

FARMERS NATIONAL BANC CORP /OH/  
Form S-4  
March 17, 2015  
Table of Contents

As filed with the Securities and Exchange Commission on March 17, 2015

Registration No. 333-

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

FORM S-4  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**Farmers National Banc Corp.**

(Exact name of Registrant as specified in its charter)

**Ohio**  
(State or other jurisdiction of  
incorporation or organization)

**6021**  
(Primary Standard Industrial  
Classification Code Number)

**34-1371693**  
(I.R.S. Employer  
Identification Number)

**20 South Broad Street, Canfield, Ohio 44406**

**(330) 533-3341**

**(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)**

**Kevin J. Helmick**

**President and Chief Executive Officer**

**Farmers National Banc Corp.**

**20 South Broad Street, Canfield, Ohio 44406**

**(330) 533-3341**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*Copies to:*

**J. Bret Treier, Esq.  
Vorys, Sater, Seymour and Pease LLP  
106 South Main Street  
Suite 1100  
Akron, Ohio 44308  
Phone: (330) 208-1000**

**John J. Jenkins, Esq.  
Calfee, Halter & Griswold LLP  
The Calfee Building  
1405 East Sixth Street  
Cleveland, Ohio 44114  
Phone: (216) 622-8200**

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 " Accelerated filer x  
 Non-accelerated filer " (do not check if smaller reporting company) 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 share	Proposed maximum aggregate offering price (2)	Amount of registration fee
Common Shares, without par value	7,668,359	N/A	\$60,354,591	\$7,013.20

- (1) Represents an estimate of the maximum number of common shares, without par value, of Farmers National Banc Corp. that Registrant anticipates issuing in connection with the proposed merger to which this registration statement relates.
- (2) Pursuant to Rule 457(c) and (f)(3) under the Securities Act, and estimated solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price was calculated as (A) the product of (i) \$31.75, the average of the high and low prices per common share of National Bancshares Corporation as reported on the OTCQX marketplace on March 12, 2015, the latest practicable date prior to the date of filing of this registration statement, and (ii) 1,900,932, the estimated maximum number of common shares of National Bancshares Corporation that may be exchanged in the merger, minus (B) \$14,342,076, the estimated aggregate amount of cash to be paid by Farmers National Banc Corp. for the National Bancshares Corporation common shares.

**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 Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.**

**Table of Contents**

**THE INFORMATION IN THIS JOINT PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WE MAY NOT ISSUE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT IS EFFECTIVE. THIS JOINT 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 WHERE THE OFFER OR SALE IS NOT PERMITTED.**

**PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS**

**DATED MARCH 17, 2015, SUBJECT TO COMPLETION**

[Logo of Farmers]

[Logo of NBOH]

**Proxy Statement and Prospectus of**

**Proxy Statement of**

**Farmers National Banc Corp.**

**National Bancshares Corporation**

**MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

Farmers National Banc Corp. ( Farmers ) and National Bancshares Corporation ( NBOH ), have entered into an Agreement and Plan of Merger dated as of January 27, 2015 (the Merger Agreement ), which provides for the merger of NBOH with and into Farmers (the Merger ). Consummation of the Merger is subject to certain conditions, including, but not limited to, obtaining the requisite vote of the shareholders of Farmers and NBOH and the approval of the Merger by various regulatory agencies.

Under the terms of the Merger Agreement, shareholders of NBOH will be entitled to receive from Farmers, after the Merger is completed, merger consideration payable in the form of a combination of cash and Farmers common shares to be calculated as set forth in the Merger Agreement. At the effective time of the Merger, each NBOH common share will be converted into the right to receive either: (i) 4.034 Farmers common shares, or (ii) \$32.15 in cash, subject to certain allocation procedures set forth in the Merger Agreement that are intended to ensure that 80% of the outstanding NBOH common shares are converted into the right to receive Farmers common shares and the remaining outstanding NBOH common shares are converted into the right to receive cash. The aggregate Merger consideration to be paid to NBOH shareholders under the Merger Agreement is approximately \$74.0 million, based on the volume weighted average stock price of \$7.97 of Farmers as of January 26, 2015 and including the cash payment for outstanding NBOH stock options. See *SUMMARY What NBOH shareholders will receive in the Merger.*

Farmers will not issue any fractional common shares in connection with the Merger. Instead, each holder of NBOH common shares who would otherwise be entitled to receive a fraction of a Farmers common share (after taking into account all NBOH common shares owned by such holder at the effective time of the Merger) will receive cash,

without interest, in an amount equal to the Farmers fractional common share to which such holder would otherwise be entitled to multiplied by the volume-weighted average, rounded to the nearest one tenth of a cent, of the closing sale prices of Farmers common shares based on information reported by NASDAQ Stock Market (the Nasdaq ) for the five (5) trading days immediately preceding the effective time.

Farmers and NBOH will each hold a special meeting of its shareholders to vote on the adoption and approval of the Merger Agreement. The special meeting of Farmers shareholders will be held at: [ .m., local time, on , 2015, at Farmers main office at 20 South Broad Street, Canfield, Ohio 44406]. The special meeting of NBOH s shareholders will be held at: [ .m., local time, on , 2015, at NBOH s main office at 112 West Market Street, Orrville, Ohio 44667].

At each special meeting, shareholders will be asked to approve and adopt the Merger Agreement, and the transactions contemplated thereby, including the Merger. Shareholders will also be asked to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the Merger Agreement and the transactions contemplated thereby, including the Merger.

This document is a proxy statement of both Farmers and NBOH, that each is using to solicit proxies for use at their respective special meetings of shareholders to vote on the Merger. It is also a prospectus relating to Farmers issuance of its common shares in connection with the Merger. This joint proxy statement/prospectus describes Farmers special meeting, NBOH s special meeting, the Merger proposal and other related matters.

**The boards of directors of Farmers and NBOH each approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and recommend that shareholders vote FOR the adoption and approval of the Merger Agreement, and FOR the approval of 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.**

Farmers common shares are traded on the Nasdaq under the symbol FMNB. On January 26, 2015, the day prior to the date of execution of the Merger Agreement, the closing price of Farmers common shares was \$7.50 per share. On [ ], 2015, the closing price of Farmers common shares was \$[ ] per share. NBOH s common shares are traded on the OTCQX marketplace under the symbol NBOH. On January 26, 2015, the day prior to the date of execution of the Merger Agreement, the closing price of NBOH s common shares was \$23.00. On [ ], 2015, the closing price of NBOH s common shares was \$[ ].

**You are encouraged to read this document, including the materials incorporated by reference into this document, carefully. In particular, you should read the Risk Factors section beginning on page 32 for a discussion of the risks related to the Merger and owning Farmers common shares after the Merger.**

Whether or not you plan to attend your company s special meeting, you are urged to vote by completing, signing and returning the enclosed proxy card in the enclosed postage-paid envelope.

If you are an NBOH shareholder as of [ ], 2015, the record date, and you do not vote your shares in favor of the adoption and approval of the Merger Agreement, under the Ohio General Corporation Law ( OGCL ), you will have the right to demand the fair cash value for your NBOH common shares. To exercise your dissenters rights , you must adhere to the specific requirements of the OGCL; see *DISSENTERS RIGHTS* on page [ ] of this joint proxy statement/prospectus and the complete text of the applicable sections of the OGCL attached to this joint proxy statement/prospectus as Annex A. No holder of Farmers common shares is entitled to exercise any rights of a dissenting shareholder under the OGCL.

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 joint proxy statement/prospectus, which contains a detailed



Table of Contents

**NATIONAL BANCSHARES CORPORATION**

**112 West Market Street**

**Orrville, Ohio 44667**

**Notice of Special Meeting of Shareholders**

**To be held on [                      ], 2015**

To the Shareholders of National Bancshares Corporation:

Notice is hereby given that a special meeting of the shareholders of National Bancshares Corporation ( NBOH ) will be held at [                      .m., local time, on                      , 2015, at NBOH 's main office at 112 West Market Street, Orrville, Ohio 44667], 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 January 27, 2015, by and between Farmers National Banc Corp. and NBOH;
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 NBOH is unaware of any other business to be transacted at the special meeting.

Holders of record of NBOH common shares at the close of business on [                      ,] 2015, 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 of NBOH 's common shares is required to adopt and approve the Agreement and Plan of Merger.

A joint 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 B to the joint proxy statement/prospectus.

**Your vote is very important, regardless of the number of NBOH common shares you own. Please vote as soon as possible to make sure that your common shares 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 NBOH common shares 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 NBOH board of directors 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,

*[insert signature]*

Mark R. Witmer

President and Chief Executive Officer

National Bancshares Corporation

[            ], 2015

**Table of Contents**

**FARMERS NATIONAL BANC CORP.**

**20 South Broad Street**

**Canfield, Ohio 44406**

**Notice of Special Meeting of Shareholders**

**To be held on [                      ], 2015**

To the Shareholders of Farmers National Banc Corp.:

Notice is hereby given that a special meeting of the shareholders of Farmers National Banc Corp. ( Farmers ) will be held at [ .m., local time, on                      , 2015, at Farmers main office at 20 South Broad Street, Canfield, Ohio 44406], 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 January 27, 2015, by and between Farmers and National Bancshares Corporation;
2. A proposal to approve the issuance of up to [7,668,359] Farmers common shares to be issued in connection with the Merger;
3. 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
4. Any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The board of directors of Farmers National Banc Corp. is unaware of any other business to be transacted at the special meeting.

Holders of record of Farmers common shares at the close of business on [                      ], 2015, 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 of the Farmers common shares outstanding and entitled to vote is required to adopt and approve the Agreement and Plan of Merger.

A joint 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 joint proxy statement/prospectus.

**Your vote is very important, regardless of the number of Farmers common shares you own. Please vote as soon as possible to make sure that your common shares 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 Farmers common shares 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 Farmers National Banc Corp. board of directors unanimously recommends that you vote (1) FOR the adoption and approval of the Agreement and Plan of Merger, (2) FOR the proposal to approve the issuance of common shares and (3) FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.**

By Order of the Board of Directors,

*[insert signature]*

Kevin J. Helmick

President and Chief Executive Officer

Farmers National Banc Corp.

[ ,] 2015

Table of Contents**WHERE YOU CAN FIND MORE INFORMATION**

Farmers is a publicly traded company that files annual, quarterly and other reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the "SEC"). You may obtain copies of these documents by mail from the public reference room of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 for further information on the public reference room. Farmers also files reports and other information with the SEC electronically, and the SEC maintains a web site located at [www.sec.gov](http://www.sec.gov) containing this information. Certain information filed by Farmers with the SEC is also available, without charge, through Farmers' website at [www.farmersbankgroup.com](http://www.farmersbankgroup.com) under the "Investor Relations" section, and NBOH's website at [www.discoverfirstnational.com](http://www.discoverfirstnational.com) under the "Investor Information" section.

Farmers has filed with the SEC a registration statement on Form S-4 to register its common shares to be issued to NBOH shareholders as part of the merger consideration. This document is a part of that registration statement. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and request a copy of the registration statement, including any amendments, schedules and exhibits at the addresses set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This joint proxy statement/prospectus incorporates by reference important business and financial information about Farmers from documents filed with or furnished to the SEC, that are not included in or delivered with this joint proxy statement/prospectus. See *INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE* on page [ ]. These documents are available, without charge, to you upon written or oral request at the applicable company's address and telephone number listed below:

Farmers National Banc Corp.

National Bancshares Corporation

20 South Broad Street

112 West Market Street

Canfield, Ohio 44406

Orrville, Ohio 44667

Attention: Investor Relations

Attention: Shareholder Relations

(330) 533-3341

(330) 765-0609

**To obtain timely delivery of these documents, you must request the information no later than [ ], 2015, in order to receive them before the Farmers special meeting and no later than [ ], 2015, in order to receive them before the NBOH special meeting.**

Farmers' common shares are traded on the Nasdaq under the symbol "FMNB". NBOH's common shares are traded on the OTCQX marketplace under the symbol "NBOH".

Neither Farmers nor NBOH has authorized anyone to provide you with any information other than the information included in this document and documents which are incorporated by reference. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this document and the documents incorporated by reference are accurate only as of their respective dates. Each of Farmers and NBOH's business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

## TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS</u>	1
<u>SUMMARY</u>	8
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR FARMERS</u>	17
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR NBOH</u>	19
<u>UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL INFORMATION</u>	22
<u>UNAUDITED COMPARATIVE PER SHARE DATA</u>	30
<u>MARKET PRICE AND DIVIDEND INFORMATION</u>	31
<u>RISK FACTORS</u>	32
<u>FORWARD-LOOKING STATEMENTS</u>	35
<u>THE SPECIAL MEETING OF SHAREHOLDERS OF NBOH</u>	37
<u>Time, Date and Place</u>	37
<u>Matters to be Considered</u>	37
<u>Record Date; Shares Outstanding and Entitled to Vote</u>	37
<u>Votes Required: Quorum</u>	37
<u>Solicitation and Revocation of Proxies</u>	38
<u>PROPOSALS SUBMITTED TO NBOH SHAREHOLDERS</u>	40
<u>THE SPECIAL MEETING OF SHAREHOLDERS OF FARMERS</u>	41
<u>Time, Date and Place</u>	41
<u>Matters to be Considered</u>	41
<u>Record Date; Shares Outstanding and Entitled to Vote</u>	41
<u>Votes Required: Quorum</u>	41
<u>Solicitation and Revocation of Proxies</u>	42
<u>PROPOSALS SUBMITTED TO FARMERS SHAREHOLDERS</u>	44
<u>DISSENTERS RIGHTS</u>	45
<u>THE MERGER</u>	46
<u>The Proposed Merger</u>	46
<u>Background of the Merger</u>	46
<u>NBOH's Reasons for the Merger</u>	49
<u>Recommendation of the NBOH Board of Directors</u>	51
<u>Opinion of NBOH's Financial Advisor</u>	51
<u>Farmers' Reasons for the Merger</u>	57
<u>Recommendation of the Farmers Board of Directors</u>	58
<u>Opinion of Farmers' Financial Advisor</u>	58
<u>Regulatory Approvals Required</u>	62
<u>Interests of NBOH Directors and Executive Officers in the Merger</u>	62
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	63
<u>Accounting Treatment</u>	67
<u>Resale of Farmers' Common Shares</u>	67

<u>THE MERGER AGREEMENT</u>	68
<u>Effects of the Merger</u>	68
<u>Effective Time of the Merger</u>	68
<u>Treatment of NBOH Stock Options</u>	68
<u>Covenants and Agreements</u>	69
<u>Representations and Warranties</u>	74

**Table of Contents**

<u>Conditions to the Merger</u>	77
<u>Termination; Termination Fee</u>	78
<u>Effect of Termination</u>	79
<u>Amendments, Extensions and Waivers</u>	79
<u>Stock Market Listing</u>	80
<u>Fees and Expenses</u>	80
<u>COMPARISON OF CERTAIN RIGHTS OF NBOH AND FARMERS SHAREHOLDERS</u>	81
<u>INFORMATION ABOUT NBOH</u>	84
<u>EXPERTS</u>	113
<u>LEGAL MATTERS</u>	113
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	113
<u>CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL BANCSHARES CORPORATION</u>	F-1
<b><u>Annexes:</u></b>	
<u>ANNEX A Dissenters' Rights Under Section 1701.85 of the Ohio General Corporation Law</u>	A-1
<u>ANNEX B Agreement and Plan of Merger</u>	B-1
<u>ANNEX C Opinion of Boenning &amp; Scattergood, Inc.</u>	C-1
<u>ANNEX D Opinion of Sterne, Agee &amp; Leach, Inc.</u>	D-1

---

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE MERGER  
AND THE SPECIAL MEETINGS**

*The following are answers to certain questions that you may have regarding the special meetings. You are urged to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: You are receiving this joint proxy statement/prospectus because Farmers National Banc Corp. ( Farmers ) and National Bancshares Corporation ( NBOH ) have agreed to merge under the terms of an Agreement and Plan of Merger dated as of January 27, 2015 (the Merger Agreement ), attached to this joint proxy statement/prospectus as Annex B. In order to complete the merger of NBOH into Farmers (the Merger ), the shareholders of both companies must vote to approve and adopt the Merger Agreement. Following the Merger, First National Bank, a national banking association and wholly-owned subsidiary of NBOH ( FNB ), will merge with and into The Farmers National Bank of Canfield, a national banking association and wholly-owned subsidiary of Farmers ( Farmers Bank ), with Farmers Bank being the surviving entity.

This joint proxy statement/prospectus contains important information about the Merger and the special meetings of the shareholders of Farmers and NBOH, and you should read it carefully. The enclosed voting materials allow you to vote your company s common shares without attending the special meeting.

**Q: What will NBOH shareholders receive in the Merger?**

A: NBOH shareholders will receive a combination of cash and Farmers common shares in the Merger. At the effective time of the Merger, each NBOH common share will be converted into the right to receive either:

4.034 Farmers common shares, or

\$32.15 in cash, subject to certain allocation procedures set forth in the Merger Agreement that are intended to ensure that 80% of the outstanding NBOH common shares are converted into the right to receive Farmers common shares and the remaining outstanding NBOH common shares are converted into the right to receive cash.

On January 26, 2015, which was the trading date prior to the date of the public announcement of the proposed Merger, the closing price for Farmers common shares was \$7.50, which, after giving effect to the 4.034 exchange ratio, had an implied value of approximately \$30.26 per share of NBOH. Based on this price with respect to the stock consideration, and the cash consideration of \$32.15 per share, upon completion of the Merger, a NBOH shareholder who receives stock for 80% of his or her common shares and receives cash for 20% of his or her common shares would receive total merger consideration with an implied value of approximately \$30.63 per share. As of



[ ], 2015, the most reasonably practicable date prior to the mailing of this joint proxy statement/prospectus, the closing price for Farmers common shares was \$[ ], which, after giving effect to the 4.034 exchange ratio, had an implied value of approximately \$[ ] per NBOH common share. Based on this price with respect to the stock consideration, and the cash consideration of \$32.15 per share, upon completion of the Merger, a NBOH shareholder who receives stock for 80% of his or her shares of common stock and receives cash for 20% of his or her common shares would receive total Merger consideration with an implied value of approximately \$[ ] per NBOH share.

Farmers will not issue any fractional common shares in connection with the Merger. Instead, each holder of NBOH common shares who would otherwise be entitled to receive a fraction of a Farmers common share will receive cash, without interest, in lieu of a fractional Farmers common share in an amount determined by reference to the closing sale prices of Farmers common shares on the NASDAQ Stock Market (the Nasdaq ) for the five (5) trading days trading days immediately preceding the effective date of the Merger.

---

**Table of Contents**

**Q: Can I make an election to select the form of merger consideration I desire to receive?**

A: You will have the opportunity to elect the form of consideration to be received for your shares, subject to certain adjustment and allocation procedures set forth in the Merger Agreement. These procedures are intended to ensure that 80% of the outstanding NBOH common shares will be converted into the right to receive Farmers common shares and the remaining outstanding NBOH common shares will be converted into the right to receive cash. Therefore, your ability to receive the cash or share elections of your choice will depend on the elections of other NBOH shareholders. The allocation of the mix of consideration payable to NBOH shareholders in the Merger will not be known until Farmers tallies the results of the cash and share elections made by NBOH shareholders, which may not occur until shortly after the closing of the Merger. See The Merger Terms of the Merger beginning on page [ ].

