



FARMERS

NATIONAL BANC CORP.

Q4 2024 Investor Presentation

NASDAQ: FMNB



Disclosure Statement

Forward-Looking Statements

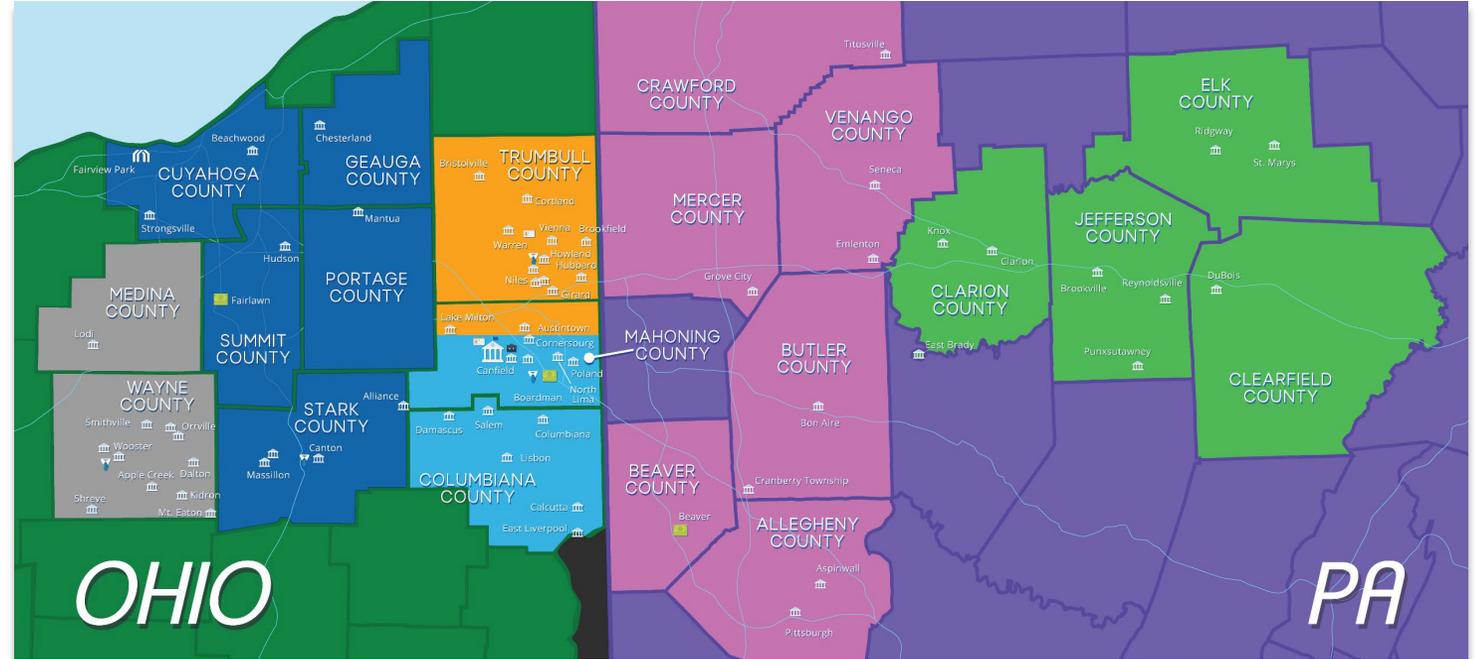
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the financial condition, results of operations, asset quality trends and profitability of Farmers National Banc Corp. ("Farmers"). Forward-looking statements are not historical facts but instead express only management's current expectations and forecasts of future events or long-term-goals, many of which, by their nature, are inherently uncertain and outside of Farmers' control. Forward-looking statements are preceded by terms such as "expects," "believes," "anticipates," "intends" and similar expressions, as well as any statements related to future expectations of performance or conditional verbs, such as "will," "would," "should," "could" or "may." Farmers' actual results and financial condition may differ, possibly materially, from those indicated in these forward-looking statements. Factors that could cause Farmers' actual results to differ materially from those described in the forward-looking statements include significant changes in near-term local, regional, and U.S. economic conditions including those resulting from continued high rates of inflation, tightening monetary policy of the Board of Governors of the Federal Reserve, and possibility of a recession; and the other factors contained in Farmers' periodic reports and registration statements filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2023, and Quarterly Report on Form 10-Q, which have been filed with the Securities and Exchange Commission and are available on Farmers' website (www.farmersbankgroup.com) and on the Securities and Exchange Commission's website (www.sec.gov). Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. Farmers undertakes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures

This presentation contains certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures include "Core Deposits" and "Tangible Common Equity ratio." Farmers believes that these non-GAAP financial measures provide both management and investors a more complete understanding of Farmers' deposit profile and capital. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Because not all companies use the same calculation of "Core Deposits" and "Tangible Common Equity ratio," this presentation may not be comparable to other similarly titled measures as calculated by other companies.

About Farmers National Banc Corp.

