

Farmers National Banc Corp. Agrees to Acquire National Associates Inc.**Deal value: Not Disclosed**

Sandler O'Neill + Partners, L.P. served as financial advisor to Farmers National Banc Corp. This represents Sandler O'Neill's 73rd financial services transaction since January 1, 2012, more than any other investment bank during that time period.¹

Farmers National Banc Corp. (NASDAQ: FMNB), headquartered in Canfield, Ohio has entered into a definitive agreement providing for the acquisition of retirement planning consultancy National Associates, Inc. (NAI) of Rocky River, Ohio. The transaction is expected to close in the second quarter of 2013. NAI will retain its corporate name, full staff and current location at 20325 Center Ridge Road, Rocky River, OH.

We have plans for a smooth transition, followed by a multi-year growth plan of fee revenues that will complement the synergies of our Wealth Management division, says Farmers President and CEO, John S. Gulas.

NAI was founded in 1946 by the father of the current president, Gerrit C. Kuechle. The company is a leading independent consultant to retirement plans and offers actuarial, plan design, compliance and administrative services. As a third party administrator, NAI provides services to 401(k), Defined Benefit, Profit Sharing, Flexible Spending, 403(b), ESOP and other plans.

NAI has 17 employees including Mr. Kuechle, who will stay with the company for a two-year period, and has assets under administration of approximately \$500 million. NAI maintains active oversight of over 200 retirement planning accounts. The majority of NAI's business comes from northeast Ohio, and the typical NAI customer stays with the company many years; 13 years on average.

By partnering with Farmers, NAI is able to offer continued stability while introducing additional value-added services to our clientele, says Gerrit C. Kuechle. As a successful firm, a relationship with a strong, sustainable financial institution was very important to us.

In acquiring NAI, Farmers National Banc Corp. assumes a professional staff that is the envy of the industry. The company's management and key staff have worked together for 20 years. Approximately 65% of the firm's professional staff is accredited and have memberships in professional societies.

Sandler O'Neill & Partners, L.P. served as financial advisor, and Vorys, Sater, Seymour and Pease LLP served as legal advisor, to Farmers National Banc Corp.

(1) Source: SNL Financial. Includes financial services transactions in all geographies since January 1, 2012; excludes terminated transactions or self-advisory roles

**Sandler O'Neill Contacts:
1251 Avenue of the Americas, 6th Floor
New York, NY 10020**

Mark Biché
Managing Director
(312) 281-3484

Chris Browne
Managing Director
(212) 466-7735

Dana Hetsrony
Associate
(212) 466-7747