It is unlikely that elections will be made in the exact proportions provided for in the Merger Agreement. As a result, the Merger Agreement describes procedures to be followed if NBOH shareholders in the aggregate elect to receive more or less of the Farmers common shares than Farmers has agreed to issue. These procedures are summarized below.

***If Stock Is Oversubscribed:*** If NBOH shareholders elect to receive more Farmers common shares than Farmers has agreed to issue in the Merger, then all NBOH shareholders who have elected to receive cash or who have made no election will receive cash for their NBOH shares and all shareholders who elected to receive Farmers common shares will receive a pro rata portion of the available Farmers shares plus cash for those shares not converted into Farmers common shares.

***If Stock Is Undersubscribed:*** If NBOH shareholders elect to receive fewer Farmers common shares than Farmers has agreed to issue in the Merger, then all NBOH shareholders who have elected to receive Farmers common shares will receive Farmers common shares and those shareholders who elected to receive cash or who have made no election will be treated in the following manner:

If the number of shares held by NBOH shareholders who have made no election is sufficient to make up the shortfall in the number of Farmers common shares that Farmers is required to issue, then all NBOH shareholders who elected cash will receive cash, and those shareholders who made no election will receive both cash and Farmers common shares in such proportion as is necessary to make up the shortfall.

If the number of shares held by NBOH shareholders who have made no election is insufficient to make up the shortfall, then all NBOH shareholders who made no election will receive Farmers common shares and those NBOH shareholders who elected to receive cash will receive cash and Farmers common shares in such proportion as is necessary to make up the shortfall.

**No guarantee can be made that you will receive the amounts of cash and/or stock you elect. As a result of the allocation procedures and other limitations outlined in this document and the Merger Agreement, you may receive Farmers common shares or cash in amounts that vary from the amounts you elect to receive.**

**Q: How do NBOH Shareholders make their election to receive cash, Farmers common shares or a combination of both?**

A: Each NBOH shareholder of record will receive an election form, which you should complete and return, along with your NBOH share certificate(s), according to the instructions printed on the form. The election deadline will be 5:00 p.m., Eastern Time, on [ ] (the election deadline ). A copy of the election form is being mailed under separate cover on or about the date of this joint proxy statement/prospectus.

If you own NBOH common shares in street name through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the bank, broker or other nominee holding your shares concerning how to make an election. If you do not send in the election form with your stock certificate(s) by the election deadline, you will be treated as though you had not made an election.

**Table of Contents**

**Q: Can I change my election?**

A: You may change your election at any time prior to the election deadline by submitting to Computershare Investor Services written notice accompanied by a properly completed and signed, revised election form. You may revoke your election by submitting written notice to Computershare Investor Services prior to the election deadline or by withdrawing your share certificates prior to the election deadline. NBOH shareholders will not be entitled to change or revoke their elections following the election deadline. If you instructed a bank, broker or other financial institution to submit an election for your shares, you must follow their directions for changing those instructions.

**Q: What happens if I do not make a valid election to receive cash or Farmers common shares?**

A: If you do not return a properly completed election form by the election deadline specified in the election form, your NBOH common shares will be considered non-election shares and will be converted into the right to receive the stock consideration or the cash consideration according to the allocation procedures specified in the Merger Agreement. Generally, in the event one form of consideration (cash or Farmers common shares) is undersubscribed in the Merger, NBOH common shares for which no election has been validly made will be allocated to that form of consideration before shares of electing the oversubscribed form will be switched to it pursuant to the proration and adjustment procedures. Accordingly, while electing one form of consideration will not guarantee you will receive that form for all of your NBOH common, in the event proration is necessary electing shares will have a priority over non-electing shares.

**Q: What are the material U.S. federal income tax consequences of the Merger to NBOH shareholders?**

A: The closing of the Merger is conditioned upon the receipt by each of Farmers and NBOH of a legal opinion that the Merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code. However, the federal tax consequences of the Merger to an NBOH shareholder will depend primarily on whether a shareholder exchanges the shareholder's NBOH common shares solely for Farmers common shares, solely for cash or for a combination of Farmers common shares and cash. NBOH shareholders who exchange their shares solely for Farmers common shares should not recognize a gain or loss except with respect to cash received in lieu of a fractional Farmers common share. NBOH shareholders who exchange their shares solely for cash should recognize a gain or loss on the exchange. NBOH shareholders who exchange their shares for a combination of Farmers common shares and cash may recognize a gain, but not any loss, on the exchange. The actual U.S. federal income tax consequences to NBOH shareholders of electing to receive cash, Farmers common shares or a combination of cash and stock will not be ascertainable at the time NBOH shareholders make their election because it will not be known at that time how, or to what extent, the allocation and proration procedures will apply.

For a more detailed discussion of the material U.S. federal income tax consequences of the Merger, please see the section "The Merger - Material Tax Consequences of the Merger" beginning on page [ ].

**The consequences of the Merger to any particular NBOH shareholder will depend on that shareholder's particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine the tax consequences of the Merger to you.**

**Q: Does NBOH anticipate paying any dividends prior to the effective date of the Merger?**

A: Yes. Under the terms of the Merger Agreement, NBOH is permitted to pay to its shareholders its usual and customary cash dividend of no greater than \$0.10 per share per quarter, with a dividend of such amount paid immediately prior to the effective date prorated for the portion of the quarter in which the effective date occurs. Subject to compliance with applicable law, NBOH plans to pay such a dividend.

**Q: When and where will the Farmers and NBOH special meetings of shareholders take place?**

A: The special meeting of Farmers' shareholders will be held at: [ .m., local time, on , 2015, at Farmers' main office at 20 South Broad Street, Canfield, Ohio 44406]. The special meeting of shareholders of NBOH will be held at [ .m., local time, on , 2015, at NBOH's main office at 112 West Market Street, Orrville, Ohio 44667].

**Table of Contents**

**Q: What matters will be considered at the Farmers and NBOH special meetings?**

A: The shareholders of Farmers will be asked to (1) vote to adopt and approve the Merger Agreement; (2) vote to approve the issuance of up to [7,668,359] Farmers common shares to be issued in connection with the Merger, (3) 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 (4) vote on any other business which properly comes before the special meeting.

The shareholders of NBOH 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.

**Q: What do the Boards of Directors of Farmers and NBOH recommend with respect to the matters to be considered at the special meetings?**

Farmers' board of directors has determined that the Merger Agreement is in the best interests of Farmers and its shareholders and recommends that Farmers shareholders vote FOR the proposal to adopt and approve the Merger Agreement, FOR the proposal to issue up to [7,668,359] Farmers common shares in connection with the merger, and FOR the proposal to adjourn the special meeting to solicit additional proxies if there are insufficient votes to adopt and approve the Merger Agreement.

NBOH's board of directors has also determined that the Merger Agreement is in the best interests of NBOH and its shareholders and recommends that NBOH shareholders vote FOR the proposal to adopt and approve the Merger Agreement and FOR the proposal to adjourn the special meeting to solicit additional proxies if there are insufficient votes to adopt and approve the Merger Agreement.

**Q: Is my vote needed to adopt and approve the Merger Agreement and to approve the other matters?**

A: Yes. The adoption and approval of the Merger Agreement requires the affirmative vote of the holders of not less than two-thirds of the Farmers common shares outstanding and entitled to vote, and by the holders of at least two-thirds of the NBOH common shares outstanding and entitled to vote. Certain of the directors of NBOH, who, collectively, beneficially own 535,729 NBOH common shares, entered into voting agreements with Farmers on January 27, 2015, pursuant to which they are required, up to a collective maximum of 19.9% of NBOH's outstanding common shares and subject to certain other terms and conditions, to vote their shares in favor of the adoption and approval of the Merger Agreement (the "Voting Agreements"). The directors of Farmers did not enter into similar voting agreements, but all intend to vote their Farmers common shares in favor of the adoption and approval of the Merger Agreement.

The special meetings 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 Farmers and NBOH common shares represented, in person or proxy, at the respective special meeting is required to adjourn such special meeting. In addition, the affirmative vote of a majority of the Farmers common shares represented in person or by proxy at the Farmers special meeting and entitled to vote at the special meeting is required to approve the Farmers proposal to issue up to [7,668,359] common shares in connection

with the Merger.

**Q: How do I vote?**

A: If you were the record holder of a Farmers or NBOH common share as of [ ], 2015, or [ ], 2015, respectively, you may vote in person by attending your company's special meeting or, to ensure that your common shares are represented at the special meeting, you may vote your shares by signing and returning your company's enclosed proxy card in the postage-paid envelope provided by each of Farmers and NBOH. If you hold your Farmers or NBOH common shares in the name of a broker, bank or other nominee, please see the discussion below regarding shares held in street name.

**Table of Contents**

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

A: If you fail to return your proxy card or vote in person at the special meeting or if you mark **ABSTAIN** on your proxy card or ballot at the special meeting with respect to the proposal to adopt and approve the Merger Agreement or the Farmers proposal to approve the issuance of shares, it will have the same effect as a vote **AGAINST** the proposal. If you mark **ABSTAIN** on your proxy card or ballot with respect to the adjournment of your company's special meeting, if necessary, to solicit additional proxies, it will have the same effect as a vote **AGAINST** the proposal. The failure to return your proxy card or vote in person, however, will have no effect on the proposal to adjourn your company's special meeting, if necessary, to solicit additional proxies.

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

A: As an NBOH shareholder, if you sign, date and return your proxy card and do not indicate how you want your common shares 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 for the special meeting to solicit additional proxies.

As a Farmers shareholder, if you sign, date and return your proxy card and do not indicate how you want your common shares to be voted, then your shares will be voted **FOR** the adoption and approval of the Merger Agreement, **FOR** the approval of the issuance of common shares and, if necessary, **FOR** the approval of the adjournment for the special meeting to solicit additional proxies.

**Q: If my common shares 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: No. You must provide your broker, bank or nominee (the record holder of your common shares) with instructions on how to vote your common shares. 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 common shares **will not** be voted by your broker, bank or nominee.

Assuming a quorum is present, if you are a Farmers or NBOH shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares,

your broker, bank or other nominee may not vote your shares on the proposal to approve the Merger, which broker non-votes will have the same effect as a vote **AGAINST** such proposal; and

your broker, bank or other nominee may not vote your shares on Farmers proposal to issue common shares, or either company's adjournment proposal, which broker non-votes will have no effect on the vote count for either of such proposals.



Under the Nasdaq rules, brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the Nasdaq determines to be non-routine without specific instructions from the beneficial owner. It is expected that all proposals to be voted on at the Farmers and NBOH special meetings are such non-routine matters. Broker non-votes occur when a broker or nominee is not instructed by the beneficial owner of shares to vote on a particular proposal for which the broker does not have discretionary voting power.

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

A: Farmers shareholders may revoke a proxy at any time before a vote is taken at the special meeting by: (i) filing a written notice of revocation with Farmers Secretary, at 20 South Broad Street, Canfield, Ohio 44406; (ii) executing and returning another proxy card with a later date; or (iii) attending the special meeting and giving notice of revocation in person.

**Table of Contents**

NBOH shareholders may revoke a proxy at any time before a vote is taken at the special meeting by: (i) filing a written notice of revocation with NBOH's Chief Financial Officer at 112 West Market Street, Orrville, Ohio 44667; (ii) executing and returning another proxy card with a later date; or (iii) attending the special meeting and giving notice of revocation in person.

***Your attendance at the special meeting will not, by itself, revoke your proxy.***

If you hold your common shares in street name and you have instructed your broker, bank or nominee to vote your common shares, 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 dissenters' rights?**

A: If you are an NBOH shareholder as of [ ], 2015, the record date, and you do not vote your shares in favor of the adoption and approval of the Merger Agreement and you do not return an unmarked proxy card, you will have the right under Section 1701.85 of the Ohio General Corporation Law ( OGCL ) to demand the fair cash value for your NBOH common shares. The right to make this demand is known as dissenters' rights. To exercise your dissenters' rights, you must deliver to NBOH 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 NBOH common shares owned by you, and the amount you claim to be the fair cash value of the your NBOH shares, and should be mailed to: National Bancshares Corporation, Attention: Corporate Secretary, 112 West Market Street, Orrville, Ohio 44667. NBOH shareholders who wish to exercise their dissenters' rights must either: (i) vote against the Merger or not return the proxy card, and (ii) deliver written demand for payment prior to the NBOH shareholder vote. For additional information regarding dissenters' rights, see *DISSENTERS' RIGHTS* on page [ ] of this joint proxy statement/prospectus and the complete text of the applicable sections of the OGCL attached to this joint proxy statement/prospectus as Annex A. No holder of Farmers common shares is entitled to exercise any rights of a dissenting shareholder under the OGCL.

**Q: When is the Merger expected to be completed?**

A: We are working to complete the Merger as quickly as possible. We expect to complete the Merger in the second quarter of 2015, assuming shareholder approvals and all applicable governmental approvals have been received by then and all other conditions precedent to the Merger have been satisfied or waived.

**Q: Should NBOH shareholders send in their share certificates now?**

A: No. Either at the time of closing or shortly after the Merger is completed, the Exchange Agent for the Merger will send you a letter of transmittal with instructions informing you how to send in your share certificates to the Exchange Agent. You should use the letter of transmittal to exchange your NBOH share certificates for the Merger consideration. Do not send in your share certificates with your proxy form.

**Q: What do I need to do now?**

A: After carefully reviewing this joint 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 your company's proxy to vote your common shares at your company's special meeting of shareholders 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 common shares will be voted at the special meeting.*

**Q: Are there risks that I should consider in deciding whether to vote in favor of the Merger Agreement and the other proposals to be acted upon at the special meetings?**

A: Yes. You should read and carefully consider the risk factors set forth in the section of this joint proxy statement/prospectus entitled "Risk Factors" beginning on page 32.

**Table of Contents**

**Q: Who can answer my questions?**

A: If you have questions about the Merger or desire additional copies of this joint proxy statement/prospectus or additional proxy cards, please contact your company or its proxy solicitor at the applicable address below:

Farmers National Banc Corp.

Attention: Investor Relations

20 South Broad Street

Canfield, Ohio 44406

(330) 533-3341

National Bancshares Corporation

Attention: Shareholder Relations

112 West Market Street

Orrville, Ohio 44667

(330) 765-0609

Morrow & Co., LLC (Farmers Proxy Solicitor)

470 West Avenue 9<sup>th</sup> Floor

Stamford, Connecticut 06902

Toll-Free: (800) 267-0201

**Table of Contents**

**SUMMARY**

*This summary highlights selected information from this joint 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 joint proxy statement/prospectus refers before you decide how to vote. In addition, we incorporate by reference important business and financial information about Farmers into this document. For a description of this information, see INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE on page [ ]. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled WHERE YOU CAN FIND MORE INFORMATION in the forepart of this document. Each item in this summary includes a page reference, where applicable, directing you to a more complete description of that item.*

**The Companies**

**Farmers National Banc Corp.**

Farmers National Banc Corp.

20 South Broad Street

Canfield, Ohio 44406

Phone: (330) 533-3341

Farmers is a one-bank holding company organized in 1983 under the laws of the State of Ohio and registered under the Bank Holding Company Act of 1956, as amended (the BHCA ). Farmers operates principally through its wholly-owned subsidiaries, Farmers Bank, Farmers Trust Company ( Farmers Trust ) and National Associates, Inc. ( NAI ). Farmers National Insurance, LLC ( Farmers Insurance ) and Farmers of Canfield Investment Co. ( Farmers Investments ) are wholly-owned subsidiaries of Farmers Bank. Farmers and its subsidiaries operate in the domestic banking, trust, retirement consulting, insurance and financial management industries.

Farmers principal business consists of owning and supervising its subsidiaries. Although Farmers directs the overall policies of its subsidiaries, including lending practices and financial resources, most day-to-day affairs are managed by their respective officers. Farmers and its subsidiaries had 327 full-time equivalent employees at December 31, 2014. Farmers business activities are managed and financial performance is primarily aggregated and reported in three lines of business, the bank segment, the trust segment and the retirement planning/consulting segments.

Farmers Bank is a full-service national banking association engaged in commercial and retail banking mainly in Mahoning, Trumbull, Columbiana and Stark Counties in Ohio. Farmers Bank s commercial and retail banking services include checking accounts, savings accounts, time deposit accounts, commercial, mortgage and installment loans, home equity loans, home equity lines of credit, night depository, safe deposit boxes, money orders, bank checks, automated teller machines, internet banking, travel cards, E Bond transactions, MasterCard and Visa credit cards, brokerage services and other miscellaneous services normally offered by commercial banks.

Farmers Bank faces significant competition in offering financial services to customers. Ohio has a high density of financial service providers, many of which are significantly larger institutions that have greater financial resources than Farmers Bank, and all of which are competitors to varying degrees. Competition for loans comes principally from savings banks, savings and loan associations, commercial banks, mortgage banking companies, credit unions,

insurance companies and other financial service companies. The most direct competition for deposits has historically come from savings and loan associations, savings banks, commercial banks and credit unions. Additional competition for deposits comes from non-depository competitors such as the mutual fund industry, securities and brokerage firms and insurance companies.

## **Table of Contents**

During 2009, Farmers acquired 100% of the capital stock of Butler Wick Trust Company, a wholly-owned subsidiary of Butler Wick Corporation for approximately \$12.1 million and renamed the entity Farmers Trust Company. Farmers Trust offers a full complement of personal and corporate trust services in the areas of estate settlement, trust administration and employee benefit plans. Farmers Trust operates two offices located in Boardman and Howland, Ohio.

During 2013, Farmers completed the acquisition of all of the outstanding stock of the retirement planning consultancy National Associates, Inc. of Cleveland, Ohio. The transaction involved both cash and stock totaling \$4.4 million, including up to \$1.5 million of future payments, contingent upon NAI meeting income performance targets. The acquisition is part of Farmers' plan to increase the levels of noninterest income and to complement the existing retirement service currently being offered. NAI operates from its office located in Rocky River, Ohio.

Farmers Insurance was formed during 2009 and offers a variety of insurance products through licensed representatives. Farmers Insurance is a subsidiary of Farmers Bank and does not account for a material portion of the revenue of Farmers.

Farmers of Canfield Investment Company was formed during 2014 with the primary purpose of investing in municipal securities. Farmers Investments is a subsidiary of Farmers Bank and does not account for a material portion of the revenue of Farmers.

Farmers' common shares are traded on the NASDAQ Stock Market (the Nasdaq) under the symbol FMNB. Farmers 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 SEC. Further important business and financial information about Farmers is incorporated by reference into this joint proxy statement/prospectus. See *INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE* on page [ ] of this joint proxy statement/prospectus.