- \$5.1 billion in banking assets
- \$4.2 billion in wealth management assets under care
- \$0.68 (5.0%) annualized dividend yield*
- Named a Best Employer in Ohio the past 2 years**
- Founded in 1887
- 168 consecutive quarters of profitability
- Strong and diverse franchise currently operating
- 62 banking locations throughout Ohio and Pennsylvania
- Growth plan focused on combining big bank capabilities with local bank service



*Stock data as of January 21, 2025

**Source: Best Companies Group

Local, Established & Experienced Leadership Team

<p>Kevin Helmick (52) President & Chief Executive Officer</p>	<p>Troy Adair (58) Senior Executive Vice President, Chief Financial Officer</p>	<p>Amber Wallace (58) Senior Executive Vice President, Chief Retail/Marketing Officer</p>	<p>Michael Matuszak (57) Senior Executive Vice President, Chief Operating Officer</p>	<p>Timothy Shaffer (62) Senior Executive Vice President, Chief Credit Officer</p>
<p>Mark Wenick (65) Senior Executive Vice President, Chief Wealth Management Officer</p>	<p>Brian Jackson (55) Executive Vice President, Chief Information Officer</p>	<p>Michael Oberhaus (49) Executive Vice President, Chief Risk Officer</p>	<p>Mark Nicaastro (53) Executive Vice President, Chief Human Resources Officer</p>	<p>William Shivers (64) Senior Vice President, Chief Commercial Lending Officer</p>

Training

- Farmers Academy
- In-house leadership/management training program
- Ohio Bankers League Bank Management School

Talent Acquisition

- Comprehensive recruitment program
- High percentage of referrals come from our employees
- Retention of key executives
 - Current executive team has been with the bank for over nine years

Robust Succession Planning

- Annual review
- Multi-layered approach focused on core competencies of position
 - Linked to annual performance appraisal and development plan
- Executive succession planning reviewed at holding company board level

Alignment with Shareholders

- Structure of STI and LTI programs encourages sound business practices and appropriate levels of risk management
- Recognition as Best Employer in Ohio in 2019, 2020, 2022 as voted by our employees*
- Key metrics of success reflected in consistent results

* Source: Best Companies Group

Farmers Strategic Vision

Leveraging our History with Modern Banking Technologies to Support our Future

Invest in our Franchise

- Leverage technology
- Drive efficiencies through Six Sigma operating framework
- Strive to be customer centric and provide exceptional experiences
- Assure Farmers is the best place to work
- Continued pursuit of organic and M&A opportunities

Drive Financial Excellence

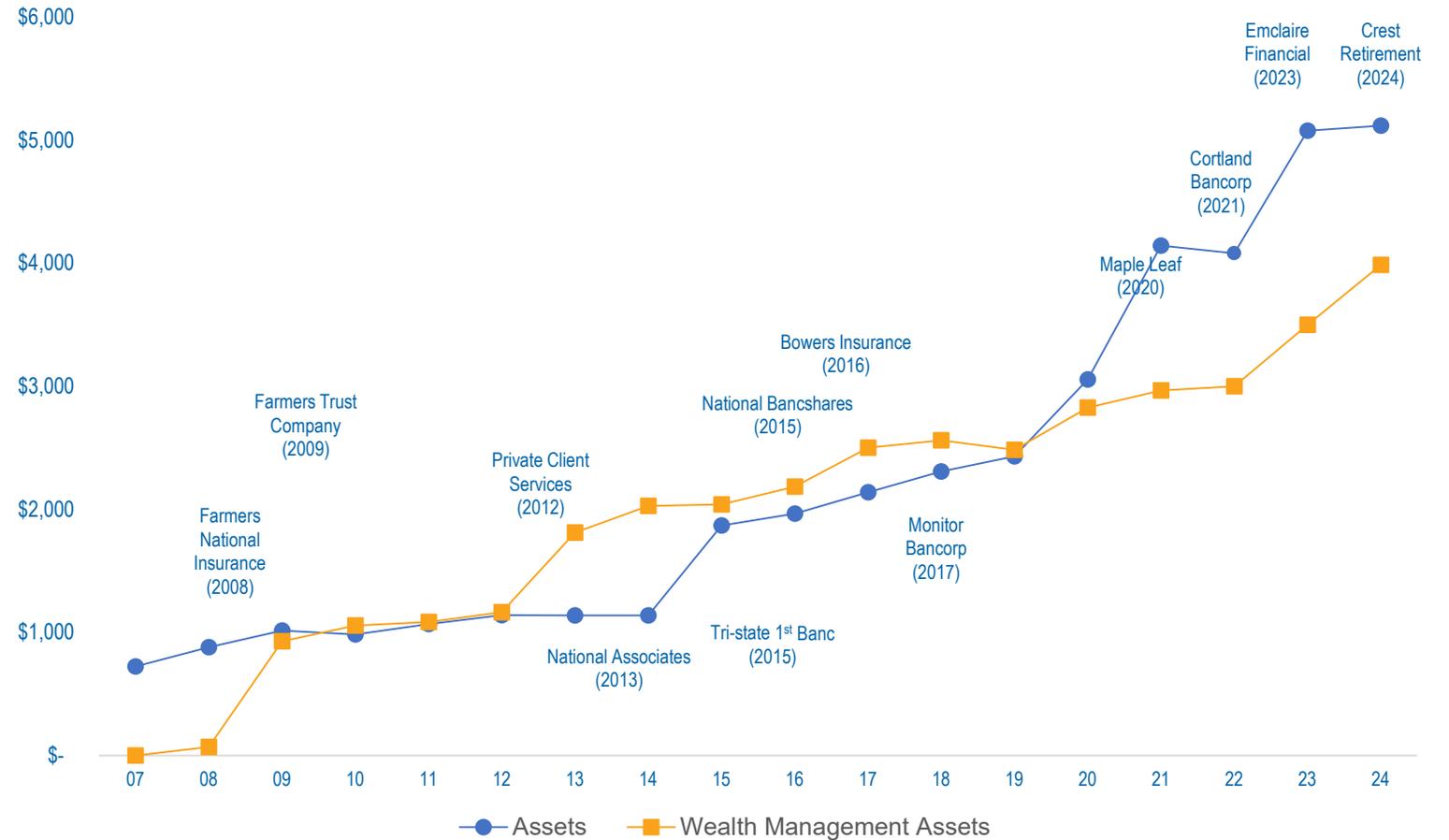
- Strive for performance metrics in top quartile ranking vs. peer group
- Focus on growing noninterest income
- Proactive capital management
- Maintain financial strength
- Prudent risk management and focus on asset quality



