organization, yet still maintaining our
community banking culture
- Develops deeper, comprehensive banking platform with broader
array of products and solutions for our customers
- Presents a liquidity opportunity for TSOH shareholders offering
them the opportunity to continue to grow their investment with a
strong and growing company
- Combined Company has additional synergies beyond cost
savings: wealth management and increased lending limits

Due Diligence Summary



- Comprehensive due diligence process
- Credit due diligence lead by Farmers' in-house lending team and supplemented by BKD, LLC ("BKD")
- Analyzed credit files, underwriting methodology and policy and portfolio management processes
- FMNB's credit reviews focused on the largest relationships, adversely classified assets and watch list loans
- BKD also engaged to provide analysis of potential interest rate marks to TSOH's assets & liabilities

Key Modeling Assumptions

- Estimated credit mark of \$1.1 million on the loan portfolio (\$313 thousand in excess of 3/31/2015 loan loss reserves)
- Fair market value adjustment to fixed assets of \$942 thousand
- Projected cost savings of approximately 37% based on a bottoms up analysis of TSOH's non-interest expense base
- Assumes no revenue synergies, although we believe opportunities exist to cross sell Farmers' wealth management products
- Total after-tax, one-time merger charges are estimated at \$1.7 million

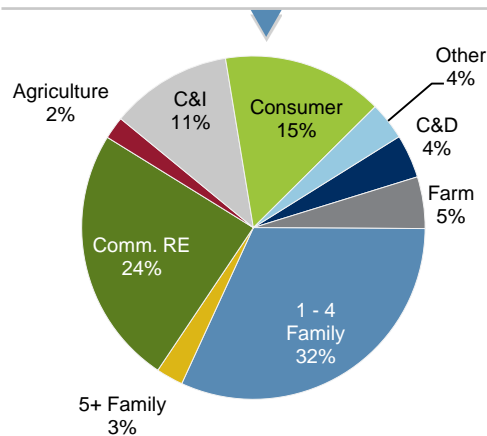
Pro Forma Loan Portfolio



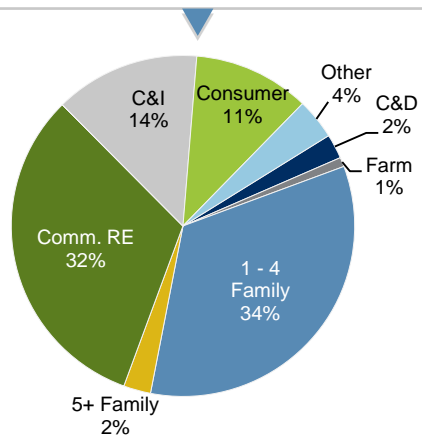
Dollars in Thousands
For the period ended March 31, 2015

	PF Farmers Natl Bk of Canfield		1st National Community Bank		Pro Forma	
Construction & Development	\$ 44,662	4.1%	\$ 1,558	2.3%	\$ 46,220	4.0%
Secured by Farmland	52,906	4.9%	593	0.9%	53,499	4.6%
1 - 4 Family Real Estate	345,271	31.8%	22,570	33.7%	367,841	31.9%
5+ Family Real Estate	27,665	2.5%	1,715	2.6%	29,380	2.5%
Commercial Real Estate	265,457	24.4%	21,427	32.0%	286,884	24.9%
Agricultural	23,099	2.1%	-	0.0%	23,099	2.0%
Commercial & Industrial	124,529	11.5%	9,161	13.7%	133,690	11.6%
Consumer	164,770	15.2%	7,349	11.0%	172,119	14.9%
Other	38,644	3.6%	2,577	3.8%	41,221	3.6%
Gross Loans and Leases	\$ 1,087,003	100.0%	\$ 66,950	100.0%	\$ 1,153,953	100.0%