## **National Bancshares Corporation**

National Bancshares Corporation

112 West Market Street

Orrville, Ohio 44667

Phone: (330) 765-0609

NBOH is a one-bank holding company organized in 1985 under the laws of the State of Ohio and is registered under the BHCA. NBOH operates through its wholly-owned subsidiary, FNB. FNB is a full-service national banking association engaged in banking through a network of 14 offices located in Wayne, Medina, Stark, and Columbiana counties in Ohio.

FNB makes commercial real estate loans, commercial loans, residential real estate and home equity loans, and consumer loans. A significant portion of FNB's lending consists of origination of conventional loans secured by 1-4 family real estate located in FNB's market area. The bank's residential mortgage loans generally are originated with loan documentation permitting sale to Federal Home Loan Mortgage Corporation. Deposits, repayment of mortgage-backed securities and repayment of loan principal are FNB's primary sources of funds for lending activities and other general business purposes. These funds are supplemented by FHLB borrowings.

The banking industry in FNB's market areas is highly competitive. In addition to competing with other commercial and savings banks and savings and loan associations, FNB competes with credit unions, finance companies, leasing companies, mortgage companies, insurance companies, brokerage and investment banking



**Table of Contents**

firms, asset-based non-bank lenders and many other financial service firms. Competition is based on interest rates offered on deposit accounts, interest rates charged on loans and leases, fees and service charges, the quality and scope of the services rendered, the convenience of banking facilities and, in the case of loans to commercial borrowers, relative lending limits, as well as other factors.

At December 31, 2014, FNB had 111 full-time equivalent employees. NBOH's common shares are traded in the OTCQX marketplace under the symbol NBOH.

**The Merger (page )**

The Merger Agreement provides that, if all of the conditions are satisfied or waived, NBOH will be merged with and into Farmers, with Farmers surviving. Thereafter, at a later time specified by Farmers Bank in its certificate of merger filed with the Office of the Comptroller of the Currency (the OCC), FNB will be merged with and into Farmers Bank. The Merger Agreement is attached to this joint proxy statement/prospectus as [Annex B](#) and is incorporated in this joint proxy statement/prospectus by reference. *We encourage you to read the Merger Agreement carefully, as it is the legal document that governs the Merger.*

**What NBOH shareholders will receive in the Merger (page )**

Under the terms of the Merger Agreement, shareholders of NBOH will be entitled to receive from Farmers, after the Merger is completed, Merger consideration payable in the form of a combination of cash and Farmers common shares to be calculated as set forth in the Merger Agreement. At the effective time of the Merger, each NBOH common share will be converted into the right to receive either: (i) 4.034 Farmers common shares, or (ii) \$32.15 in cash, subject to adjustment under certain circumstances set forth in the Merger Agreement. Following the Merger, NBOH shareholders will own approximately 28.1% of the outstanding Farmers common shares. Additionally, while NBOH has historically paid a \$0.10 per share quarterly dividend, Farmers currently pays a \$0.03 per share quarterly dividend. On a per share equivalent basis, NBOH shareholders would receive a 21.0% increase in dividends.

Farmers will not issue any fractional common shares in connection with the Merger. Instead, each holder of NBOH common shares who would otherwise be entitled to receive a fraction of a Farmers common share (after taking into account all NBOH common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the Farmers fractional common share to which such holder would otherwise be entitled multiplied by the volume-weighted average, rounded to the nearest one tenth of a cent, of the closing sale prices of Farmers common shares based on information reported by the Nasdaq for the five (5) trading days immediately preceding the effective time.

**What holders of NBOH Stock Options will receive (page )**

At the effective time of the Merger, each outstanding and unexercised employee and director option to purchase NBOH common shares, whether vested or unvested, will vest in full and cease to represent an option to purchase NBOH common shares. Instead, each holder of an option will be entitled to receive cash in an amount equal to (a) the difference between \$32.15 and the exercise price of the option, multiplied by (b) the total number of NBOH common shares for which the option was exercisable.

As of [ ], 2015, there were outstanding NBOH stock options to purchase [144,071] shares, [100%] of which were vested. As of [ ], 2015, all [144,071] NBOH common shares, or [100%] of all outstanding option shares, are held by directors and executive officers of NBOH. The average exercise price of the outstanding NBOH stock options is \$[16.53]. Accordingly, the maximum aggregate cash payment to the holders of NBOH stock options

will be approximately \$[2.25 million].

**Table of Contents**

**Exchange of NBOH common shares (page )**

Once the Merger is complete, Computershare Investor Services, as exchange agent (the Exchange Agent ), will mail you transmittal materials and instructions for exchanging your NBOH share certificates for Farmers common shares to be issued by book-entry transfer.

**NBOH special meeting of shareholders (page )**

A special meeting of shareholders of NBOH will be held at [ .m., local time, on , 2015, at NBOH s main office at 112 West Market Street, Orrville, Ohio 44667], 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 NBOH 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 NBOH common shares as of the close of business on [ ], 2015. As of [ ], 2015, a total of [2,232,094] NBOH common shares were outstanding and eligible to be voted at the NBOH special meeting.

**Farmers special meeting of shareholders (page )**

A special meeting of shareholders of Farmers will be held at [ .m., local time, on , 2015, at Farmers main office at 20 South Broad Street, Canfield, Ohio 44406], 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 issuance of up to [7,668,359] Farmers common shares to be issued in connection with the Merger;

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 Farmers 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 Farmers common shares as of the close of business on [ ], 2015. As of [ ], 2015, a total of [18,408,612] Farmers common shares were outstanding and eligible to be voted at the Farmers special meeting.

**Required vote (pages , )**

The adoption and approval of the Merger Agreement by Farmers will require the affirmative vote of the holders of at least 12,272,408 Farmers common shares, which, as of [ ], 2015, is not less than two-thirds of the Farmers common shares outstanding and entitled to vote at the Farmers special meeting. A quorum,

**Table of Contents**

consisting of the holders of 6,136,204 of the outstanding Farmers common shares, must be present in person or by proxy at the Farmers 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 Farmers common shares represented, in person or proxy, at the special meeting is required to adjourn the special meeting, if necessary, to solicit additional proxies.

The adoption and approval of the Merger Agreement by NBOH will require the affirmative vote of the holders of at least [1,488,063] NBOH common shares, which is two-thirds of the NBOH common shares outstanding and entitled to vote at the NBOH special meeting. A quorum, consisting of the holders of [1,116,047] of the outstanding NBOH common shares, must be present in person or by proxy at the NBOH 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 NBOH common shares represented, in person or proxy, at the special meeting is required to adjourn the special meeting, if necessary, to solicit additional proxies.

As of [ ], 2015, directors of Farmers owned an aggregate of 355,276 Farmers common shares, an amount equal to approximately 1.93% of the outstanding Farmers common shares. As of the same date, directors of NBOH beneficially owned an aggregate of [544,329] NBOH common shares, an amount equal to approximately [24.2]% of the outstanding NBOH common shares.

All directors and executive officers of Farmers have indicated that they will vote in favor of the adoption and approval of the Merger Agreement, although none of them have entered into formal commitments. Certain of the directors of NBOH, who, collectively, beneficially own 535,729 NBOH common shares, entered into the Voting Agreements, pursuant to which they are required, up to a collective maximum of 19.9% of NBOH's outstanding common shares and subject to certain other terms and conditions, to vote their shares in favor of the adoption and approval of the Merger Agreement. No non-director executive officer of NBOH nor any other NBOH shareholder included in the table on page [ ] of this joint proxy statement/prospectus has executed a voting agreement with Farmers nor has any such person committed to Farmers or NBOH that such person will vote in favor of any of the matters being presented to the NBOH shareholders at the NBOH special meeting. Excluding such committed shares held by NBOH directors, the adoption and approval of the Merger Agreement will require the affirmative vote of the holders of at least [1,043,877] NBOH common shares, or [58.4]% of the non-committed outstanding shares.

As of the date of this joint proxy statement/prospectus, Farmers and its directors, executive officers and affiliates beneficially owned no NBOH common shares, and NBOH and its directors, executive officers and affiliates beneficially owned no Farmers common shares. Farmers Bank acts as trustee for [ ] Farmers common shares. FNB acts as trustee for no NBOH common shares. Farmers will vote the shares it holds as trustee with respect to which it has voting power in accordance with its fiduciary duties at the time of the Farmers special meeting, but expects at this time that it will vote the shares in favor of all of the proposals presented for a vote.

**Recommendation to NBOH shareholders (page )**

The board of directors of NBOH approved the Merger Agreement by a vote of eight to two. The board of directors of NBOH believes that the Merger is in the best interests of NBOH and its shareholders, and, as a result, the board of directors recommend that NBOH shareholders vote **FOR** the adoption and approval of the Merger Agreement and **FOR** the proposal to adjourn the special meeting, if necessary and appropriate, to solicit additional proxies.

In reaching this decision, the board of directors of NBOH considered many factors, which are described in the section captioned *THE MERGER Background of the Merger* and *THE MERGER NBOH's Reasons for the Merger* beginning on page and page , respectively, of this joint proxy statement/prospectus.



---

**Table of Contents**
**Opinion of NBOH's Financial Advisor (page )**

In connection with the Merger, NBOH's financial advisor, Boenning & Scattergood, Inc. ( Boenning ), delivered a written opinion, dated January 27, 2015, to the NBOH board of directors as to the fairness, from a financial point of view, of the Merger consideration in the Merger to be received by the holders of NBOH common shares. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Boenning in preparing the opinion, is attached as Annex C to this document. **The opinion was for the information of, and was directed to, the NBOH board (in its capacity as such) in connection with its consideration of the financial terms of the Merger. The opinion did not address the underlying business decision of NBOH to engage in the Merger or enter into the Merger Agreement or constitute a recommendation to the NBOH board in connection with the Merger, and it does not constitute a recommendation to any holder of NBOH common shares or any shareholder of any other entity as to how to vote in connection with the Merger or any other matter.**

**Recommendation to Farmers shareholders (page )**

The board of directors of Farmers unanimously approved the Merger Agreement. The board of directors of Farmers believes that the Merger is in the best interests of Farmers and its shareholders, and, as a result, the directors unanimously recommend that Farmers shareholders vote **FOR** the adoption and approval of the Merger Agreement, **FOR** the approval of the issuance of up to [ ] common shares in connection with the Merger, and **FOR** the proposal to adjourn the special meeting, if necessary and appropriate, to solicit additional proxies.

In reaching this decision, the board of directors of Farmers considered many factors which are described in the section captioned *THE MERGER Background of the Merger* and *THE MERGER Farmers Reasons for the Merger* beginning on page and page , respectively, of this joint proxy statement/prospectus.

**Opinion of Farmers' Financial Advisor (page )**

At the request of Farmers' board of directors on January 27, 2015, Sterne, Agee & Leach, Inc. ( Sterne Agee ) rendered its opinion that, as of January 27, 2015, from a financial point of view, the Merger consideration to be paid by Farmers pursuant to the Merger Agreement was fair, based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion. The full text of Sterne Agee's written opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this document as Annex D. **The opinion was provided for the information of Farmers' board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the Merger and the opinion only addressed whether the Merger consideration to be paid by Farmers in the Merger pursuant to the Merger Agreement was fair, from a financial point of view, to Farmers. The opinion did not address any other term or aspect of the Merger Agreement or the Merger contemplated thereby. The opinion does not constitute a recommendation to the board or to any holder of Farmers common shares as to how the board, such shareholder or any other person should vote or otherwise act with respect to the Merger or any other matter.**

**Material U.S. federal income tax consequences of the Merger (page )**

Farmers and NBOH 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 it is a condition to the obligation of NBOH to complete the Merger that it receives a legal opinion to that effect. If treated as a reorganization, for U.S. federal income tax purposes (i) no gain or loss will be recognized by Farmers





---

**Table of Contents**

or NBOH as a result of the Merger, (ii) NBOH shareholders will recognize gain (but not loss) in an amount not to exceed any cash received in exchange for NBOH common shares in the Merger (other than any cash received in lieu of a fractional Farmers common share, as discussed below under the section entitled *THE MERGER Material U.S. Federal Income Tax Consequences of the Merger Cash in Lieu of Fractional Shares* beginning on page ) and (iii) NBOH shareholders who exercise dissenters' rights and receive solely cash in exchange for NBOH common shares in the Merger will, generally, recognize gain or loss equal to the difference between the amount of cash received and their tax basis in their shares.

All NBOH shareholders should read carefully the description under the section captioned *THE MERGER Material U.S. Federal Income Tax Consequences of the Merger* beginning on page of this joint proxy statement/prospectus and should consult their own tax advisors concerning these matters. All NBOH shareholders should consult their tax advisors as to the specific tax consequences of the Merger to them, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws.

**Interests of directors and executive officers of NBOH (page )**

Officers and directors of NBOH have employment and other compensation agreements or economic interests that give them interests in the Merger that are somewhat different from, or in addition to, their interests as NBOH shareholders. These interests and agreements include:

two members of the NBOH board of directors (Mr. Smail and Mr. Wenger) will be appointed to the Farmers Board of Directors, and it is anticipated that Mr. Smail will serve as Vice Chairman of Farmers;

the acceleration of vesting of all outstanding stock options issued by NBOH, and all such stock options will be exchanged for an amount of cash equal to the positive difference between \$32.15 and the exercise price per share of such NBOH stock option multiplied by the number of shares subject to such NBOH stock option;

continued employment that has been offered by Farmers to NBOH's President and Chief Executive Officer, and will be offered to NBOH's Vice President and Chief Financial Officer, and each other member of NBOH's senior management team; and

rights of NBOH officers and directors to continued indemnification coverage and continued coverage under directors' and officers' liability insurance policies.

Each of Farmers' and NBOH's board of directors was aware of these interests and considered them in approving the Merger Agreement. See *THE MERGER Interests of NBOH Directors and Executive Officers in the Merger* beginning on page of this joint proxy statement/prospectus.

**Dissenters' rights of NBOH shareholders (page )**

Under Ohio law, NBOH shareholders who do not vote in favor of the adoption and approval of the Merger Agreement and deliver a written demand for payment for the fair cash value of their NBOH common shares prior to the NBOH special meeting, will be entitled, if and when the Merger is completed, to receive the fair cash value of their NBOH

common shares. The right to make this demand is known as dissenters' rights. NBOH shareholders' right to receive the fair cash value of their NBOH common shares, however, is contingent upon strict compliance with the procedures set forth in Section 1701.85 of the OGCL. An NBOH shareholder's failure to vote against the adoption and approval of the Merger Agreement will not constitute a waiver of such shareholder's dissenters' rights, so long as such shareholder does not vote in favor of the Merger Agreement or return an unmarked proxy card.

---

**Table of Contents**

For additional information regarding dissenters' rights, see *DISSENTERS' RIGHTS* on page of this joint proxy statement/prospectus and the complete text of Section 1701.85 of the OGCL attached to this joint proxy statement/prospectus as Annex A. If NBOH shareholders should have any questions regarding dissenters' rights, such shareholders should consult with their own legal advisers.

**Certain differences in shareholder rights (page )**

When the Merger is completed, NBOH shareholders (other than those exercising dissenters' rights or receiving only cash) will receive Farmers common shares and, therefore, will become Farmers shareholders. As Farmers shareholders, the former NBOH shareholders' rights will be governed by Farmers' Amended Articles of Incorporation and Regulations, as well as Ohio law. Notably, NBOH shareholders will own less of the combined company and as such will have decreased voting power. For a summary of significant differences, see *COMPARISON OF CERTAIN RIGHTS OF NBOH AND FARMERS SHAREHOLDERS* beginning on page of this joint proxy statement/prospectus.

**Regulatory approvals required for the Merger (page )**

The Merger cannot be completed until Farmers receives necessary regulatory approvals, which include the approval of the Federal Reserve and the approval of the OCC. Farmers [has/has not yet] received such approval to consummate the Merger from the OCC and the Federal Reserve.

**Conditions to the Merger (page )**

As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, the completion of the Merger depends on the adoption and approval of the Merger Agreement by Farmers' and NBOH's shareholders and receipt of the required regulatory approvals, in addition to satisfaction of, or where legally permissible, waiver of, other customary conditions. Although Farmers and NBOH anticipate the closing of the Merger will occur in the second quarter of 2015, neither Farmers nor NBOH can be certain when, or if, the conditions to the Merger will be satisfied or, where permissible, waived, or that the Merger will be completed. See *THE MERGER AGREEMENT Conditions to Consummation of the Merger* beginning on page of this joint proxy statement/prospectus.

**Termination; Termination Fee (page )**

The Merger Agreement may be terminated at any time prior to the effective time of the Merger, whether before or after approval of the Merger by NBOH shareholders:

by mutual written consent of Farmers and NBOH;

by either party, if a required governmental approval is denied by final, non-appealable action, or if a governmental entity has issued a final, non-appealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the transactions contemplated by the Merger Agreement;

by either Farmers or NBOH, if the Merger has not closed on or before January 27, 2016, unless the failure to close by such date is due to the terminating party's failure to observe the covenants and agreements of such party set forth in the Merger Agreement;

by either Farmers or NBOH, if there is a breach by the other party of any of its covenants or agreements or any of its representations or warranties that would, either individually or in the aggregate with other breaches by such party, result in, if occurring or continuing on the closing date, the failure of the conditions of the terminating party's obligation to complete the Merger and which is not cured within 30 days following written notice to the party committing such breach or by its nature or timing cannot be cured within such time period (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the Merger Agreement);

**Table of Contents**

by Farmers, if at any time prior to the effective time of the Merger, NBOH's board of directors has (1) failed to recommend to the shareholders of NBOH that they vote to approve the Merger Agreement, (2) changed its recommendation with respect to the Merger Agreement, including by publicly approving, endorsing or recommending, or publicly proposing to approve, endorse or recommend, certain acquisition proposals other than the Merger agreement, whether or not permitted by the Merger Agreement, or has resolved to do the same, or (3) failed to substantially comply with its non-solicitation obligations or its obligations to recommend to the NBOH shareholders the adoption of the Merger proposal and call a shareholder meeting for that purpose;

by Farmers, if a tender offer or exchange offer for 15% or more of the outstanding NBOH common shares is commenced (other than by Farmers or a subsidiary of Farmers), and NBOH's board of directors recommends that the shareholders of NBOH tender their shares in such tender or exchange offer or otherwise fails to recommend that such shareholders reject such tender or exchange offer within ten business days; or

by either Farmers or NBOH, if the NBOH shareholders do not vote to approve the Merger Agreement at a duly held shareholders meeting (including any adjournment or postponement of such meeting) or the Farmers shareholders do not vote to approve the merger agreement at a duly held shareholders meeting (including any adjournment or postponement of such meeting).

If the Merger Agreement is terminated under certain circumstances, including circumstances involving alternative acquisition proposals, NBOH may be required to pay Farmers a termination fee of \$2.5 million. See *THE MERGER AGREEMENT Termination; Termination Fee* beginning on page [ ].