Proven Acquisition History and Strategy

Long-term strategy of value-enhancing acquisitions

- Eight acquisitions in the past nine years
- Target franchises with similar culture, compelling reputation, and strong customer base
- Focus on businesses that support cross sell opportunities and diversify footprint into compelling banking markets
- Manageable initial tangible book value dilution
- Reasonable price with a currency mix of cash and stock



- Graph in millions
- As of December 31, 2024



FARMERS

NATIONAL BANC CORP.

Financial Performance

NASDAQ: FMNB



Balance Sheet Strengths

	12/31/24	12/31/23	12/31/22
Customer Deposits*	\$4.2 billion	\$4.2 billion	\$3.4 billion
Cash Balances	\$85.7 million	\$103.7 million	\$75.6 million
Loan-to-Deposit Ratio	76.6%	76.6%	67.5%
Nonperforming Loans to Total Loans	0.70%	0.47%	0.62%
Allowance to Nonperforming Loans	157.2%	228.6%	182.3%

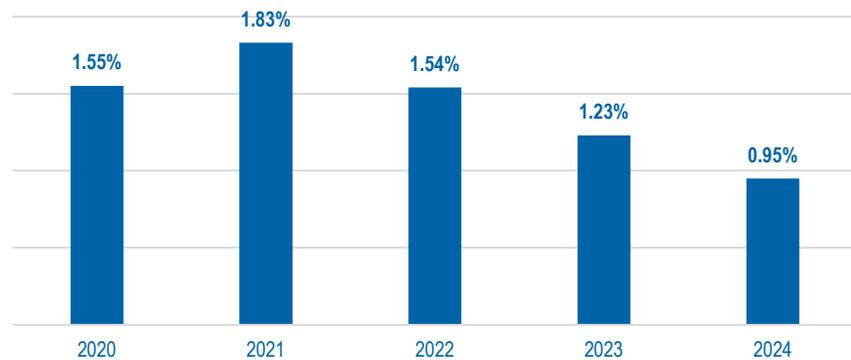
*Excludes Brokered Time Deposits.

Core Results

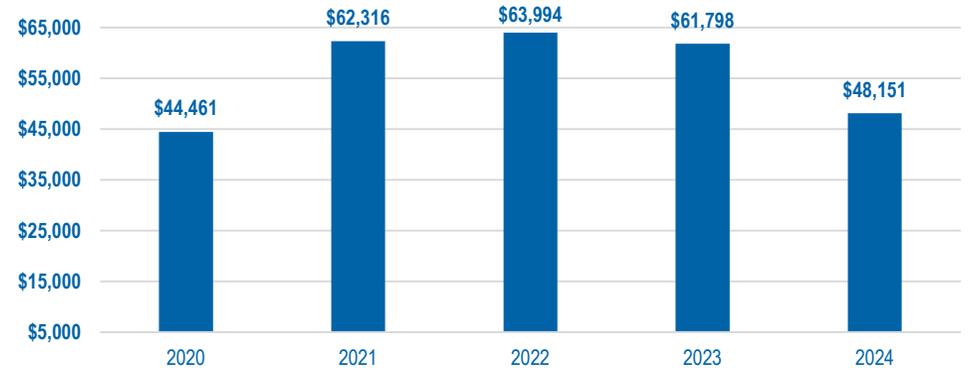
Overview

- Core EPS remains strong through challenging environments
- Robust fee businesses provide stability