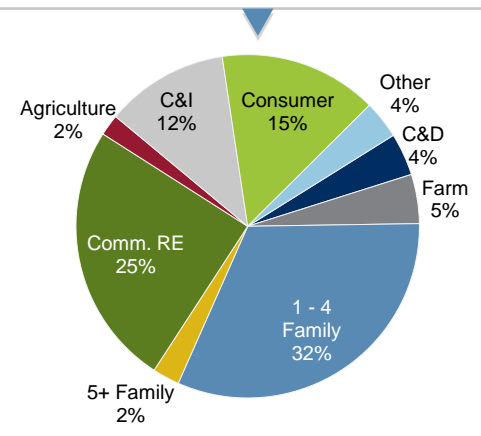
PF Farmers Natl. Bank of Canfield*



1st National Community Bank



Pro Forma



Yield: 4.47%

5.16%

4.51%⁽¹⁾

*Pro forma for the acquisition of National Bancshares Corporation

(1) Pro forma yield calculated based on loan yield for the quarter ended March 31, 2015, and the weighted average of the loan portfolios

Source: SNL Financial

Note: Financials reflect reported bank level regulatory data

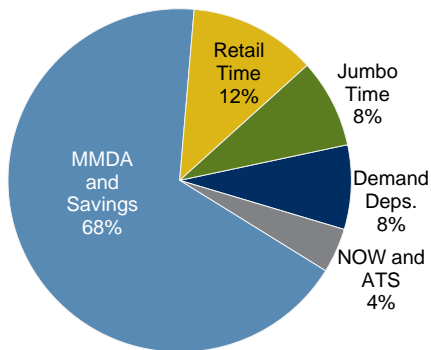
Pro Forma Deposit Mix



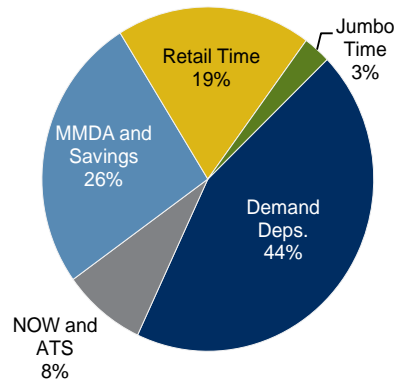
Dollars in Thousands
For the period ended March 31, 2015

	PF Farmers Natl Bk of Canfield		1st National Community Bank		Pro Forma	
Demand Deposits	\$ 105,668	7.9%	\$ 54,320	44.2%	\$ 159,988	11.0%
NOW and ATS	56,049	4.2%	9,999	8.1%	66,048	4.5%
MMDA and Savings	897,631	67.5%	32,016	26.0%	929,647	64.0%
Retail Time Deposits (< \$100K)	159,078	12.0%	23,327	19.0%	182,405	12.6%
Jumbo Time Deposits (> \$100K)	111,077	8.4%	3,284	2.7%	114,361	7.9%
Total Deposits	\$ 1,329,503	100.0%	\$ 122,946	100.0%	\$ 1,452,449	100.0%

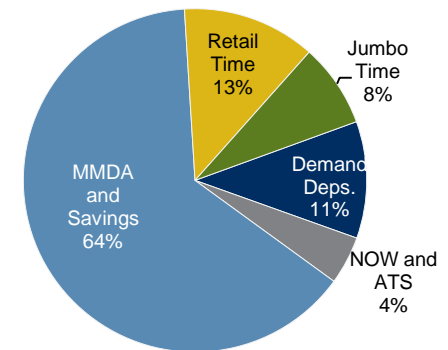
PF Farmers Natl. Bank of Canfield*



1st National Community Bank



Pro Forma



Cost: **0.36%**

0.19%

0.35%⁽¹⁾

*Pro forma for the acquisition of National Bancshares Corporation

(1) Pro forma deposit cost calculated based on deposit cost for the quarter ended March 31, 2015, and the weighted average of the deposit portfolios

Source: SNL Financial

Note: Financials reflect reported bank level regulatory data

Summary Highlights



- Strengthens Farmers' presence in Columbiana County and initiates entry into Western Pennsylvania
- Financially compelling: EPS accretive, minimal TBV dilution and IRR north of 20%
- Attractive core deposit mix
- Enhanced Southern Columbiana County and Western Pennsylvania leadership with the addition of Steve Sant
- Consistent with Farmers' strategy of acquiring banks in contiguous/adjacent markets that help the Company grow its earnings and enhance its franchise value