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR FARMERS**

The following table summarizes financial results achieved by Farmers for the periods and at the dates indicated and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, Farmers' Consolidated Financial Statements and the notes to the Consolidated Financial Statements contained in reports that Farmers has previously filed with the SEC. Historical financial information for Farmers can be found in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014. The selected operating data presented below are not necessarily indicative of the results that may be expected for future periods. See *WHERE YOU CAN FIND MORE INFORMATION* in the forepart of this document for instructions on how to obtain the information that has been incorporated by reference. You should not assume the results of operations for past periods noted below indicate results for any future period.

The information below has been derived from Farmers' Consolidated Financial Statements.

**SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF  
FARMERS NATIONAL BANC CORP.**

<i>(Dollars in thousands, except per share data)</i>	At December 31,				
	2014	2013	2012	2011	2010
<b>Selected Financial Data:</b>					
Total assets	\$ 1,136,967	\$ 1,137,326	\$ 1,139,695	\$ 1,067,871	\$ 982,751
Loans, net of allowance for loan losses <sup>(1)</sup>	656,220	623,116	578,963	561,986	581,060
Allowance for loan losses	7,632	7,568	7,629	9,820	9,307
Securities available for sale	389,829	422,985	464,088	400,029	314,347
Goodwill and other intangible assets	8,813	10,343	6,032	6,441	6,920
Total deposits	915,703	915,216	919,009	840,125	761,050
FHLB borrowings	28,381	19,822	10,359	11,134	24,544
Total stockholders' equity	123,560	113,007	120,792	114,445	88,048
	For the year ended December 31,				
	2014	2013	2012	2011	2010
<b>Selected Operating Data:</b>					
Total interest income	\$ 40,915	\$ 40,959	43,110	44,434	48,365
Total interest expense	4,579	5,063	6,212	7,837	10,998
Net interest income	36,336	35,896	36,898	36,597	37,367
Provision for loan losses	1,880	1,290	725	3,650	8,078
Net interest income after provision for loan losses	34,456	34,606	36,173	32,947	29,289
Total non-interest income	15,303	13,914	12,578	12,539	13,210
Total non-interest expense	38,162	39,057	35,764	33,728	30,964
Income before income tax expense	11,597	9,463	12,987	11,758	11,535
Income tax expense	2,632	1,683	3,055	2,540	2,544

Net income	\$ 8,965	\$ 7,780	\$ 9,932	\$ 9,218	\$ 8,991
------------	----------	----------	----------	----------	----------

**Table of Contents**

**SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF  
FARMERS NATIONAL BANC CORP.**

	At or For the Years Ended December 31,				
	2014	2013	2012	2011	2010
<b>Selected Operating Ratios and Other Data:</b>					
<b>Performance Ratios:</b>					
Return on average assets	0.79%	0.68%	0.89%	0.89%	0.87%
Return on average equity	7.45%	6.66%	8.42%	8.76%	10.46%
Average interest rate spread (tax equivalent) <sup>(2)</sup>	3.48%	3.47%	3.66%	3.90%	3.98%
Net interest margin (tax equivalent)	3.59%	3.58%	3.76%	4.01%	4.10%
Non-interest expense/average assets	3.34%	3.42%	3.20%	3.26%	3.00%
Efficiency ratio	70.24%	74.82%	69.94%	67.14%	61.10%
<b>Capital Ratios:</b>					
Total risk based capital (to risk-weighted assets)	16.48%	16.26%	17.35%	17.43%	13.99%
Tier 1 risk based capital (to risk weighted assets)	15.43%	15.19%	16.18%	16.16%	12.73%
Tier 1 leverage (core) capital (to average tangible assets)	10.03%	9.36%	9.54%	9.50%	7.65%
Equity to total assets	10.87%	9.94%	10.60%	10.72%	9.00%
<b>Asset Quality Ratios:</b>					
Nonperforming assets/total assets	0.76%	0.81%	0.75%	1.09%	0.96%
Non-performing loans/total loans	1.28%	1.44%	1.40%	1.93%	1.51%
Allowance for loan losses/nonperforming loans	89.99%	83.25%	93.01%	89.19%	104.56%
Allowance for loan losses as a percent of loans	1.15%	1.20%	1.30%	1.72%	1.58%
<b>Share Data:</b>					
Basic earnings per common share	\$ 0.48	\$ 0.41	\$ 0.53	\$ 0.50	\$ 0.66
Diluted earnings per common share	0.48	0.41	0.53	0.50	0.66
Dividends per common share	0.12	0.12	0.18	0.12	0.12



Book value per share	6.71	6.02	6.43	6.10	6.45
Market price at year end	8.35	6.55	6.20	4.95	3.62
Weighted average common shares outstanding basic	18,674,526	18,773,491	18,791,843	18,271,580	13,563,734
Weighted average common shares outstanding diluted	18,675,416	18,773,491	18,791,843	18,271,580	13,563,734

Note: All performance ratios are based on average balance sheet amounts where applicable.

- (1) Loans do not include loans held for sale, which are not material.
- (2) Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of interest-bearing liabilities.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR NBOH**

The following table summarizes financial results achieved by NBOH for the periods and at the dates indicated and should be read in conjunction with *INFORMATION ABOUT NBOH* NBOH Management's Discussion and Analysis of Results of Operations and Financial Condition, and NBOH's Consolidated Financial Statements and the notes to the Consolidated Financial Statements included in this joint proxy statement/prospectus. The selected operating data presented below are not necessarily indicative of the results that may be expected for future periods. You should not assume the results of operations for past periods noted below indicate results for any future period.

The information below has been derived from NBOH's Consolidated Financial Statements.

**SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF  
NATIONAL BANCSHARES CORPORATION**

<i>(Dollars in thousands, except per share data)</i>	<b>At December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Selected Financial Data:</b>					
Total assets	\$ 529,599	\$ 476,241	\$ 440,834	\$ 406,086	\$ 374,096
Loans, net of allowance for loan losses <sup>(1)</sup>	398,582	324,355	265,539	213,952	190,685
Allowance for loan losses	4,063	3,872	3,400	3,163	2,585
Securities available for sale	77,865	93,751	121,650	150,175	138,033
Total deposits	418,332	386,550	367,069	340,664	309,134
Borrowings	54,505	39,065	23,633	18,168	23,471
Total stockholders' equity	52,530	46,582	45,321	42,745	38,981
	<b>For the year ended December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Selected Operating Data:</b>					
Total interest income	\$ 18,640	\$ 16,608	\$ 15,989	\$ 15,413	\$ 15,501
Total interest expense	1,500	1,596	1,762	2,050	3,219
Net interest income	17,140	15,012	14,227	13,363	12,282
Provision for loan losses	299	602	1,374	600	2,229
Net interest income after provision for loan losses	16,841	14,410	12,853	12,763	10,053
Total non-interest income	2,935	2,898	2,897	3,032	3,190
Total non-interest expense	11,637	11,976	12,388	12,739	11,847
Income before income tax expense	8,139	5,332	3,362	3,056	1,396
Income tax expense	2,235	1,217	551	444	71
Net income	\$ 5,904	\$ 4,115	\$ 2,811	\$ 2,612	\$ 1,325



**Table of Contents**

**SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF  
NATIONAL BANCSHARES CORPORATION**

	At or For the Years Ended December 31,				
	2014	2013	2012	2011	2010
<b>Selected Operating Ratios and Other Data:</b>					
<b>Performance Ratios:</b>					
Return on average assets	1.23%	0.88%	0.65%	0.66%	0.35%
Return on average equity	12.62%	8.97%	6.39%	6.39%	3.34%
Net interest rate spread <sup>(2)</sup>	3.64%	3.51%	3.54%	3.70%	3.43%
Net interest margin	3.76%	3.65%	3.69%	3.86%	3.66%
Non-interest expense/average assets	2.29%	2.57%	2.84%	3.20%	3.11%
Efficiency ratio	55.67%	63.76%	68.62%	73.93%	73.60%
<b>Capital Ratios:</b>					
Total risk based capital (to risk weighted assets) <sup>(3)</sup>	12.65%	12.29%	12.53%	13.85%	13.59%
Tier 1 risk based capital (to risk weighted assets) <sup>(3)</sup>	11.59%	11.17%	11.37%	12.60%	12.46%
Tier 1 leverage (core) capital (to tangible assets) <sup>(3)</sup>	8.46%	8.23%	7.59%	7.78%	7.46%
Equity to total assets	9.92%	9.78%	10.28%	10.53%	10.42%
<b>Asset Quality Ratios:</b>					
Nonperforming assets/total assets	0.33%	0.26%	0.47%	0.99%	1.31%
Nonperforming loans/total loans	0.26%	0.14%	0.44%	1.85%	2.51%
Allowance for loan losses/nonperforming loans	385.12%	838.10%	284.28%	78.82%	53.19%
Allowance for loan losses as a percent of loans	1.01%	1.18%	1.26%	1.46%	1.34%
<b>Share Data:</b>					
Basic earnings per common share	\$ 2.65	\$ 1.85	\$ 1.27	\$ 1.18	\$ 0.60
Diluted earnings per common share	2.62	1.85	1.27	1.18	0.60
Dividends per common share	0.40	0.32	0.32	0.32	0.32
Tangible Book value per share	23.57	20.94	20.42	19.31	17.67
Market price at year end	22.60	21.94	15.20	14.60	13.00
Weighted average common shares outstanding basic	2,225,236	2,223,026	2,217,690	2,211,508	2,205,973

Weighted average common shares outstanding	diluted	2,250,954	2,227,242	2,220,047	2,211,508	2,205,973
---	---------	-----------	-----------	-----------	-----------	-----------

- (1) Loans do not include loans held for sale, which are not material.
- (2) Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of interest-bearing liabilities.
- (3) Capital ratios are calculated at the FNB level.

**Table of Contents****SUMMARY SELECTED PRO FORMA CONDENSED COMBINED DATA**

The following table shows selected financial information on a pro forma combined basis giving effect to the Merger (which is known as pro forma information) as if the Merger had become effective as of the date presented, in the case of the balance sheet information, and at the beginning of the period presented, in the case of the income statement information. The pro forma information reflects the acquisition method of accounting.

Farmers anticipates that the Merger will provide the combined company with financial benefits that include reduced operating expenses and greater revenue. The pro forma information, while helpful in illustrating the financial characteristics of Farmers following the Merger under one set of assumptions, does not reflect these benefits and, accordingly, does not attempt to predict or suggest future results. The pro forma information also does not necessarily reflect what the historical results of Farmers would have been had the companies been combined during these periods.

The exchange ratio of 4.034 was used in preparing this selected pro forma information. You should read this summary pro forma information in conjunction with the information under Unaudited Pro Forma Condensed Combined Consolidated Financial Information Related to the Merger and with the historical information in this document on which it is based.

	<b>At December 31, 2014</b>	
	<b>(In thousands)</b>	
<b>Pro forma combined balance sheet data:</b>		
Total assets	\$	1,665,968
Loans, net		1,055,426
Deposits		1,334,612
Total shareholders' equity		174,915

	<b>Year Ended</b>	
	<b>December 31, 2014</b>	
	<b>(In thousands)</b>	
<b>Pro forma combined balance sheet data:</b>		
Interest income	\$	59,857
Interest expense		5,848
Net interest income		54,009
Provision for loan losses		2,179
Net interest income after provision for loan losses		51,830
Non-interest income		18,238
Non-interest expense		50,645
Income before income taxes		19,423
Provision for income taxes		4,757
Net income	\$	14,666

**Pro forma per share data:**

Basic earnings	\$	0.57
Diluted earnings	\$	0.57

---

**Table of Contents**

**UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED  
FINANCIAL INFORMATION RELATING TO THE MERGER**

The unaudited pro forma condensed combined consolidated financial information has been prepared using the acquisition method of accounting, giving effect to the proposed Merger. The unaudited pro forma condensed combined consolidated balance sheet combines the historical financial information of Farmers and NBOH as of December 31, 2014, and assumes that the Merger was completed on that date. The unaudited pro forma condensed combined consolidated income statement combines the historical financial information of Farmers and NBOH and give effect to the Merger as if it had been completed as of January 1, 2014. The unaudited pro forma condensed combined consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations or financial condition had the Merger been completed on the dates described above, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities. The financial information should be read in conjunction with the accompanying Notes to Unaudited Pro Forma Condensed Combined Consolidated Financial Information. Certain reclassifications have been made to NBOH's historical financial information in order to conform to Farmers' presentation of financial information.

The actual value of Farmers common shares to be recorded as consideration in the Merger will be based on the closing price of Farmers common shares at the time of the Merger completion date. The proposed Merger is expected to be completed in the second quarter of 2015, but there can be no assurance that the Merger will be completed as anticipated. For purposes of the pro forma financial information, NBOH's outstanding shares, as of January 26, 2015 in the amount of 2,230,494, were used and the fair value of Farmers common shares to be issued in connection with the Merger was based on FMNB's closing price of \$7.50 as of January 26, 2015.

The pro forma financial information includes estimated adjustments, including adjustments to record assets and liabilities of NBOH at its fair value, and represents the pro forma estimates by Farmers based on available fair value information as of the date of the Merger Agreement. In some cases, where noted, more recent information has been used to support estimated adjustments in the pro forma financial information.

The pro forma adjustments included herein are subject to change depending on changes in interest rates and the components of assets and liabilities, and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price for the Merger will be determined after it is completed and after completion of thorough analyses to determine the fair value of NBOH's tangible and identifiable intangible assets and liabilities as of the date the Merger is completed. Increases or decreases in the estimated fair values of the net assets as compared with the information shown in the unaudited pro forma condensed combined consolidated financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact Farmers' statement of income due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to NBOH's shareholders' equity, including results of operations from December 31, 2014, through the date the Merger is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

Farmers anticipates that the Merger will provide the combined company with financial benefits that include reduced operating expenses. Farmers expects to realize cost savings of approximating 25% of the anticipated non-interest expense of NBOH. These cost savings are not included in these pro forma statements and there can be no assurance that expected cost savings will be realized. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future



results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during these periods.

**Table of Contents**

The unaudited pro forma condensed combined consolidated financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of Farmers and NBOH, which, in the case of Farmers, are incorporated in this joint proxy statement/prospectus by reference and, in the case of NBOH, included in this joint proxy statement/prospectus. See *Where You Can Find More Information* on page [ ].

**The unaudited pro forma shareholders' equity and net income are qualified by the statements set forth under this caption and should not be considered indicative of the market value of Farmers' common shares or the actual or future results of operations of Farmers for any period. Actual results may be materially different than the pro forma information presented.**

**Table of Contents****UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET**

December 31, 2014	Farmers	NBOH	Pro Forma Adjustments (In thousands)	Pro Forma Combined	Pro Forma Notes
<b>Assets:</b>					
Cash and cash equivalents	\$ 27,428	\$ 28,901		\$ 56,329	
Securities available for sale	389,829	77,865	(19,327)	448,367	A
Loans held for sale	511	479		990	
Loans	663,852	402,645	(3,439)	1,063,058	B
Allowance for Loan Losses	(7,632)	(4,063)	4,063	(7,632)	C
Net Loans	656,220	398,582	624	1,055,426	
Premises and equipment, net	17,049	8,837	(873)	254,013	D
Bank owned life insurance	16,367	2,856		19,223	
Goodwill	5,591	4,723	15,387	25,701	E
Other intangibles	3,222	0	5,154	8,376	F
Other assets	20,750	7,356	(1,563)	26,543	G,H
<b>Total assets</b>	<b>\$ 1,136,967</b>	<b>\$ 529,599</b>	<b>\$ (598)</b>	<b>\$ 1,665,968</b>	
<b>Liabilities and Shareholders Equity:</b>					
<b>Deposits</b>					
Noninterest-bearing	\$ 184,697	\$ 111,718	\$	\$ 296,415	
Interest-bearing	731,006	306,614	577	1,038,197	I
Total deposits	915,703	418,332	577	1,334,612	
Short-term borrowings	59,136	16,505		75,641	
Long-term borrowings	28,381	38,000		66,381	
Accrued interest payable and other liabilities	10,187	4,232		14,419	
<b>Total liabilities</b>	<b>1,013,407</b>	<b>477,069</b>	<b>577</b>	<b>1,491,053</b>	
<b>Shareholders equity:</b>					
Common stock	106,021	11,447	42,540	160,008	J
Additional paid-in-capital	0	5,005	(5,005)	0	K
Retained earnings	20,944	34,767	(37,399)	18,312	L
Accumulated other comprehensive income	1,093	2,506	(2,506)	1,093	M
Treasury stock	(4,498)	(1,195)	1,195	(4,498)	N
<b>Total shareholders equity</b>	<b>123,560</b>	<b>52,530</b>	<b>(1,175)</b>	<b>174,915</b>	
<b>Total liabilities and shareholders equity</b>	<b>\$ 1,136,967</b>	<b>\$ 529,599</b>	<b>\$ (598)</b>	<b>\$ 1,665,968</b>	



**Table of Contents****UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED INCOME STATEMENT**

<b>For the Year Ended December 31, 2014</b>	<b>Farmers</b>	<b>NBOH</b>	<b>Pro forma Adjustments</b>	<b>Pro forma Combined</b>	<b>Notes</b>
	<b>(In thousands, except share and per share amounts)</b>				
<b>Interest and dividend income:</b>					
Loans, including fees	\$ 30,901	\$ 15,974	\$ 374	\$ 47,249	O
Taxable securities	7,282	984	(72)	8,194	P
Tax exempt securities	2,523	1,609		4,132	
Federal funds sold and other	209	73		282	
<b>Total interest income</b>	<b>40,915</b>	<b>18,640</b>	<b>302</b>	<b>59,857</b>	
<b>Interest expense:</b>					
Deposits	4,008	1,284	(231)	5,061	Q
Borrowings	571	216		787	
<b>Total interest expense</b>	<b>4,579</b>	<b>1,500</b>	<b>(231)</b>	<b>5,848</b>	
<b>Net interest income</b>	<b>36,336</b>	<b>17,140</b>	<b>533</b>	<b>54,009</b>	
Provision for loan losses	1,880	299		2,179	
<b>Net interest income after provision for loan Losses</b>	<b>34,456</b>	<b>16,841</b>	<b>533</b>	<b>51,830</b>	
<b>Non-interest income:</b>					
Service charges on deposit accounts	2,627	1,319		3,946	
Net increase from BOLI	459	68		527	
Security gains	457	128		585	
Trust fees	6,092	0		6,092	
Insurance agency commissions	354	0		354	
Retirement plan consulting fees	1,809	0		1,809	
Net gains on sale of loans	358	672		1,030	
Investment commissions	1,026	0		1,026	
Other operating income	2,121	748		2,869	
<b>Total non-interest income</b>	<b>15,303</b>	<b>2,935</b>		<b>18,238</b>	
<b>Noninterest expense:</b>					
Salaries and employee benefits	20,878	6,244		27,122	
Occupancy and equipment	4,505	1,481	(44)	5,942	D
Core processing charges	1,571	911		2,482	
State and local taxes	878	359		1,237	
Professional fees	2,451	325		2,776	
Advertising	1,112	281		1,393	
Intangible amortization	767	0	890	1,657	R

Edgar Filing: FARMERS NATIONAL BANC CORP /OH/ - Form S-4

FDIC insurance	733	255		988	
Other operating expenses	5,267	1,781		7,048	
<b>Total noninterest expense</b>	<b>38,162</b>	<b>11,637</b>	<b>846</b>	<b>50,645</b>	
Income before income taxes	11,597	8,139	(313)	19,423	
Income taxes	2,632	2,235	(110)	4,757	\$
Net income	\$ 8,965	\$ 5,904	\$ (203)	\$ 14,666	
<b>Basic earnings per common share:</b>					
Earnings per share	\$ 0.48	\$ 2.65		\$ 0.57	
Weighted average shares outstanding	18,674,526	2,225,236	4,973,014	25,872,776	T
<b>Diluted earnings per common share:</b>					
Earnings per share	\$ 0.48	\$ 2.62		\$ 0.57	
Weighted average shares outstanding	18,675,416	2,250,954	4,947,296	25,873,666	T

**Table of Contents****Notes to Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet****As of December 31, 2014**

(In thousands, except share and per share amounts)

**Basis of Presentation**

The unaudited pro forma condensed combined consolidated financial information has been prepared using the acquisition method of accounting giving effect to the Merger involving Farmers and NBOH, with Farmers as the accounting acquirer. The unaudited pro forma condensed combined consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position had the Merger been consummated at December 31, 2014 or the results of operations had the Merger been consummated at January 1, 2014, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities. The Merger, which is currently expected to be completed in the first half of 2015, provides for the issuance of 7,198,250 shares of Farmers common stock and cash consideration totaling \$16.6 million which includes payout of 145,671 options with an average exercise price of \$16.49. Based on NBOH's 2,230,494 outstanding shares as of January 26, 2015, the 80% maximum stock conversion at the 4.034 exchange rate and Farmers' closing stock price on January 26, 2015, the value of the aggregate Merger consideration would be approximately \$70.6 million. Certain NBOH stock transactions may occur prior to close of the Merger which are not considered in the assumptions for these pro forma adjustments.