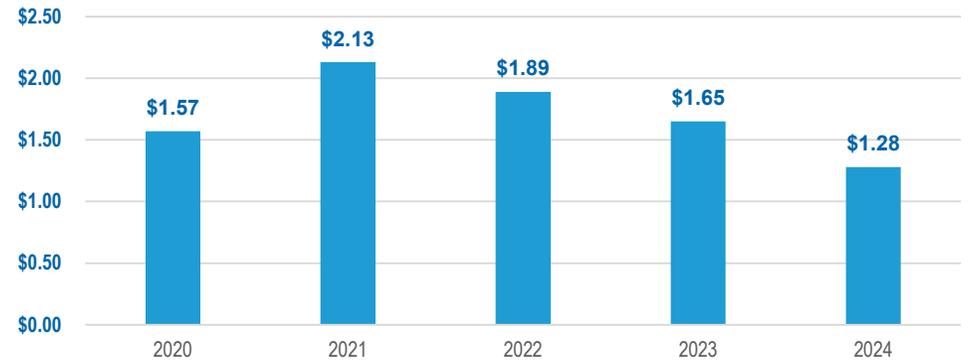
Core Return on Assets



Core Net Income



Core EPS



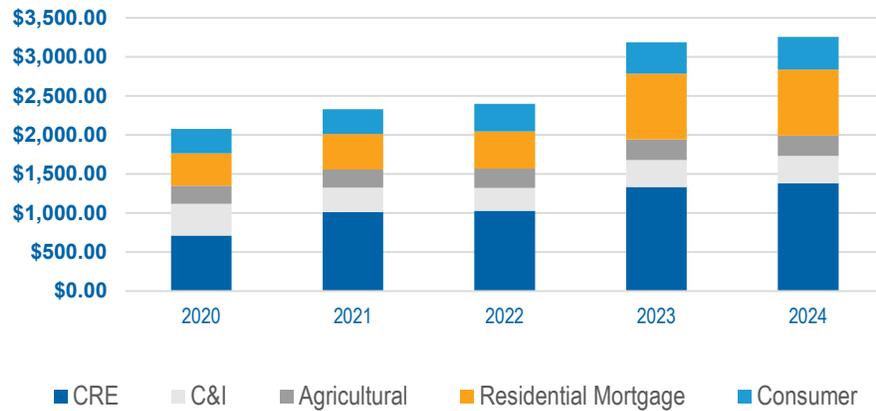
Core items exclude the impact of acquisition related provision and other items. See Non-GAAP reconciliation in appendix.

Loan Portfolio Overview

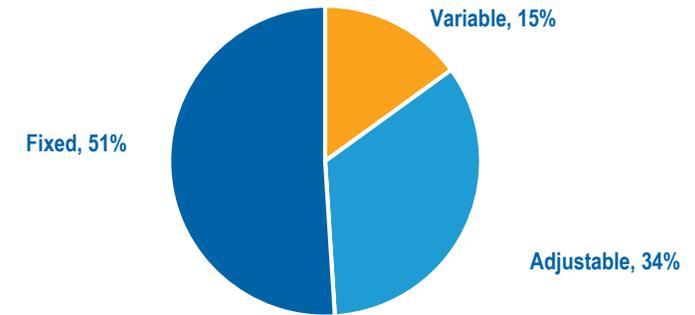
Overview

- Total loans \$3.3 billion
- Diverse loan mix
- Farmers' practice is to lend primarily within its market area

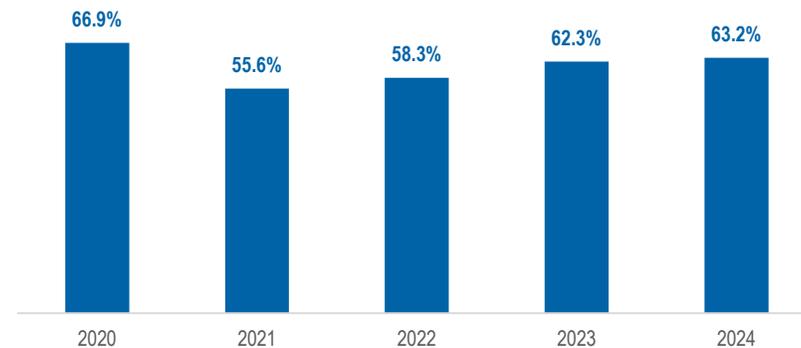
Total Loans (in millions)



Rate Type Segments



Net Loans to Assets



CRE

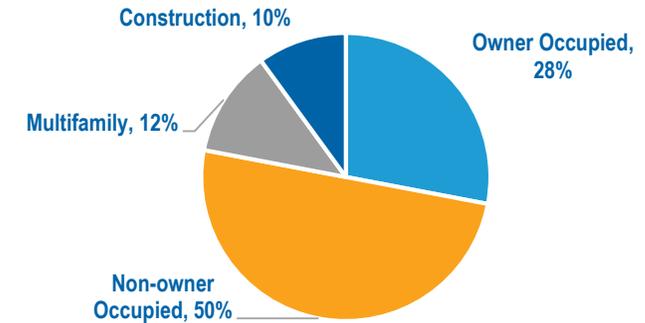
Overview

- Well diversified portfolio
- Strong credit culture
- Independent loan review

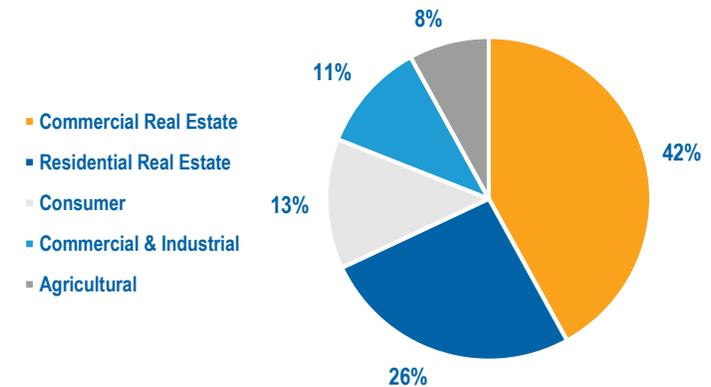
CRE Categories

Category	Balance	% of CRE	% of Port
Retail	\$ 345,354	25%	11%
Office	\$ 192,269	14%	6%
Warehouse/Industrial	\$ 186,316	13%	6%
Multifamily	\$ 158,168	11%	5%
Medical	\$ 147,353	11%	5%
Special Purpose	\$ 85,361	6%	3%
Restaurant	\$ 50,990	4%	2%
Multifamily - Construction	\$ 73,857	5%	2%
Hotel	\$ 44,301	3%	1%
Remainder	\$ 97,605	7%	3%
Total	\$ 1,381,574		