Under the acquisition method of accounting, the assets and liabilities of NBOH will be recorded at the respective fair values on the Merger date. The fair value on the Merger date represents management's best estimates based on available information and facts and circumstances in existence on the Merger date. The pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined consolidated financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the Merger is completed. Adjustments may include, but not be limited to, changes in (1) the aggregate value of the Merger consideration paid if the price of Farmers common stock varies from the assumed \$7.50 per share; (2) total Merger-related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (3) the underlying values of assets and liabilities if market conditions differ from current assumptions. The following table sets forth the impact on the purchase price, as well as the goodwill generated, if the market price increased or decreased by 10%, 20% or 30% from the assumed market price of \$7.50 per share.

	-30%	-20%	-10%	Base	10%	20%	30%
Assumed market price of Farmers common shares	\$ 5.25	\$ 6.00	\$ 6.75	\$ 7.50	\$ 8.25	\$ 9.00	\$ 9.75
Purchase price (in thousands)	\$ 54,414	\$ 59,813	\$ 65,212	\$ 70,610	\$ 76,009	\$ 81,408	\$ 86,806
Goodwill (in thousands)	\$ 3,914	\$ 9,312	\$ 14,711	\$ 20,110	\$ 25,509	\$ 30,907	\$ 36,306

**Estimated Merger and Integration Costs**

The plan to integrate Farmers and NBOH's operations is still being developed. Over the next several months, the specific details of these plans will continue to be refined. Farmers and NBOH are currently in the process of assessing the two companies' personnel, benefit plans, premises, equipment, computer systems, attorneys and service contracts to determine where they may take advantage of redundancies or where it will be beneficial or necessary to convert to one system. Certain decisions arising from these assessments may involve involuntary termination of Farmers and

NBOH's employees, changing information systems, canceling contracts between Farmers or NBOH and certain service providers and selling or otherwise disposing of certain premises, furniture and equipment owned by Farmers or NBOH. Farmers and NBOH expect to incur merger-related expenses including or related to system conversion costs, legal fees, accounting fees, investment banking fees, employee retention and severance agreements, communications to customers, and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature and timing of these integration



**Table of Contents**

actions. Most acquisition and restructuring costs are recognized separately from a business combination and generally will be expensed as incurred. Farmers estimates Merger-related costs to total approximately \$3.5 million on an after-tax basis. A significant portion of such costs are expected to be incurred in the years ending December 31, 2015. Merger costs are expected to have no material impact on the combined company's liquidity, while merger costs specifically related to a reduction in staff levels, termination of contracts, and a reduction in operating space requirements are expected to lower operating expenses and therefore improve earnings in future periods. Farmers statements regarding its estimated Merger and integration costs and any cost savings that may be achieved are forward-looking statements, should not be relied upon, and are not reflected in the accompanying pro forma financial information.

**Pro Forma Adjustments**

The following pro forma adjustments have been reflected in the unaudited condensed combined consolidated financial statements presented for Farmers and NBOH. All taxable adjustments were calculated using a 35% tax rate to arrive at deferred tax asset or liability adjustments. All adjustments are based on current assumptions and valuations, which are subject to change. The adjustments are presented in thousands, with the exception of per share amounts.

A Adjustments to available for sale securities: Farmers expects to sell investment securities available for sale to provide cash for buyer and seller deal expenses and for purposes of cashing out stock options.

To reflect estimated seller after-tax deal expenses	\$ (870)
To reflect estimated buyer after-tax deal expenses	(2,632)
To reflect cash consideration of NBOH outstanding shares	(14,342)
To reflect cash consideration of 145,671 options outstanding	(2,281)
To reflect tax benefit of stock options	798
	\$ (19,327)

B Loans, including loans held for sale, net of deferred fees and costs were adjusted to reflect the estimated fair value of NBOH's portfolio, including consideration of credit, liquidity and interest rates resulting in a discount on NBOH's portfolio.

C To remove NBOH's allowance at Merger date as the credit risk is contemplated in the fair value adjustment in B above.

D Adjustment to reflect estimated fair value of acquired premises and equipment based on third party estimates. Premises and equipment were adjusted to remove NBOH's purchase accounting adjustment on buildings related to a previous acquisition. The adjustment will be accreted into income over the useful life of the premises.

E Adjustment to goodwill

To eliminate NBOH goodwill	\$ (4,723)
To reflect the creation of goodwill related to the merger	20,110

Net adjustment	\$ 15,387
----------------	-----------

F Preliminary estimated fair value of the core deposit intangible to be recorded calculated at 1.5% of NBOH's non-time deposits. The acquired core deposit intangible will be amortized over 10 years using the sum-of-the-years-digits method. The actual amount of such core deposit intangible asset will be determined at the completion of the transaction and will be based on an independent third party appraisal.

**Table of Contents**

G Adjustment to current and deferred income taxes based on the pro forma fair value adjustments of acquired assets and assumed liabilities and on a calculation of future tax benefits.

Adjustment to loans fair value	(3,439)
Adjustment to allowance for loan losses	4,063
Adjustment to foreclosed assets	(74)
Adjustment to premises and equipment	(873)
Adjustment to core deposit intangible	5,154
Adjustment to deposits	(577)
<b>Subtotal for fair value adjustments</b>	<b>\$ 4,254</b>
Calculated deferred taxes at Farmers estimated statutory rate 35%	\$ (1,489)

H Negative adjustment of \$74 to reflect the estimated fair value of foreclosed and repossessed assets based on third party estimates adjusted for estimated costs to sell. Subsequent to the completion of the transaction, Farmers will finalize its determination of the fair value of the acquired foreclosed and repossessed property which could significantly change the estimated purchase accounting adjustments.

I Adjustments to the fair value of time deposits to reflect the current market rate of interest for similar products. The adjustment will be accreted into income over the estimated lives of the deposits.

J Adjustment to common shares

To eliminate NBOH common shares	\$ (11,447)
To reflect issuance of FMNB common shares to NBOH shareholders	53,987
<b>Net adjustment</b>	<b>\$ 42,540</b>

K NBOH s additional paid-in-capital of \$5,005 was eliminated.

L Adjustments to retained earnings

To eliminate NBOH historical retained earnings	\$ (34,767)
Estimated buyer after-tax merger expenses	(2,632)
<b>Net adjustment</b>	<b>\$ (37,399)</b>

M To reflect the elimination of NBOH other comprehensive income.

N To reflect the elimination of NBOH treasury stock.

O Farmers has evaluated the acquired loan portfolio to estimate the necessary interest rate and credit risk fair value adjustments. Subsequently, the fair value adjustment will be accreted into earnings using the level yield method. For purposes of the pro forma impact, the net discount accretion was estimated using a period of 4.6 years.

P Adjustment to reflect lost interest due to sale of securities to provide cash for the transaction.

Q Adjustment to reflect the estimated fair value of time deposits based on the current market rate of interest for comparable deposits. The fair value adjustment will be accreted into earnings as a reduction of the cost of funds over 1.2 years.

**Table of Contents**

R Adjustment to amortize the acquired core deposit intangible asset over 10 years by the sum of the years digits method

S Adjustment to reflect the income tax effect of pro forma adjustments at NBOH's assumed income tax rate of 35%.

T Preliminary Purchase Accounting Allocation: The unaudited pro forma condensed combined financial information reflects the issuance of 7,198,250 of Farmers common shares totaling \$54.0 million and cash consideration totaling \$16.6 million for a total consideration of \$70.6 million. The Merger will be accounted for using the acquisition method of accounting; accordingly Farmers cost to acquire NBOH will be allocated to the assets (including identifiable intangible assets) and liabilities of NBOH at their respective estimated fair values as of the merger date. Accordingly, the pro forma purchase price was preliminarily allocated to the assets acquired and liabilities assumed based on their estimated fair values as summarized in the following table:

To reflect goodwill created, net of tax	
Fair value of consideration	\$ 70,610
Fair value of assets acquired:	
Cash and due from financial institutions	\$ 28,901
Securities available for sale	77,865
Net loans	399,206
Loans held for sale	479
Premises and equipment	7,964
Bank owned life insurance	2,856
Core deposit intangible	5,154
Other assets	6,591
Total assets	\$ 529,016
Fair value of liabilities assumed:	
Deposits	418,909
Short-term borrowings	16,505
Long-term borrowings	38,000
Accrued interest payable and other liabilities	5,102
Total liabilities	\$ 478,516
Net assets acquired	50,500
Goodwill created	20,110
Total net assets acquired	\$ 70,610



**Table of Contents****UNAUDITED COMPARATIVE PER SHARE DATA**

The following table summarizes selected share and per share information about Farmers and NBOH giving effect to the Merger (which is referred to as pro forma information). The data in the table should be read together with the financial information and the financial statements of Farmers and NBOH incorporated by reference or included in this joint proxy statement/prospectus. The pro forma information is presented as an illustration only. The data does not necessarily indicate the combined financial position per share or combined results of operations per share that would have been reported if the Merger had occurred when indicated, nor is the data a forecast of the combined financial position or combined results of operations for any future period.

The information about book value per share and shares outstanding assumes that the Merger took place as of the dates presented and is based on the assumptions set forth in the preceding unaudited pro forma condensed combined consolidated balance sheet. The information about dividends and earnings per share assumes that the Merger took place as of the periods presented and is based on the assumptions set forth in the preceding unaudited pro forma condensed combined consolidated income statement. No pro forma adjustments have been included to reflect potential effects of the Merger related to integration expenses, cost savings or operational synergies which are expected to be obtained by combining the operations of Farmers and NBOH, or the costs of combining the companies and their operations. It is further assumed that Farmers will pay a cash dividend after the completion of the Merger at the annual rate of \$0.12 per common share. The actual payment of dividends is subject to numerous factors, and no assurance can be given that Farmers will pay dividends following the completion of the Merger or that dividends will not be reduced in the future.

	<b>Farmers Historical</b>	<b>NBOH Historical</b>	<b>Pro Forma Combined<sup>(1)(2)(3)</sup></b>	<b>Equivalent Pro Forma NBOH<sup>(4)</sup></b>
<b>Basic Net Income Per Common Share</b>				
Year Ended December 31, 2014	\$ 0.48	\$ 2.65	\$ 0.57	\$ 2.30
<b>Diluted Net Income Per Common Share</b>				
Year Ended December 31, 2014	\$ 0.48	\$ 2.62	\$ 0.57	\$ 2.30
<b>Dividends Declared Per Common Share</b>				
Year Ended December 31, 2014	\$ 0.12	\$ 0.40	\$ 0.12	\$ 0.48
<b>Book Value Per Common Share</b>				
December 31, 2014	\$ 6.71	\$ 23.57	\$ 6.83	\$ 27.55

- (1) The pro forma combined book value per Farmers common share is based on the pro forma combined common shareholders' equity for the merged entities divided by total pro forma common shares of the combined entities.
- (2) Pro forma dividends per share represent Farmers historical dividends per common share.
- (3) The pro forma combined diluted net income per Farmers common share is based on the pro forma combined diluted net income for the merged entities divided by total pro forma diluted common shares of the combined entities.
- (4) Represents the Pro Forma Combined information multiplied by the 4.034 exchange ratio.





**Table of Contents****MARKET PRICE AND DIVIDEND INFORMATION**

Farmers' common shares are traded on the Nasdaq under the symbol FMNB. NBOH's common shares are traded on the OTCQX marketplace under the symbol NBOH. The OTCQX marketplace is a regulated quotation service that displays real-time quotes, last-sale prices, and volume information in over-the-counter equity securities.

A summary of the high and low prices of and cash dividends paid on NBOH and Farmers common shares for the first quarter of 2015 and for the fiscal years ending 2014 and 2013 follows. This information does not reflect retail mark-up, markdown or commissions, and does not necessarily represent actual transactions.

	High	NBOH Low	Dividends	High	Farmers Low	Dividends
<b>2015</b>						
First Quarter (through March )	\$ [ . ]	\$ [ . ]	\$ 0.10	\$ 8.45	\$ 7.09	\$ 0.03
<b>2014</b>						
First Quarter	\$ 20.96	\$ 19.07	\$ 0.10	\$ 7.75	\$ 6.53	\$ 0.03
Second Quarter	21.41	19.32	0.10	7.89	7.35	0.03
Third Quarter	22.55	20.82	0.10	8.71	7.10	0.03
Fourth Quarter	23.90	21.16	0.10	8.68	7.40	0.03
<b>2013</b>						
First Quarter	\$ 17.85	\$ 14.67	\$ 0.08	\$ 6.90	\$ 6.13	\$ 0.03
Second Quarter	17.74	14.67	0.08	6.70	5.81	0.03
Third Quarter	18.58	17.39	0.08	6.58	6.10	0.03
Fourth Quarter	24.45	18.19	0.08	6.59	6.11	0.03

On January 26, 2015, the last trading day prior to the announcement of the Merger, the closing price of NBOH's common shares was \$23.00. The information presented in the following table reflects the last reported sale prices per share of Farmers' common shares as of January 26, 2015, the last trading day preceding our public announcement of the Merger, and on [ ], 2015, the last practicable day for which information was available prior to the date of this joint proxy statement/prospectus. The table also presents the equivalent market value per NBOH common share on January 26, 2015, and [ ], 2015, determined by multiplying the share price of a Farmers common share on such dates by the exchange ratio of 4.034. No assurance can be given as to what the market price of Farmers common shares will be if and when the Merger is consummated.

	Farmers Common Shares	Equivalent Price Per NBOH Common Share
January 26, 2015	\$ 7.50	\$ 30.26
[ ], 2015	\$	\$

**Table of Contents****RISK FACTORS**

*In addition to general investment risks and the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the section FORWARD-LOOKING STATEMENTS commencing on page , you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this joint proxy statement/prospectus. The following is a discussion of the most significant factors that make an investment in Farmers common shares speculative or risky, but does not purport to present an exhaustive description of such risks. You should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See WHERE YOU CAN FIND MORE INFORMATION in the forepart of this document.*

**Risks Related to the Merger**

***The market value of Farmers common shares you receive in the Merger may decrease if there are fluctuations in the market price of Farmers common shares following the Merger.***

Under the terms of the Merger Agreement, shareholders of NBOH will be entitled to receive from Farmers, after the Merger is completed, Merger consideration payable in the form of cash and Farmers common shares to be calculated as set forth in the Merger Agreement. At the Effective Time of the Merger, each NBOH common share will be converted into the right to receive: (i) 4.034 Farmers common shares, or (ii) \$32.15 in cash, subject to adjustment under certain circumstances set forth in the Merger Agreement.

Farmers will not issue any fractional shares of common shares in connection with the Merger. Instead, each holder of NBOH common shares who would otherwise be entitled to receive a fraction of a Farmers common share (after taking into account all shares of NBOH common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the Farmers fractional common share to which such holder would otherwise be entitled multiplied by the volume-weighted average, rounded to the nearest one tenth of a cent, of the closing sale prices of Farmers common shares based on information reported by the Nasdaq for the five (5) trading days trading days immediately preceding the effective date of the Merger.

Any change in the market price of Farmers common shares prior to the completion of the Merger will affect the market value of the Merger consideration that NBOH shareholders will receive following completion of the Merger. Stock price changes may result from a variety of factors that are beyond the control of Farmers and NBOH, including but not limited to general market and economic conditions, changes in their respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the NBOH special meeting, NBOH shareholders will not know the precise market value of the consideration they will receive at the effective time of the Merger. NBOH shareholders should obtain current sale prices for Farmers common shares before voting their shares at the NBOH special meeting.

***Farmers could experience difficulties in managing its growth and effectively integrating the operations of NBOH.***

The earnings, financial condition and prospects of Farmers after the Merger will depend in part on Farmers ability to integrate successfully the operations of NBOH and FNB, and to continue to implement its own business plan. Farmers may not be able to fully achieve the strategic objectives and projected operating efficiencies anticipated in the Merger. The costs or difficulties relating to the integration of NBOH and FNB with the Farmers 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 Farmers may encounter difficulties, including, without limitation, loss of key employees and customers, and the

disruption of its ongoing business or possible inconsistencies in standards, controls, procedures and policies. These factors could contribute to Farmers not fully achieving the expected benefits from the Merger.

---

**Table of Contents**

***The Merger Agreement limits NBOH's ability to pursue alternatives to the Merger with Farmers, may discourage other acquirers from offering a higher valued transaction to NBOH and may, therefore, result in less value for the NBOH shareholders.***

The Merger Agreement contains a provision that, subject to certain limited exceptions, prohibits NBOH from soliciting, negotiating, or providing confidential information to any third party relating to any competing proposal to acquire NBOH or FNB.

In addition, if (a) Farmers terminates the Merger Agreement due to NBOH's acceptance of another acquisition proposal, failure to recommend to the shareholders adoption of the Merger Agreement, or NBOH's breach of the Merger Agreement's prohibition on solicitation of other acquisition proposals, or, (b) NBOH terminates the Merger Agreement with the intention of entering into or accepting an alternate, superior proposal, then, in the case of either (a) or (b) above, NBOH shall pay to Farmers \$2.5 million. The requirement that NBOH make such a payment could discourage another company from making a competing proposal.