CRE Breakdown



Loans by Industry Type

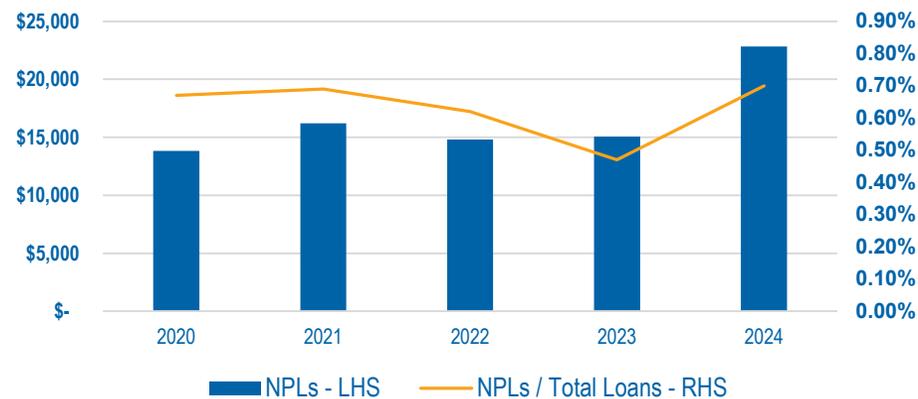


Asset Quality Trends

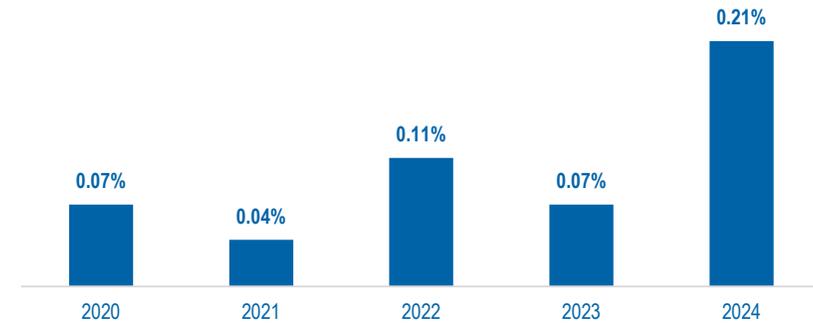
Overview

- Early-stage delinquencies were \$13.0 million, or 0.40% of total loans at December 31, 2024, compared to \$16.7 million, or 0.52% of total loans at December 31, 2023
- Conservative underwriting practices
- Sound reserve levels under CECL

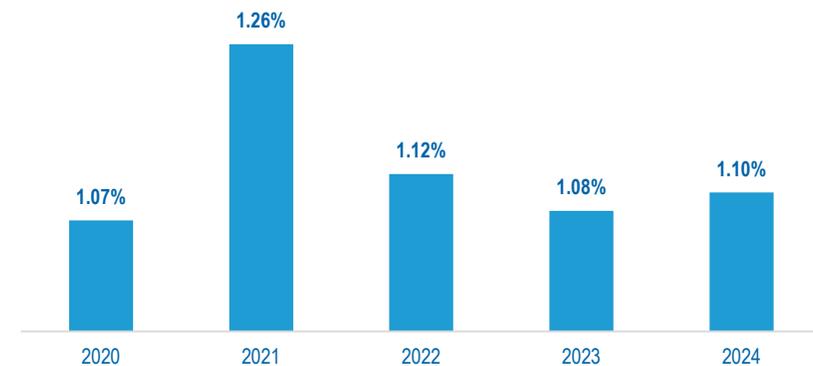
NPLs/Total Loans & Leases (\$ in thousands)