***The fairness opinions of Farmers and NBOH's respective financial advisors do not reflect changes in circumstances subsequent to the date of such opinions.***

Each of the NBOH and Farmers boards of directors received an opinion, dated January 27, 2015, from NBOH's and Farmers' respective financial advisor as to the fairness of the Merger consideration from a financial point of view as of the date of such opinion. Subsequent changes in the operation and prospects of NBOH or Farmers, general market and economic conditions and other factors that may be beyond the control of NBOH or Farmers may significantly alter the value of NBOH or Farmers or the prices of the NBOH common shares or the Farmers common shares by the time the Merger is completed. The opinions do not address the fairness of the Merger consideration from a financial point of view at the time the Merger is completed, or as of any other date other than the date of such opinions. The opinion of NBOH's financial advisor is attached as Annex D to this joint proxy statement/prospectus, and the opinion of Farmers' financial advisor is attached as Annex E. For a description of the opinions, see *THE MERGER Opinion of NBOH's Financial Advisor* on page [ ] and *THE MERGER Opinion of Farmers' Financial Advisor* on page [ ] of this joint proxy statement/prospectus.

***Farmers and NBOH shareholders will have a reduced ownership and voting interest after the Merger and will exercise less influence over management of the combined organization.***

The Merger will dilute the ownership position of Farmers' shareholders and result in NBOH's shareholders having an ownership stake in the combined company that is smaller than their current stake in NBOH. Upon completion of the Merger, we estimate that continuing Farmers shareholders will own approximately 71.9% of the issued and outstanding common shares of the combined company, and former NBOH shareholders will own approximately 28.1% of the issued and outstanding common shares of the combined company. Consequently, Farmers shareholders and NBOH shareholders, as a general matter, will have less influence over the management and policies of the combined company after the effective time of the Merger than they currently exercise over the management and policies of Farmers and NBOH, respectively.

***Failure to complete the Merger could negatively impact the value of NBOH's shares and future businesses and financial results of Farmers and NBOH.***

If the Merger is not completed, the ongoing businesses of Farmers and NBOH may be adversely affected, and Farmers and NBOH will be subject to several risks, including the following:

Farmers and NBOH 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, NBOH is subject to certain restrictions regarding the conduct of its business before completing the Merger, which may adversely affect its ability to execute certain of its business strategies; and

---

**Table of Contents**

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

In addition, if the Merger is not completed, Farmers and NBOH may experience negative reactions from their respective customers and employees. Employees could resign and obtain other employment as a result of the potential Merger or a failed completion of the Merger. Farmers or NBOH also could be subject to litigation related to any failure to complete the Merger.

***The Farmers common shares to be received by NBOH shareholders upon completion of the Merger will have different rights from NBOH common shares.***

Upon completion of the Merger, NBOH shareholders will no longer be shareholders of NBOH but will instead become shareholders of Farmers, and their rights as shareholders of Farmers will be governed by the Ohio Revised Code and by Farmers' Amended Articles of Incorporation and Amended Code of Regulations. The terms of Farmers' Amended Articles of Incorporation and Amended Code of Regulations are in some respects materially different than the terms of NBOH's Amended Articles of Incorporation and Code of Regulations. See *COMPARISON OF CERTAIN RIGHTS OF NBOH AND FARMERS SHAREHOLDERS* on page [ ] of this joint proxy statement/prospectus.

***Completion of the Merger is subject to many conditions and if these conditions are not satisfied or waived, the Merger will not be completed.***

The respective obligations of Farmers and NBOH to complete the Merger are subject to the fulfillment or written waiver of many conditions, including approval by the requisite vote of Farmers and NBOH shareholders, respectively, receipt of requisite regulatory approvals, absence of orders prohibiting completion of the Merger, effectiveness of the registration statement of which this document is a part, approval of the Farmers shares to be issued to NBOH for listing on the Nasdaq, the continued accuracy of the representations and warranties by both parties, and the performance by both parties of their covenants and agreements. See *THE MERGER AGREEMENT Conditions to the Consummation of the Merger* on page [ ] of this joint proxy statement/prospectus. These conditions to the consummation of the Merger may not be fulfilled and, accordingly, the Merger may not be completed. In addition, if the Merger is not completed by January 27, 2016, either Farmers or NBOH may have the opportunity to choose not to proceed with the Merger, and the parties can mutually decide to terminate the Merger Agreement at any time, before or after approval by the requisite vote of the NBOH shareholders. In addition, Farmers or NBOH may elect to terminate the Merger Agreement in certain other circumstances. See *THE MERGER AGREEMENT Termination of the Merger Agreement* on page [ ] of this joint proxy statement/prospectus for a fuller description of these circumstances.

**Risks Related to Farmers' Business**

You should read and consider risk factors specific to Farmers' business that will also affect the combined company after the Merger, described in Farmers' Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as updated by subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed by Farmers with the SEC and incorporated by reference into this document. See *INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE* on page [ ] of this joint proxy statement/prospectus.

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus and the documents incorporated herein by reference contain forward-looking statements, including statements about Farmers, NBOH and the combined entity's financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements express Farmers and NBOH's management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Certain statements contained in this joint proxy statement/prospectus and the documents incorporated herein by reference that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act, notwithstanding that such statements are not specifically identified.

In addition, certain statements may be contained in the future filings of Farmers and NBOH with the SEC, in press releases and in oral and written statements made by or with the approval of Farmers or NBOH that are not statements of historical fact and constitute forward-looking statements within the meaning of the Reform Act. Examples of forward-looking statements include, but are not limited to:

statements about the benefits of the Merger between Farmers and NBOH, including future financial and operating results, cost savings, enhanced revenues and accretion to reported earnings that may be realized from the Merger;

statements regarding plans, objectives and expectations of Farmers or NBOH or their respective management or boards of directors;

statements regarding future economic performance; and

statements regarding assumptions underlying any such statements.

Words such as believes, anticipates, expects, intends, targeted, continue, remain, will, should, may expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

the risk that the businesses of Farmers and NBOH will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;

expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame;

revenues or earnings following the Merger may be lower than expected;

deposit attrition, operating costs, customer loss and business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;

the inability to obtain governmental approvals of the Merger on the proposed terms and schedule;

the failure of Farmers or NBOH's shareholders to approve the Merger;

local, regional, national and international economic conditions and the impact they may have on Farmers and its customers and Farmers' assessment of that impact;

changes in the level of non-performing assets, delinquent loans and charge-offs;

material changes in the value of Farmers' common shares;

changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;



**Table of Contents**

the risk that management's assumptions and estimates used in applying critical accounting policies prove unreliable, inaccurate or not predictive of actual results;

inflation, interest rate, securities market and monetary fluctuations;

changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity;

competitive pressures among depository and other financial institutions may increase and have an effect on pricing, spending, third-party relationships and revenues;

changes in laws and regulations (including laws and regulations concerning taxes, banking and securities) with which Farmers and NBOH must comply;

the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve;

legislation affecting the financial services industry as a whole, and/or Farmers and its subsidiaries, individually or collectively;

governmental and public policy changes; and

the impact on Farmers' businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Additional factors that could cause Farmers' and NBOH's results to differ materially from those described in the forward-looking statements can be found in Farmers' Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to Farmers or NBOH or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. Farmers and NBOH undertake no obligation to update any forward-looking statement.

**Table of Contents**

**THE SPECIAL MEETING OF SHAREHOLDERS OF NBOH**

**Time, Date and Place**

This joint proxy statement/prospectus is being provided to NBOH shareholders in connection with the solicitation of proxies by the NBOH board of directors for use at the special meeting of shareholders to be held at [ .m., local time, on , 2015, at NBOH's main office at 112 West Market Street, Orrville, Ohio 44667], including any adjournments of the special meeting.

This joint proxy statement/prospectus is also being furnished by Farmers to NBOH shareholders as a prospectus in connection with the issuance of Farmers common shares upon completion of the Merger.

**Matters to be Considered**

At the special meeting, the shareholders of NBOH will be asked to consider and vote upon 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 board of directors of NBOH is unaware of any other business to be transacted at the special meeting.

The board of directors of NBOH believes that the Merger with Farmers is in the best interests of NBOH shareholders and recommends that you vote (1) **FOR** the adoption and approval of the Merger Agreement and (2) **FOR** the proposal to adjourn the special meeting of NBOH shareholders, if necessary, to solicit additional proxies.

**Record Date; Shares Outstanding and Entitled to Vote**

The board of directors of NBOH has fixed the close of business on [ ], 2015, as the record date for determining the NBOH shareholders who are entitled to notice of and to vote at the NBOH special meeting of shareholders. Only holders of NBOH common shares at the close of business on the record date will be entitled to notice of and to vote at the NBOH special meeting.

As of the close of business on [ ], 2015, there were [2,232,094] NBOH common shares outstanding and entitled to vote at the special meeting. The NBOH common shares were held of record by approximately [ ] shareholders. Each NBOH common share entitles the holder to one vote on all matters properly presented at the special meeting.

**Votes Required; Quorum**

Under NBOH's Amended Articles of Incorporation, as amended, the adoption and approval of the Merger Agreement requires the affirmative vote of the holders of at least two-thirds of the NBOH common shares outstanding and entitled to vote at the special meeting. Approval of an adjournment of the special meeting requires the affirmative vote of the holders of a majority of NBOH's common shares represented, in person or by proxy, at the special meeting.

As of [ ], 2015, directors of NBOH beneficially owned an aggregate of [544,329] NBOH common shares, an amount equal to approximately [24.2]% of the outstanding NBOH common shares. Certain of the directors of NBOH entered into the Voting Agreements with Farmers pursuant to which they agreed, up to a collective maximum of 19.9% of NBOH's outstanding common shares and subject to certain other terms

## **Table of Contents**

and conditions, to vote their shares in favor of the adoption and approval of the Merger Agreement. As of the date of this joint proxy statement/prospectus, Farmers and its directors, executive officers and affiliates beneficially owned no NBOH common shares.

Your vote is important. The adoption and approval of the Merger Agreement requires the affirmative vote of the holders of at least two-thirds of the NBOH common shares outstanding and entitled to vote at the NBOH special meeting. The proposal to approve adjournment of the NBOH special meeting, if necessary, to solicit additional proxies requires the affirmative vote of at least a majority of the NBOH common shares represented in person or by proxy at the NBOH special meeting. Brokers who hold NBOH common shares in street name for the beneficial owners cannot vote these NBOH common shares on any of the proposals without specific instructions from the beneficial owners. If you fail to return your proxy card or vote in person at the special meeting or if you mark **ABSTAIN** on your proxy card or ballot at the special meeting, or if your NBOH common shares are held in street name and you fail to instruct your broker how to vote, it will have the same effect as a vote **AGAINST** the adoption and approval of the Merger Agreement, but will have no effect on the other proposal.

A quorum, consisting of the holders of a majority of the outstanding NBOH common shares, must be present in person or by proxy at the NBOH special meeting before any action, other than the adjournment of the special meeting, can be taken. A properly executed proxy card marked **ABSTAIN** will be counted for purposes of determining whether a quorum is present.

The NBOH board of directors does not expect any matter other than the adoption and approval of the Merger Agreement and, if necessary, the approval of the adjournment of the special meeting to solicit additional proxies, to be brought before the NBOH special meeting. If any other matters are properly brought before the special meeting for consideration, NBOH common shares represented by properly executed proxy cards will be voted, to the extent permitted by applicable law, in the discretion of the persons named in the proxy card in accordance with their best judgment.

## **Solicitation and Revocation of Proxies**

A proxy card accompanies each copy of this joint proxy statement/prospectus mailed to NBOH shareholders. Your proxy is being solicited by the board of directors of NBOH. Whether or not you attend the special meeting, the NBOH board of directors urges you to return your properly executed proxy card as soon as possible. If you return your properly executed proxy card prior to the special meeting and do not revoke it prior to its use, the NBOH common shares represented by that proxy card will be voted at the special meeting or, if appropriate, at any adjournment of the special meeting. NBOH's common shares will be voted as specified on the proxy card or, in the absence of specific instructions to the contrary, will be voted **FOR** the adoption and approval of the Merger Agreement and **FOR** the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies.

If you have returned a properly executed proxy card, you may revoke it at any time before a vote is taken at the special meeting by:

filing a written notice of revocation with the Chief Financial Officer of NBOH, at 112 West Market Street, Orrville, Ohio 44667;

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

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

***Your attendance at the special meeting will not, by itself, revoke your proxy.***

If you hold your NBOH common shares in street name through a broker, bank or other nominee, you must provide your broker, bank or nominee (the record holder of your common shares) with instructions on how to

**Table of Contents**

vote your common shares. Your broker, bank or other nominee will provide you with a proxy card and voting instructions. If you have instructed your broker, bank or other nominee to vote your common shares, you must follow the directions received from your broker, bank or other nominee to change or revoke your vote.

NBOH will bear its own cost of solicitation of proxies on behalf of the NBOH board of directors. Proxies will be solicited by mail, and may be further solicited by additional mailings, personal contact, telephone, facsimile or electronic mail, by directors, officers and employees of NBOH, none of whom will receive additional compensation for their solicitation activities. NBOH has also engaged [ ], a proxy soliciting firm, to assist in the solicitation of proxies for a fee of \$[ ], \$[ ] per successful telephone contact with a shareholder, \$[ ] for a telephone vote received and reimbursement of out-of-pocket expenses. NBOH will also pay the standard charges and expenses of brokerage houses, voting trustees, banks, associations and other custodians, nominees and fiduciaries, who are record holders of NBOH common shares not beneficially owned by them, for forwarding this joint proxy statement/prospectus and other proxy solicitation materials to, and obtaining proxies from, the beneficial owners of NBOH common shares entitled to vote at the special meeting.

**Table of Contents**

**PROPOSALS SUBMITTED TO NBOH SHAREHOLDERS**

**NBOH Merger Proposal**

As discussed throughout this joint proxy statement/prospectus, NBOH is asking its shareholders to adopt and approve the Merger Agreement. NBOH shareholders should carefully read this document in its entirety for more detailed information regarding the Merger Agreement and the Merger. In particular, shareholders are directed to the copy of the Merger Agreement attached as Annex B to this joint proxy statement/prospectus.

*The board of directors of NBOH recommends a vote **FOR** the approval and adoption of the Merger Agreement.*

**NBOH Adjournment Proposal**

The NBOH special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, the solicitation of additional proxies if there are insufficient votes at the time of the NBOH special meeting to approve and adopt the Merger Agreement. If, at the time of the NBOH special meeting, the number of common shares of NBOH present or represented and voting in favor of the Merger Agreement proposal is insufficient to approve and adopt the Merger Agreement, NBOH intends to move to adjourn the NBOH special meeting in order to enable the NBOH board of directors to solicit additional proxies for approval of the proposal. In that event, NBOH will ask the NBOH shareholders to vote only upon the adjournment proposal and not the merger proposal or the proposal on the specified compensation.

In the NBOH adjournment proposal, NBOH is asking its shareholders to authorize the holder of any proxy solicited by the NBOH board of directors to vote in favor of granting discretionary authority to the proxy holders to adjourn the NBOH special meeting to another time and place for the purpose of soliciting additional proxies. If the NBOH shareholders approve the adjournment proposal, NBOH could adjourn the NBOH special meeting and any adjourned session of the NBOH special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from NBOH shareholders who have previously voted.

*The NBOH board of directors recommends a vote **FOR** the NBOH adjournment proposal.*

**Other Matters to Come Before the NBOH Special Meeting**

No other matters are intended to be brought before the NBOH special meeting by NBOH, and NBOH does not know of any matters to be brought before the NBOH special meeting by others. If, however, any other matters properly come before the NBOH special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with their best judgment on any such matter.

**Table of Contents**

**THE SPECIAL MEETING OF SHAREHOLDERS OF FARMERS**

**Time, Date and Place**

This joint proxy statement/prospectus is being provided to Farmers shareholders in connection with the solicitation of proxies by the Farmers board of directors for use at the special meeting of shareholders to be held at [ ] .m., local time, on [ ], 2015, at Farmers main office at 20 South Broad Street, Canfield, Ohio 44406], including any adjournments of the special meeting.

**Matters to be Considered**

At the special meeting, the shareholders of Farmers will be asked to consider and vote upon the following matters:

a proposal to adopt and approve the Merger Agreement;

a proposal to approve the issuance of up to [ ] Farmers common shares to be issued in connection with the Merger;

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 board of directors of Farmers is unaware of any other business to be transacted at the special meeting.

The board of directors of Farmers believes that the Merger with Farmers is in the best interests of Farmers shareholders and recommends that you vote (1) **FOR** the adoption and approval of the Merger Agreement, (2) **FOR** the approval of the issuance of common shares, and (3) **FOR** the proposal to adjourn the special meeting of Farmers shareholders, if necessary, to solicit additional proxies.

**Record Date; Shares Outstanding and Entitled to Vote**

The board of directors of Farmers has fixed the close of business on [ ], 2015, as the record date for determining the Farmers shareholders who are entitled to notice of and to vote at the Farmers special meeting of shareholders. Only holders of Farmers common shares at the close of business on the record date will be entitled to notice of and to vote at the Farmers special meeting.

As of the close of business on [ ], 2015, there were [ ] Farmers common shares outstanding and entitled to vote at the special meeting. The Farmers common shares were held of record by approximately [ ] shareholders. Each Farmers common share entitles the holder to one vote on all matters properly presented at the special meeting.

**Votes Required; Quorum**



Under Farmers' Amended Articles of Incorporation, the adoption and approval of the Merger Agreement requires the affirmative vote of the holders of not less than two-thirds of the Farmers common shares outstanding and entitled to vote at the special meeting. Approval of the issuance of common shares or an adjournment of the special meeting requires the affirmative vote of the holders of a majority of Farmers' common shares represented, in person or by proxy, at the special meeting.

As of [ ], 2015, directors of Farmers owned an aggregate of 355,276 Farmers common shares, an amount equal to approximately 1.93% of the outstanding Farmers common shares. [As of the date of this joint proxy statement/prospectus, Farmers and its directors, executive officers and affiliates beneficially owned no NBOH common shares.]

## **Table of Contents**

Your vote is important. The adoption and approval of the Merger Agreement requires the affirmative vote of the holders of not less than two-thirds of the Farmers common shares outstanding and entitled to vote at the Farmers special meeting. The issuance of common shares requires the affirmative vote of the holders of a majority of Farmers common shares represented, in person or by proxy, at the special meeting. Brokers who hold Farmers common shares in street name for the beneficial owners cannot vote these Farmers common shares on the adoption and approval of the Merger Agreement without specific instructions from the beneficial owners. If you fail to vote or if you mark **ABSTAIN** on your proxy card, or if your Farmers common shares are held in street name and you fail to instruct your broker how to vote, it will have the same effect as a vote **AGAINST** the adoption and approval of the Merger Agreement.

A quorum, consisting of the holders of a majority of the outstanding Farmers common shares, must be present in person or by proxy at the Farmers special meeting before any action, other than the adjournment of the special meeting, can be taken. A properly executed proxy card marked **ABSTAIN** will be counted for purposes of determining whether a quorum is present.