Annualized Net Charge-Offs to Avg. Net Loans



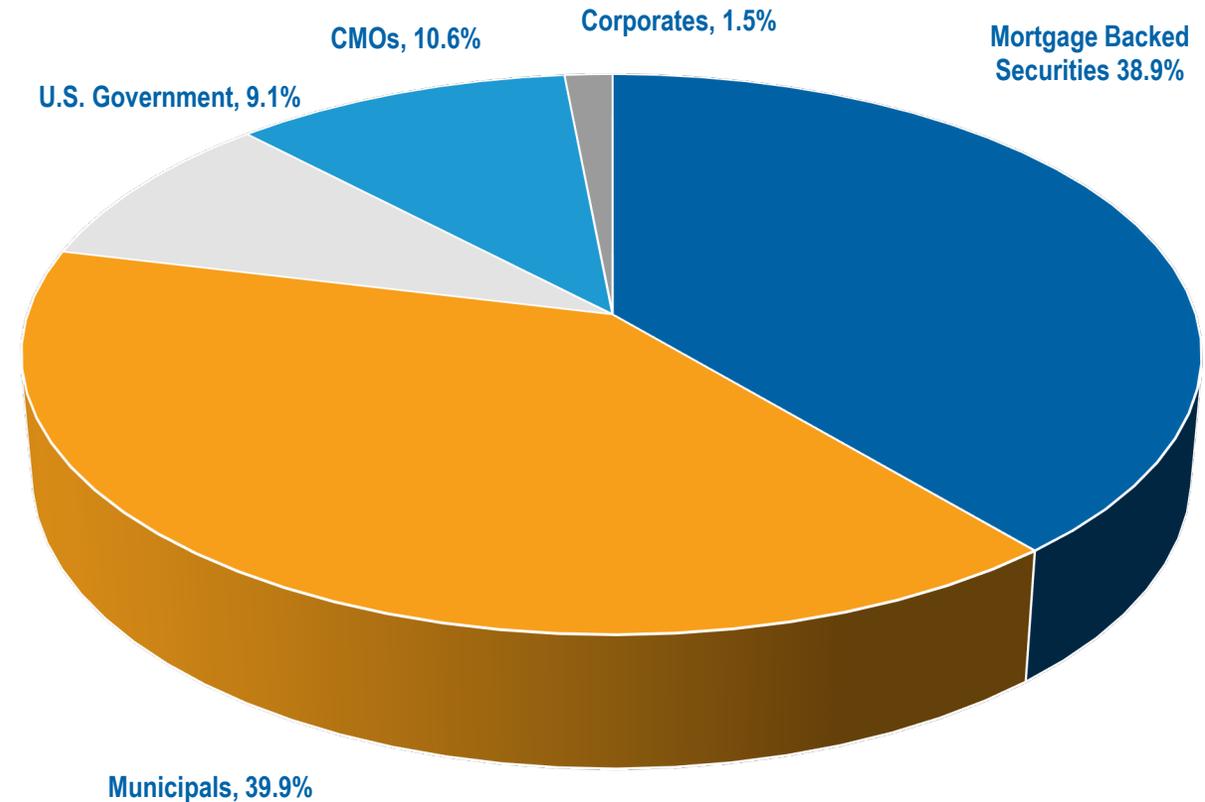
ACL to Total Loans



Securities Portfolio

Overview

- All of the Investment securities portfolio is categorized as available for sale
- All MBS and CMOs are U.S. government agency issued
- All municipal securities are investment grade, majority with credit enhancements
- The duration of the available for sale securities portfolio is 6.7 years at December 31, 2024
- Assuming no changes to interest rates, the AOCI is expected to have accretion of approximately \$28.6 million, or 11.8% over the next four quarters
- Over the next three years, the AOCI is expected to have accretion of approximately \$80.2 million, or 33.0%, assuming no changes to interest rates