The Farmers board of directors does not expect any matters other than the adoption and approval of the Merger Agreement, the approval of the issuance of common shares and, if necessary, the approval of the adjournment of the special meeting to solicit additional proxies, to be brought before the Farmers special meeting. If any other matters are properly brought before the special meeting for consideration, Farmers common shares represented by properly executed proxy cards will be voted, to the extent permitted by applicable law, in the discretion of the persons named in the proxy card in accordance with their best judgment.

## **Solicitation and Revocation of Proxies**

A proxy card accompanies each copy of this joint proxy statement/prospectus mailed to Farmers shareholders. Your proxy is being solicited by the board of directors of Farmers. Whether or not you attend the special meeting, the Farmers board of directors urges you to return your properly executed proxy card as soon as possible. If you return your properly executed proxy card prior to the special meeting and do not revoke it prior to its use, the Farmers common shares represented by that proxy card will be voted at the special meeting or, if appropriate, at any adjournment of the special meeting. Farmers common shares will be voted as specified on the proxy card or, in the absence of specific instructions to the contrary, will be voted **FOR** the adoption and approval of the Merger Agreement, **FOR** the approval of the issuance of common shares and **FOR** the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies.

If you have returned a properly executed proxy card, you may revoke it at any time before a vote is taken at the special meeting by:

filing a written notice of revocation with the Secretary of Farmers, at 20 South Broad Street, Canfield, Ohio 44406;

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

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

***Your attendance at the special meeting will not, by itself, revoke your proxy.***

If you hold your Farmers common shares in street name through a broker, bank or other nominee, you must provide your broker, bank or nominee (the record holder of your common shares) with instructions on how to vote your common shares. Your broker, bank or other nominee will provide you with a proxy card and voting instructions. If you have instructed your broker, bank or other nominee to vote your common shares, you must follow the directions received from your broker, bank or other nominee to change or revoke your vote.

Farmers will bear its own cost of solicitation of proxies on behalf of the Farmers board of directors. Proxies will be solicited by mail, and may be further solicited by additional mailings, personal contact, telephone,

**Table of Contents**

facsimile or electronic mail, by directors, officers and employees of Farmers, none of whom will receive additional compensation for their solicitation activities. Farmers has also engaged Morrow & Co., LLC, a proxy soliciting firm, to assist in the solicitation of proxies for a fee of \$9,000, plus a charge of \$6.50 per shareholder to solicit shareholders and reimbursement of reasonable out-of-pocket expenses. Farmers will also pay the standard charges and expenses of brokerage houses, voting trustees, banks, associations and other custodians, nominees and fiduciaries, who are record holders of Farmers common shares not beneficially owned by them, for forwarding this joint proxy statement/prospectus and other proxy solicitation materials to, and obtaining proxies from, the beneficial owners of Farmers common shares entitled to vote at the special meeting.

Table of Contents

**PROPOSALS SUBMITTED TO FARMERS SHAREHOLDERS**

**Farmers Merger Proposal**

As discussed throughout this joint proxy statement/prospectus, Farmers is asking its shareholders to adopt and approve the Merger Agreement. Farmers shareholders should read this document carefully in its entirety for more detailed information regarding the Merger Agreement and the Merger. In particular, shareholders are directed to the copy of the Merger Agreement attached as Annex B to this joint proxy statement/prospectus.

*The board of directors of Farmers recommends a vote **FOR** the approval and adoption of the Merger Agreement.*

**Farmers Common Shares Issuance Proposal**

Farmers is also asking its shareholders to consider and vote on the proposal to issue up to [7,668,359] Farmers common shares in connection with the Merger. **If Farmers shareholders fail to approve the issuance of Farmers common shares, the Merger cannot be completed.** Farmers shareholders should carefully read this joint proxy statement/prospectus in its entirety, including the Annexes, for more detailed information concerning the Merger Agreement and the Merger. A copy of the Merger Agreement is attached to this joint proxy statement/prospectus as Annex B.

Nasdaq Shareholder Voting Rules. Under the Nasdaq, a company listed on the Nasdaq is required to obtain shareholder approval prior to the issuance of common shares, or of securities convertible into or exercisable for common shares, in any transaction or series of related transactions if the number of shares of common shares to be issued is, or will be upon issuance, equal to or in excess of 20% of the number of shares of common shares outstanding before the issuance of the common shares or of securities convertible into or exercisable for common shares. In order to complete the Merger, Farmers will need to issue common shares in excess of 20% of the number of common shares currently outstanding. For this reason, Farmers must obtain the approval of Farmers shareholders for the issuance of Farmers common shares in order to complete the Merger.

*The board of directors of Farmers recommends that its shareholders vote **FOR** the proposal to approve the issuance of up to [7,668,359] Farmers common shares in connection with the Merger.*

**Farmers Adjournment Proposal**

The Farmers special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, the solicitation of additional proxies if there are insufficient votes at the time of the Farmers special meeting to approve and adopt the Merger Agreement and the issuance of common shares. If, at the time of the Farmers special meeting, the number of common shares of Farmers present or represented and voting in favor of the Merger Agreement proposal is insufficient to approve and adopt the Merger Agreement, Farmers intends to move to adjourn the Farmers special meeting in order to enable the Farmers board of directors to solicit additional proxies for approval of the proposal. In that event, Farmers will ask the Farmers shareholders to vote only upon the adjournment proposal and not the Merger proposal or the proposal on the issuance of common shares.

In the Farmers adjournment proposal, Farmers is asking its shareholders to authorize the holder of any proxy solicited by the Farmers board of directors to vote in favor of granting discretionary authority to the proxy holders to adjourn the Farmers special meeting to another time and place for the purpose of soliciting additional proxies. If the Farmers shareholders approve the adjournment proposal, Farmers could adjourn the Farmers special meeting and any adjourned session of the Farmers special meeting and use the additional time to solicit additional proxies, including

the solicitation of proxies from Farmers shareholders who have previously voted.

## **Table of Contents**

*The Farmers board of directors recommends a vote **FOR** the Farmers adjournment proposal.*

### **Other Matters to Come Before the Farmers Special Meeting**

No other matters are intended to be brought before the Farmers special meeting by Farmers, and Farmers does not know of any matters to be brought before the Farmers special meeting by others. If, however, any other matters properly come before the Farmers special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with their best judgment on any such matter.

### **DISSENTERS RIGHTS**

#### **Rights of Dissenting NBOH Shareholders**

Shareholders of NBOH are entitled to certain dissenters rights pursuant to Sections 1701.84(A) and 1701.85 of the OGCL. Section 1701.85 generally provides that shareholders of NBOH will not be entitled to such rights without strict compliance with the procedures set forth in Section 1701.85, and failure to take any one of the required steps may result in the termination or waiver of such rights. Specifically, any NBOH shareholder who is a record holder of NBOH common shares on [ ], 2015, the record date for the NBOH special meeting, and whose shares are not voted in favor of the adoption of the Merger Agreement may be entitled to be paid the fair cash value of such NBOH common shares after the effective time of the Merger. To be entitled to such payment, a shareholder must deliver to NBOH a written demand for payment of the fair cash value of the shares held by such shareholder, before the vote on the Merger proposal is taken, the shareholder must not vote in favor of approval and adoption of the Merger Agreement, and the shareholder must otherwise comply with Section 1701.85. An NBOH shareholder's failure to vote against the adoption and approval of the Merger Agreement will not constitute a waiver of such shareholder's dissenters rights. Any written demand must specify the shareholder's name and address, the number and class of shares held by him, her or it on the NBOH record date, and the amount claimed as the fair cash value of such NBOH common shares. See the text of Section 1701.85 of the OGCL attached as Annex A to this joint proxy statement/prospectus for specific information on the procedures to be followed in exercising dissenters rights.

If NBOH so requests, dissenting shareholders must submit their share certificates to NBOH within 15 days of such request, for endorsement on such certificates by NBOH that a demand for appraisal has been made. Failure to comply with such request will terminate the dissenting shareholders rights. Such certificates will be promptly returned to the dissenting shareholders by NBOH. If NBOH and any dissenting shareholder cannot agree upon the fair cash value of NBOH's common shares, either may, within three months after service of demand by the shareholder, file a petition in the Court of Common Pleas of Wayne County, Ohio, for a determination of the fair cash value of such dissenting shareholder's NBOH common shares. The fair cash value of an NBOH common share to which a dissenting shareholder is entitled to under Section 1701.85 will be determined as of the day prior to the vote of the NBOH shareholders. Investment banker opinions to company boards of directors regarding the fairness from a financial point of view of the consideration payable in a transaction such as the Merger are not opinions regarding, and do not address, fair cash value under Section 1701.85.

If an NBOH shareholder exercises his or her dissenters rights under Section 1701.85, all other rights with respect to such shareholder's NBOH common shares will be suspended until NBOH purchases the shares, or the right to receive the fair cash value is otherwise terminated. Such rights will be reinstated should the right to receive the fair cash value be terminated other than by the purchase of the shares.

The foregoing description of the procedures to be followed in exercising dissenters rights available to holders of NBOH's common shares pursuant to Section 1701.85 of the OGCL may not be complete and is qualified in its entirety

by reference to the full text of Section 1701.85 attached as Annex A to this joint proxy statement/prospectus.



**Table of Contents**

**THE MERGER**

**The Proposed Merger**

The Merger Agreement provides for the merger of NBOH with and into Farmers (the Merger ), with Farmers as the surviving entity. Thereafter, at a later time specified by Farmers Bank in its certificate of merger filed with the OCC, FNB will be merged with and into Farmers Bank, with Farmers Bank surviving the subsidiary bank merger.

The Merger Agreement is attached to this joint proxy statement/prospectus as [Annex B](#) and is incorporated in this joint proxy statement/prospectus by reference. *You are encouraged to read the Merger Agreement carefully, as it is the legal document that governs the Merger.*

**Background of the Merger**

NBOH's board of directors has historically focused on enhancing the profitable growth of FNB and building shareholder value by servicing its community banking customers in its market area.

On June 30, 2014, Kevin Helmick, Farmers' President and Chief Executive Officer, contacted Mr. Witmer proposing a meeting between Farmers and NBOH. On August 8, 2014, Mr. Witmer, NBOH's President and Chief Executive Officer, and Mr. Smail, NBOH's Executive Chairman, met with Farmers' Chairman, Lance Cirolini, and Mr. Helmick, and discussed the two companies' businesses, strategies and market opportunities. During that meeting Farmers' representatives expressed an interest in exploring a possible merger between the two institutions. Mr. Witmer subsequently advised Mr. Kropf, the Chairman of NBOH's board of directors, that Messrs. Cirolini and Helmick had approached him on the topic of a merger, and he encouraged Mr. Witmer to continue the conversations.

On August 29, 2014, NBOH and Farmers entered into a mutual non-disclosure agreement to initiate the due diligence process for both organizations. During the months of September and October, 2014, the two companies engaged in high-level preliminary due diligence in order to determine whether there was a basis for further discussions.

On October 16, 2014, the Executive Committee of NBOH's board of directors met and discussed Farmers' interest in a possible merger, and the members present agreed that the matter should be presented to the full board.

On October 21, 2014, NBOH's board of directors held its regular board meeting at which Farmers' interest in a possible merger and the discussions between NBOH and Farmers' representatives were discussed and the board authorized further exploratory discussions with Farmers.

Subsequent to that meeting, Mr. Witmer and Mr. Helmick met on October 22, 2014 and engaged in further discussions concerning a potential transaction. Those discussions addressed various matters relating to valuation, including the respective companies' stock price, earnings history and growth expectations, the anticipated synergies and cost savings associated with a merger, the anticipated post-merger organizational structure and the impact of a transaction on NBOH's employees and the communities served by FNB.

On November 4, 2014, Farmers delivered a letter of intent outlining the terms of a proposed transaction to NBOH. The letter of intent contemplated an all-stock transaction at an anticipated valuation range of between approximately \$67.1 million and approximately \$69.4 million, or between \$29.60 and \$30.59 per share, and was subject to the satisfactory completion of confirmatory due diligence and the negotiation and execution of a definitive transaction agreement. The letter of intent also proposed that NBOH would have the right to designate two directors to the board of the combined company, and indicated that Farmers intended to offer Mr. Witmer a senior executive position with

the combined company.

**Table of Contents**

Following the receipt of the proposed letter of intent, NBOH retained Boenning & Scattergood, Inc. ( Boenning ), to serve as NBOH's financial advisor in connection with a potential transaction with Farmers, and Calfee, Halter & Griswold LLP ( Calfee ) to serve as special legal counsel.

On November 26, 2014, NBOH's board of directors held its regular monthly board meeting. Representatives of Boenning attended the meeting and provided a presentation updating the board on the current state of the M&A market for the banking industry, a summary overview of NBOH relative to its peers, including bank valuations, and summarizing the terms of Farmers' proposal and the financial performance and contributions of Farmers and NBOH to a combined company. A Calfee representative provided a review of the fiduciary and legal obligations applicable to directors when considering a merger transaction. The NBOH board authorized further discussions with Farmers and the commencement of confirmatory due diligence, and after discussions with Boenning, determined to further discuss possible modification of the structure of the transaction set forth in the letter of intent to provide for 20% of the consideration to be payable in cash. Following the board meeting, a revised letter of intent was executed on November 28, 2014.

In early December, Farmers and NBOH established a virtual data room and provided extensive due diligence materials relating to their respective businesses, including financial information, information concerning asset quality, employment arrangements and benefit plans, material contracts, litigation, organizational and regulatory matters, and information relating to stock ownership and equity commitments. During the period from early December 2014 through early January 2015, NBOH and Farmers engaged in mutual due diligence.

On January 8, 2015, Boenning sent Farmers a request, on behalf of NBOH, for an updated letter of intent reflecting the results of the due diligence review. On January 9, Farmers submitted an updated letter of intent with a price of 150% of NBOH's December 31, 2014, tangible book value (\$32.15 or \$74.0 million) and a proposed mix of 80% stock and 20% cash. The exchange ratio would be based on the 20-day volume-weighted-average price of Farmers ending the day prior to signing the definitive agreement. The letter of intent clarified cashing out of options and Farmers' desire to keep key NBOH executives.

On January 15, 2015, NBOH's board met to discuss a potential merger with Farmers. Mr. Helmick and Mr. Cirolini were invited to the meeting and gave a presentation to the board addressing Farmers' views of the benefits of a merger between the two institutions, and its belief that such a transaction would result in a much stronger and sustainable community bank with a significantly more liquid stock. During the course of this presentation, Messrs. Helmick and Cirolini responded to questions concerning Farmers' operations, strategy and expansion plans, how NBOH's operations would contribute to those plans, the potential for long-term value creation associated with the transaction, and Farmers' plans with respect to NBOH's employees and the customers and communities that it serves.

After the Farmers representatives left the meeting, the board engaged in an extended discussion concerning the advisability of moving forward with negotiations on the Farmers proposal. Representatives of Boenning reviewed the financial aspects of the proposal, as well as information regarding the recent trading performance of Farmers stock, its market demographics and comparative performance with its existing peer group and the peer group of larger companies that it would be comparable in size to following a transaction with NBOH. They also updated the board on the status of the M&A market and provided the board with their preliminary perspectives on valuation.

NBOH's directors discussed the merits of a transaction with Farmers in comparison to continued independence or exploration of other strategic alternatives. The consensus of the board was that the cultural fit between the two institutions was strong. Several directors expressed concern about the impact of a broader solicitation of potential acquirors or more extensive potential sale process on NBOH's customers, depositors and employees, as well as the impact of the loss of a community bank resulting from a sale of NBOH on Orrville and



**Table of Contents**

the other communities served by FNB. The meeting concluded with the board determining that additional reflection on the proposed transaction and the materials provided to it was appropriate before making a decision. Accordingly, the board scheduled another meeting for January 20, 2015.

At its January 20, 2015 meeting, the consensus of the board was that a combination of Farmers and NBOH would make a strong community bank and would increase chances of the combined community bank's long-term survival in NBOH's market, and that the only material point of disagreement among the directors was whether the current value to be delivered to NBOH shareholders under the terms of the proposal was sufficient. The board then engaged in an extensive discussion relating to the adequacy of the price offered by Farmers. During this discussion, several board members concurred in the view that NBOH had earned its independence by superior performance and would also be delivering substantial value to Farmers through the addition of Mr. Witmer and his management team. Accordingly, they believed that NBOH should remain independent unless it could obtain a proposal that delivered greater current value to shareholders.

During the course of the board's discussion, the directors discussed whether a change to the proposed exchange ratio to increase the current value delivered to NBOH's shareholders would be possible. Boenning's representatives discussed the background of the negotiation process, and advised the board that Farmers had indicated that the proposal represented its final and best offer, and that a further increase in the price was unlikely. In the course of that response, Boenning discussed the market's focus on the time-frame during which tangible book value dilution to the acquirer created by the transaction would be earned back, and the limitation that factor placed on Farmers' ability to increase its offer.

The board also again discussed whether to solicit competing bids from other potential acquirors. After discussing this matter with representatives of Boenning and Calfee, the board determined that expanding the process was not advisable, in light of the potential negative effects of a broader solicitation or sale process and the likely impact on FNB's customers, employees and communities associated with the post-closing cost savings required to achieve greater current value in such a transaction.

Following extensive discussion, the board authorized, by a vote of seven to three, moving forward to negotiate a definitive merger agreement on the terms proposed by Farmers. The board instructed Calfee to work with Farmers attorneys to review and prepare a definitive agreement for consideration by the board.

During the time period beginning on January 20, 2015, and ending on January 27, 2015, Calfee and Vorys, Sater, Seymour and Pease LLP, counsel to Farmers (Vorys), with the participation of management from each party, Boenning and Sterne Agee, proceeded to negotiate the Merger Agreement. Several drafts of the Merger Agreement were exchanged between Calfee and Vorys and several telephonic negotiating sessions occurred. Also, during this time period, each party prepared, circulated and finalized its disclosure schedules listing certain exceptions to the representations and warranties contained in the Merger Agreement.

On January 27, 2015, NBOH's board of directors held a meeting to consider and act upon the proposed Merger Agreement and review and consider Boenning's fairness analysis and opinion. Among other things, the following occurred at the meeting:

Calfee reviewed, in detail, the proposed Merger Agreement and the proposed Voting Agreements and responded to directors' questions. Calfee also reviewed the fiduciary and legal obligations applicable to directors when considering a sale or merger of a company, and discussed the results of management's due

diligence inquiry into Farmers.

Boenning s representatives presented its fairness analysis as described in Opinion of Boenning & Scattergood, Inc.

Boenning delivered its oral opinion that, as of January 27, 2015, and based on current assumptions, the Merger consideration was fair to holders of NBOH common shares from a financial point of view.

**Table of Contents**

The board of directors reviewed, considered, and discussed the Merger Agreement and the fairness analysis and fairness opinion. At the conclusion of the meeting, the board of directors, by a vote of eight to two:

determined that the Merger, the Merger Agreement and the Merger consideration were fair to NBOH and NBOH shareholders and that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement was in the best interest of NBOH and NBOH shareholders, based on the evaluation and consideration of all reports and information available to the board of directors as of the date of the meeting and all factors that the board of directors deemed relevant, including, without limitation, the fairness opinion;

authorized and approved the Merger and all other transactions contemplated by the Merger Agreement;

approved and adopted the Merger Agreement;

authorized officers of NBOH to execute and deliver the Merger Agreement; and

recommended that NBOH shareholders vote for approval of the Merger Agreement.