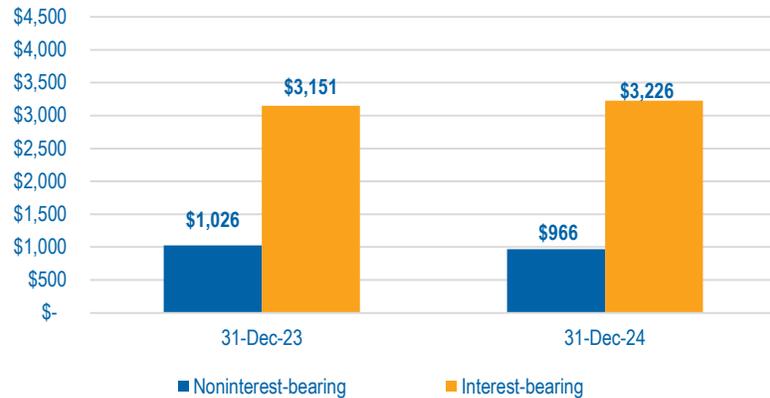


Deposit Trends

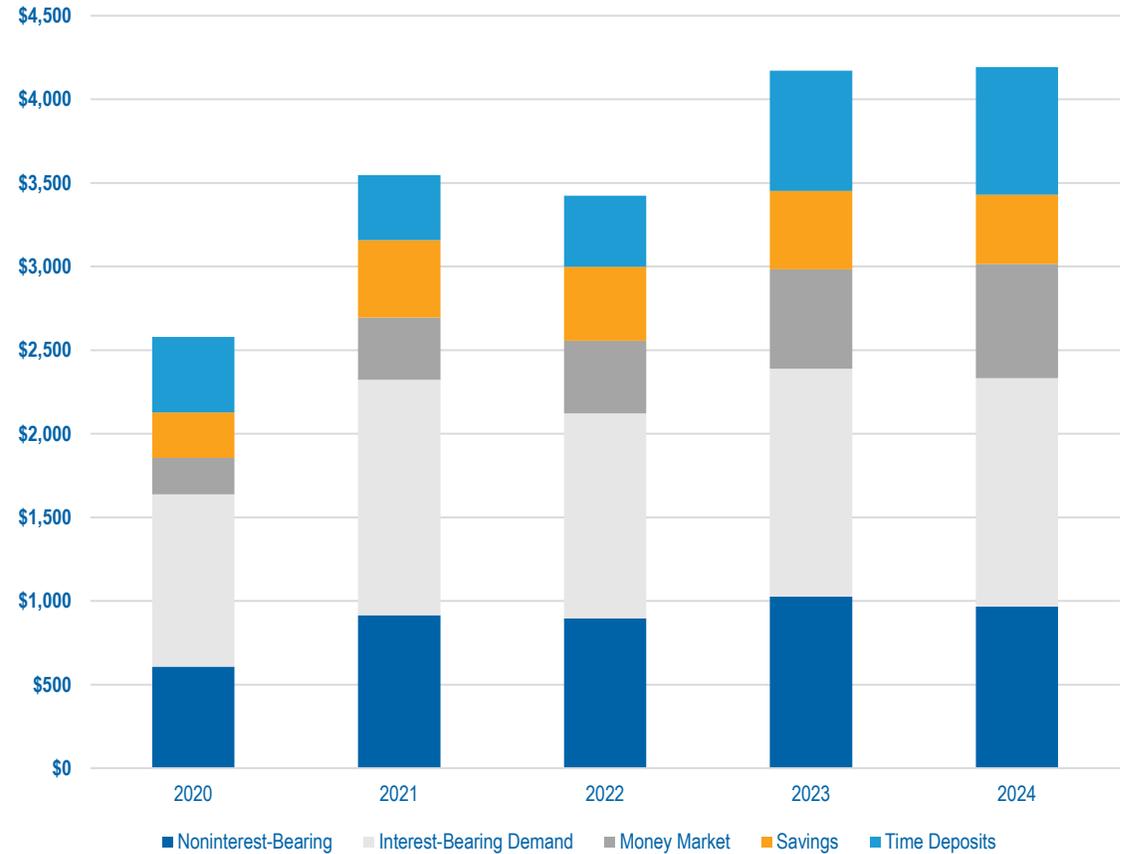
Overview

- We are proud to say our bank is built on core deposits
- Total customer deposits: \$4.2 billion
- Noninterest-bearing stood at 22.6% of total deposits

Customer Deposit Composition (in millions)



Customer Deposit Composition (in millions)



Liquidity

Farmers National Banc Corp. has the following sources of liquidity at the holding company as of December 31, 2024:

- **\$46.0 million** of cash and equivalents
- **\$5.0 million** in unsecured lines of credit with a zero balance

Farmers National Bank has the following sources of liquidity as of December 31, 2024:

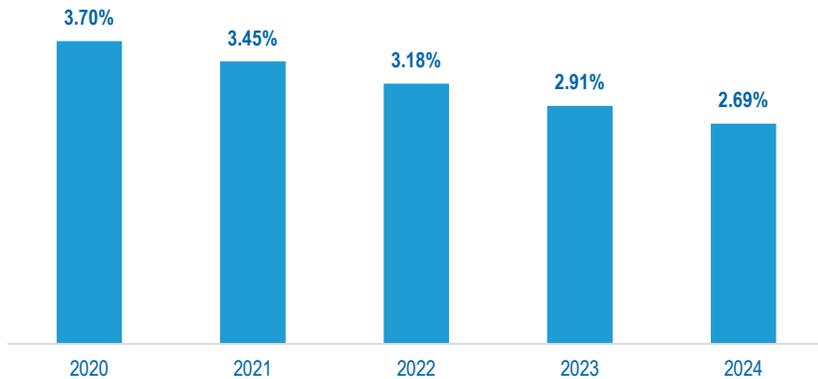
- **\$82.5 million** of cash and equivalents
- **\$549.7 million** of additional borrowing capacity at the FHLB
- **\$25.0 million** of unsecured lines of credit with a zero balance
- **\$414.0 million** of available for sale securities that are not pledged
- Brokered CDs
- Securities roll-off of approximately **\$78.8 million** in next 12 months

Net Interest Income and NIM Trends

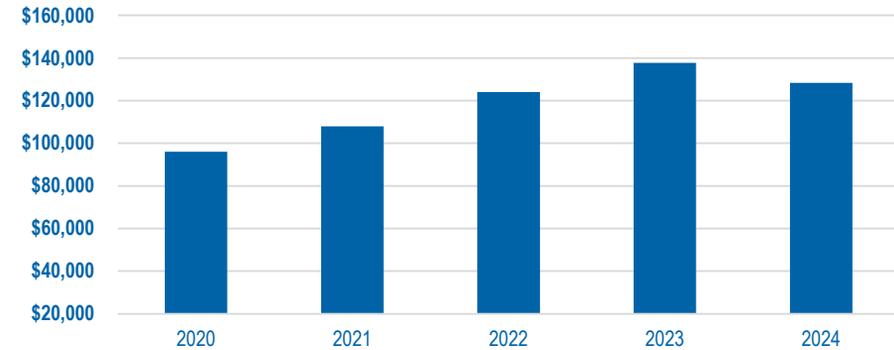
Overview

- Focused on growing loans to manage net interest margin
- Managing cost of funds and deposit betas through rising rate environment

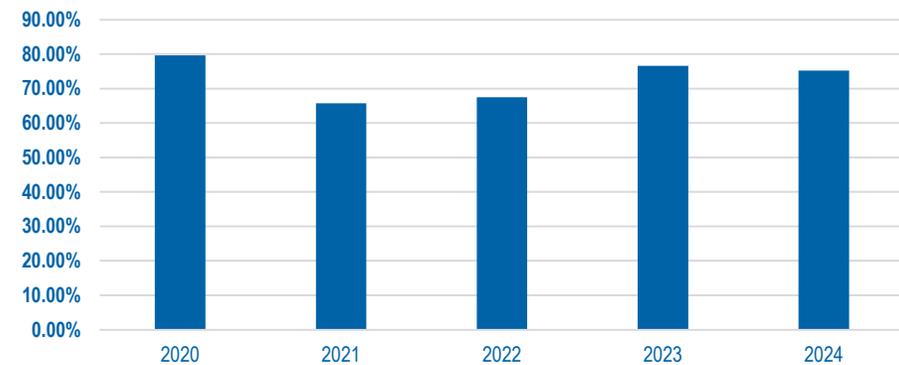
Net Interest Margin (annualized)