After the market closed on January 27, 2015, NBOH and Farmers executed and delivered the Merger Agreement and respective disclosure schedules and issued a joint press release announcing execution of the Merger Agreement and the terms of the Merger. In addition, all of the directors, with the exception of Mr. Cook, executed and delivered the Voting Agreements.

**NBOH's Reasons for the Merger**

In determining that the Merger and the Merger Agreement were fair to and in the best interest of NBOH and its shareholders, in authorizing and approving the Merger, in adopting the Merger Agreement and in recommending that NBOH shareholders vote for approval of the Merger Agreement, NBOH's board of directors consulted with members of NBOH's management, and with Boenning and Calfee, and also reviewed, considered, and discussed a number of factors that NBOH's board of directors viewed as relevant to its decisions, including, without limitation, the following:

the form and amount of the Merger consideration, including the tax treatment of the stock portion of the consideration and reduced volatility provided by having a portion of the consideration paid in the form of cash;

the terms of the Merger Agreement, and the analyses presented by Calfee as to the structure of the Merger, the Merger Agreement, the fiduciary and legal obligations applicable to directors when considering a sale or merger of a company, and the process that NBOH (including its board of directors) employed in considering the Merger with Farmers and the possibility of exploring alternative transactions or remaining independent;

the financial analyses reviewed and discussed with NBOH's board of directors by Boenning, as well as the oral opinion of Boenning delivered to NBOH's board of directors on January 27, 2015 (which was subsequently confirmed in writing), that the Merger consideration was fair to holders of NBOH common shares as of such date from a financial point of view;

Farmers' community banking orientation and its compatibility with the similar operating philosophy of NBOH and FNB;

the business, earnings, operations, financial condition, management, prospects, capital levels and asset quality of both NBOH and Farmers and the board's assessment of potential for the Merger to enhance both short-term and long-term shareholder value;

the challenges to operating a small community bank in the current economic, regulatory and technological environment;



**Table of Contents**

the impediments to realizing an appropriate valuation of NBOH's common shares in the trading markets associated with its small size, lack of institutional ownership and limited public float, noting that the average volume of NBOH shares according to SNL Financial had been only 362 shares per day over the previous year;

Farmers' access to capital and managerial resources relative to that of NBOH;

the anticipated future dividends to be received by NBOH shareholders after completion of the Merger as Farmers shareholders, based on Farmers' current and projected annual dividends per share;

the greater market capitalization of the combined organization and trading volume and liquidity of Farmers common shares in the event NBOH shareholders desire to sell the Farmers common shares to be received by them upon completion of the Merger;

the anticipated future long-term earnings growth prospects of NBOH compared to the potential future earnings growth prospects of Farmers and the combined company;

the board's desire to provide shareholders with the prospect for greater future appreciation on their investments through ownership of Farmers common shares than the amount of appreciation that the board of directors believed that NBOH could achieve independently;

the anticipated impact of the transaction on NBOH's employees, depositors, customers and the communities that it serves, including the potential to better serve its customers and enhance its competitive position as a community bank due to Farmers' ability to offer more diverse financial products and services as a larger and more highly capitalized institution;

the proposed organizational structure of the combined company, including the contemplated use of NBOH's headquarters facility in Orrville, Ohio and management personnel as regional management for the combined company's operations;

the ability of Farmers to complete the Merger from a business, financial and regulatory perspective;

the geographic fit of the branch networks of the combined company, and the potential for operating synergies and cross-marketing of products and services across the combined company; and

the likelihood of successful integration and operation of the combined company.

The NBOH board of directors also reviewed, considered, and discussed a number of potential risks and uncertainties in connection with its consideration of the proposed Merger, including, without limitation, the following:

the challenges of integrating NBOH's business, operations and employees with those of Farmers;

the need to obtain and likelihood of obtaining approval by shareholders of NBOH and Farmers and regulators in order to complete the transaction;

the risks associated with the operations of the combined company, including the ability to achieve the anticipated cost savings and revenue enhancements contemplated by the respective management teams;

the risks and costs associated with entering into the Merger Agreement and restrictions on the conduct of NBOH's business before the Merger is completed;

the possibility of a significant reduction in the trading price of Farmers common shares following the announcement of the Merger Agreement and prior to completion of the Merger;

the impact that provisions of the Merger Agreement relating to payment of a \$2.5 million termination fee by NBOH, and NBOH's inability to terminate the Merger Agreement prior to a shareholder vote even if a superior proposal is received, may have on NBOH receiving an alternative takeover proposal;

the potential costs associated with executing the Merger Agreement, including change in control payments and related costs, as well as estimated advisor fees; and

the possibility of litigation in connection with the Merger.

## **Table of Contents**

This discussion of the information and factors considered by NBOH's board of directors in reaching its conclusions and recommendation includes the factors identified above, but is not intended to be exhaustive and may not include all of the factors reviewed, considered, and discussed by NBOH's board of directors. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the other transactions contemplated by the Merger Agreement, and the complexity of these matters, NBOH's board of directors did not find it useful and did not attempt to quantify, rank or assign any relative or specific weights to the various factors that it reviewed, considered, and discussed in reaching its determination to approve the Merger and the other transactions contemplated by the Merger Agreement, and to make its recommendation to NBOH shareholders. Rather, NBOH's board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered, including its discussions with and questioning of members of NBOH's management and outside legal and financial advisors. In addition, individual members of NBOH's board of directors may have assigned different weights to different factors.

Those members of NBOH's board of directors who voted against entering into the Merger Agreement and the related transactions have advised the board that they did so because they believed that Farmers' proposal did not deliver sufficient current value to NBOH's shareholders to justify a decision to abandon NBOH's strategy of continuing to operate as an independent community bank.

Certain of NBOH's directors and executive officers have financial interests in the Merger that are different from, or in addition to, those of NBOH's shareholders generally. The NBOH board of directors was aware of and considered these potential interests, among other matters, in evaluating the Merger and in making its recommendation to NBOH shareholders. For a discussion of these interests, see "Interests of NBOH Directors and Executive Officers in the Merger."

## **Recommendation of the NBOH Board of Directors**

NBOH's board of directors has determined that the Merger Agreement and the transactions contemplated thereby, including without limitation the Merger, are fair to and in the best interests of NBOH and NBOH shareholders. NBOH's board of directors recommends that NBOH shareholders vote FOR approval and adoption of the Merger Agreement and the Merger.

## **Opinion of Boenning & Scattergood, Inc.**

Boenning and Scattergood, Inc. ( "Boenning" ) is acting as financial advisor to NBOH in connection with the Merger. Boenning is a registered broker-dealer providing investment banking services with substantial expertise in transactions similar to the Merger. As part of its investment banking activities, Boenning is regularly engaged in the independent valuation of businesses and securities in connection with mergers, acquisitions, underwriting, private placements and valuations for estate, corporate and other purposes.

On January 27, 2015, Boenning rendered its oral opinion, which was subsequently confirmed in writing, to the NBOH board of directors that, as of such date, the Merger consideration to be received by the holders of NBOH's common shares pursuant to the Merger Agreement was fair, from a financial point of view, to such holders.

The full text of Boenning's written opinion dated January 27, 2015, which sets forth the assumptions made, matters considered and limitations of the review undertaken, is attached as Annex C to this proxy statement and is incorporated herein by reference. You are urged to, and should, read this opinion carefully and in its entirety in connection with this proxy statement. The summary of Boenning's opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. Boenning's opinion does not reflect any developments that may occur or may have occurred after the date of its opinion and prior to the completion

of the Merger.

**Table of Contents**

No limitations were imposed by NBOH on the scope of Boenning's investigation or the procedures to be followed by Boenning in rendering its opinion. Boenning was not requested to, and did not, make any recommendation to the NBOH board of directors as to the form or amount of the consideration to be paid to the NBOH shareholders, which was determined through arm's length negotiations between the parties. In arriving at its opinion, Boenning did not ascribe a specific range of values to NBOH. Its opinion is based on the financial and comparative analyses described below.

In connection with its opinion, Boenning, among other things:

reviewed the historical financial performances, current financial positions and general prospects of Farmers and NBOH and reviewed certain internal financial analyses and forecasts prepared by the management of NBOH;

reviewed the Merger Agreement, dated January 27, 2015;

reviewed and analyzed the stock market performance of Farmers and NBOH;

studied and analyzed the consolidated financial and operating data of Farmers and NBOH;

reviewed the pro forma financial impact of the Merger on Farmers, based on assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies determined by senior management of Farmers and NBOH;

considered the financial terms of the Merger between Farmers and NBOH as compared with the financial terms of comparable bank and bank holding company mergers and acquisitions;

met and/or communicated with certain members of Farmers' and NBOH's senior management to discuss their respective operations, historical financial statements and future prospects; and

conducted such other financial analyses, studies and investigations as Boenning deemed appropriate.

Boenning's opinion was given in reliance on information and representations made or given by Farmers and NBOH, and their respective officers, directors, auditors, counsel and other agents, and on filings, releases and other information issued by Farmers and NBOH including financial statements, financial projections, and stock price data as well as certain information from recognized independent sources. Boenning did not independently verify the information concerning Farmers and NBOH nor other data which Boenning considered in its review and, for purposes of its opinion, Boenning assumed and relied upon the accuracy and completeness of all such information and data. Boenning assumed that all forecasts and projections provided to it had been reasonably prepared and reflected the best currently available estimates and good faith judgments of the management of Farmers and NBOH as to their most likely future financial performance. Boenning expressed no opinion as to any financial projections or the assumptions

on which they were based. Boenning did not conduct any valuation or appraisal of any assets or liabilities of Farmers or NBOH, nor have any such valuations or appraisals been provided to Boenning. Additionally, Boenning assumed that the Merger is, in all respects, lawful under applicable law.

With respect to anticipated transaction costs, purchase accounting adjustments, expected cost savings and other synergies and financial and other information relating to the general prospects of Farmers and NBOH, Boenning assumed that such information had been reasonably prepared and reflected the best currently available estimates and good faith judgment of the management of Farmers and NBOH as to their most likely future performance. Boenning further relied on the assurances of management of Farmers and NBOH that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Boenning was not asked to and did not undertake an independent verification of any of such information and Boenning did not assume any responsibility or liability for the accuracy or completeness thereof. Boenning assumed that the allowance for loan losses indicated on the balance sheets of Farmers and NBOH was adequate to cover such losses; Boenning did not review individual loans or credit files of Farmers and NBOH. Boenning assumed that all of the representations and warranties contained in the Merger Agreement and all related agreements were true

---

**Table of Contents**

and correct, that each party under the agreements will perform all of the covenants required to be performed by such party under the agreements, and that the conditions precedent in the agreements were not waived. Boenning assumed that the Merger will qualify as a tax-free reorganization for federal income tax purposes. Also, in rendering its opinion, Boenning assumed that in the course of obtaining the necessary regulatory approvals for the consummation of the Merger no conditions will be imposed that will have a material adverse effect on the combined entity or contemplated benefits of the Merger, including the cost savings and related expenses expected to result from the Merger.

Boenning's opinion is based upon information provided to it by the management of Farmers and NBOH, as well as market, economic, financial and other conditions as they existed and could be evaluated only as of the date of its opinion and accordingly, it speaks to no other period. Boenning did not undertake to reaffirm or revise its opinion or otherwise comment on events occurring after the date of its opinion and did not have an obligation to update, revise or reaffirm its opinion. Boenning's opinion does not address the relative merits of the Merger and the other business strategies that NBOH's board of directors has considered or may be considering, nor does it address the underlying business decision of NBOH's board of directors to proceed with the Merger. In connection with the preparation of Boenning's opinion, Boenning was not authorized to solicit, and did not solicit, third parties regarding alternatives to the Merger. Boenning expressed no opinion as to the value of the Farmers common shares when issued to holders of outstanding NBOH common shares pursuant to the Merger Agreement or the prices at which the shares may trade at any time. Boenning's opinion is for the information of NBOH's board of directors in connection with its evaluation of the Merger and does not constitute a recommendation to the board of directors of NBOH in connection with the Merger or a recommendation to any shareholder of NBOH as to how such shareholder should vote or act with respect to the Merger.

In connection with rendering its opinion, Boenning performed a variety of financial analyses that are summarized below. This summary does not purport to be a complete description of such analyses. Boenning believes that its analyses and the summary set forth herein must be considered as a whole and that selecting portions of such analyses and the factors considered therein, without considering all factors and analyses, could create an incomplete view of the analyses and processes underlying its opinion. The preparation of a fairness opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Boenning considered the results of all of its analyses as a whole and did not attribute any particular weight to any analyses or factors considered by it. The range of valuations resulting from any particular analysis described below should not be taken to be Boenning's view of the actual value of NBOH.

In its analyses, Boenning made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of NBOH or Farmers. Any estimates contained in Boenning's analyses are not necessarily indicative of actual future values or results, which may be significantly more or less favorable than suggested by such estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the actual prices at which companies or their securities actually may be sold. No company or transaction utilized in Boenning's analyses was identical to NBOH or Farmers or the Merger. Accordingly, an analysis of the results described below is not mathematical; rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other facts that could affect the public trading value of the companies to which they are being compared. None of the analyses performed by Boenning was assigned a greater significance by Boenning than any other, nor does the order of analyses described represent relative importance or weight given to those analyses by Boenning. The analyses described below do not purport to be indicative of actual future results, or to reflect the prices at which NBOH's common stock or Farmers common stock may trade in the public markets, which may vary depending upon various factors, including changes in interest rates, dividend rates, market conditions, economic conditions and other factors that influence the price of securities.

In accordance with customary investment banking practice, Boenning employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses that



**Table of Contents**

Boenning used in providing its opinion on January 27, 2015. Some of the summaries of financial analyses are presented in tabular format. In order to understand the financial analyses used by Boenning more fully, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of Boenning's financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by Boenning. The summary data set forth below do not represent and should not be viewed by anyone as constituting conclusions reached by Boenning with respect to any of the analyses performed by it in connection with its opinion. Rather, Boenning made its determination as to the fairness to the holders of NBOH's common shares of the Merger consideration, from a financial point of view, on the basis of its experience and professional judgment after considering the results of all of the analyses performed. Accordingly, the data included in the summary tables and the corresponding imputed ranges of value for NBOH should be considered as a whole and in the context of the full narrative description of all of the financial analyses set forth in the following pages, including the assumptions underlying these analyses. Considering the data included in the summary table without considering the full narrative description of all of the financial analyses, including the assumptions underlying these analyses, could create a misleading or incomplete view of the financial analyses performed by Boenning.

In connection with rendering its opinion and based upon the terms of the draft Merger Agreement reviewed by it, Boenning assumed the effective per share Merger consideration to be \$30.63 based on the January 26, 2015, stock price of Farmers of \$7.50 and the aggregate indicated Merger consideration to be \$70.6 million, which represents \$68.3 million for currently outstanding common shares and \$2.3 million for outstanding in the money options, which equals the aggregate difference between the Merger consideration and the exercise price for each option.

*Comparison of Selected Companies.* Boenning reviewed and compared the multiples and ratios of the current trading price of NBOH's common shares to NBOH's book value, tangible book value, latest 12 months earnings per share, assets, tangible book premium to core deposits, and deposits, such multiples referred to herein as the pricing multiples, with the median pricing multiples for the current trading prices of the common stock of a peer group of 19 selected public Midwest banks and thrifts with assets between \$400 million and \$1 billion, and latest 12 months core return on assets greater than 0.90%, excluding merger targets. Boenning first applied the resulting range of pricing multiples for the peer group specified above to the appropriate financial results without the application of any control premium, referred to as the unadjusted trading price. Boenning then applied a 27.8% assumed control premium to the trading prices of the peer group specified above, referred to as the adjusted trading price, and compared the pricing multiples of the offer price to the median pricing multiples for the peer group adjusted trading prices. The 27.8% equity control premium is the median one day stock price premium for all bank and thrift merger and acquisition deals announced since January 1, 2000, based on data from SNL Financial.

**Table 1**

<b>Pricing Multiple</b>	<b>Unadjusted Trading Price</b>		<b>Adjusted Trading Price</b>	
	<b>NBOH <sup>(1)</sup></b>	<b>Median Statistics for Peer Group <sup>(2)</sup></b>	<b>Offer Price <sup>(3)</sup></b>	<b>Median Statistics for Peer Group <sup>(2)</sup></b>
Price/Book Value	97.6%	98.7%	130.0%	126.4%
Price/Tangible Book Value	107.2%	103.6%	142.9%	132.6%
Price/Latest Twelve Months Core Earnings Per Share	8.9x	9.8x	11.7x	12.5x
Price/Assets	9.7%	9.9%	13.3%	12.7%

Premium over Tangible Book Value/Core				
Deposits	0.9%	0.7%	5.4%	5.0%
Price/Deposits	12.3%	11.8%	16.9%	15.1%

(1) Based on NBOH's closing stock price of \$23.00 on January 26, 2015.

**Table of Contents**

(2) Peer metrics are based on prices as of market close on January 26, 2015.

(3) Based on the implied value of \$30.63, as a result of Farmers' closing stock price of \$7.50 on January 26, 2015. *Analysis of Bank Merger Transactions.* Boenning analyzed certain information relating to recent transactions in the banking industry, consisting of (i) seven selected nationwide bank and thrift transactions announced since January 1, 2013, with target assets between \$400 million and \$800 million, latest 12 months return on equity between 8% and 15% and tangible common equity to tangible assets greater than 5%, excluding mergers of equals, referred to below as Group A; (ii) 13 selected nationwide bank and thrift transactions announced since January 1, 2013, with target assets between \$300 million and \$800 million, latest twelve months return on equity greater than 5% and defined by SNL Financial as a geographic market expansion transaction, referred to below as Group B; and (iii) 14 selected nationwide bank and thrift transactions announced since January 1, 2013, with target assets between \$200 million and \$1 billion, a positive latest twelve months net income and a ratio of buyer assets to seller assets between 1.5 and 3.0 times, excluding all-cash transactions, referred to below as Group C. Boenning then reviewed and compared the pricing multiples of the offer price and the median pricing multiples of the selected transaction values for Group A, Group B and Group C.

**Table 2**

<b>Pricing Multiple</b>	<b>Median Statistics for Selected Transactions</b>			
	<b>The Merger</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Price/Book Value	130.0%	151.7%	124.8%	129.2%
Price/Tangible Book Value	142.9%	163.6%	127.2%	140.5%
Price/Latest Twelve Months Core Earnings Per Share	11.7x	16.5x	15.9x	19.0x
Price/Assets	13.3%	15.4%	12.8%	14.2%
Premium over Tangible Book Value/Core Deposits	5.4%	8.0%	4.6%	5.5%
Price/Deposits	16.9%	18.1%	15.8%	16.4%