Net Interest Income (in thousands)



Loans to Deposits

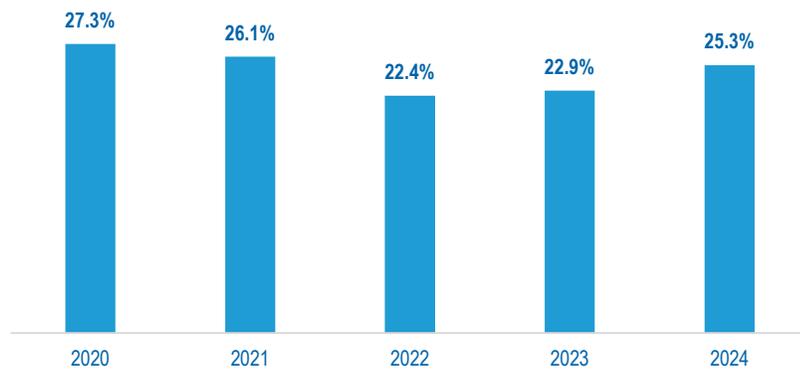


Noninterest Income Trends

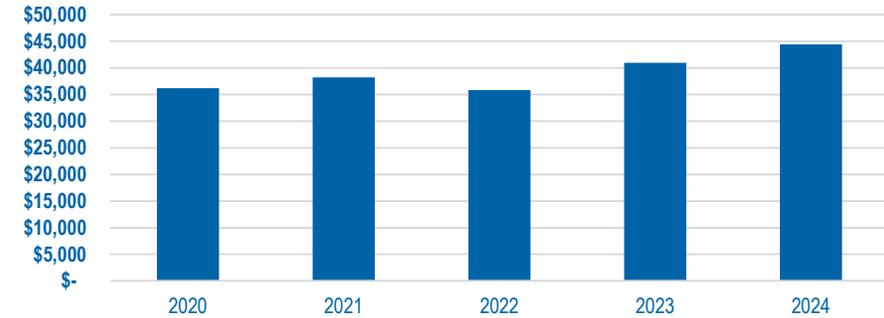
Overview

- Robust Trust, Wealth Management and Insurance businesses
- Diverse revenue sources
- Working to increase noninterest income to total revenue

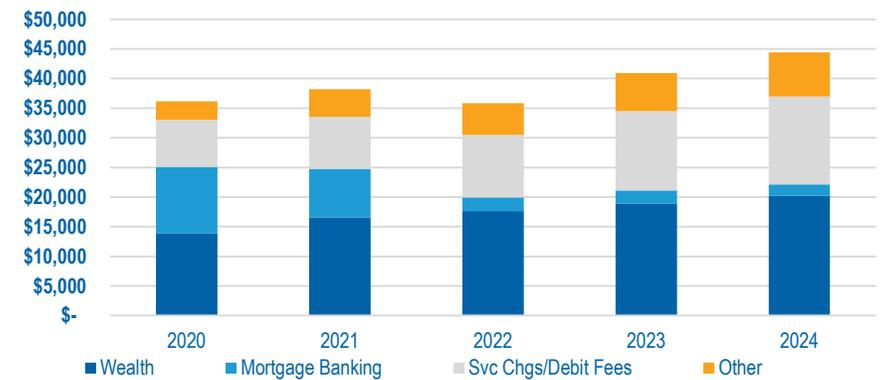
Noninterest Income to Total Revenue*



Total Noninterest Income* (in thousands)



Components of Noninterest Income* (in thousands)



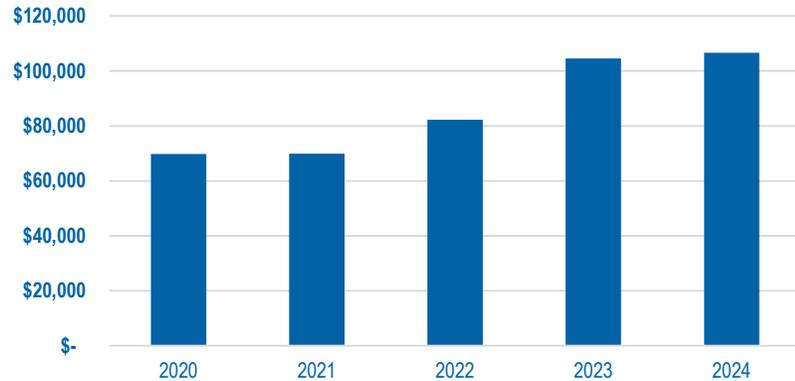
*Noninterest income in 2022 excludes \$8.4 million in income related to the proceeds of a one-time legal settlement. In 2023, it excludes \$915,000 related to the gain recognized on the sale of commercial loans and in 2024, it excludes \$2.7 million loss on sale of securities and other assets. See Non-GAAP reconciliation in appendix.

Noninterest Expense Trends

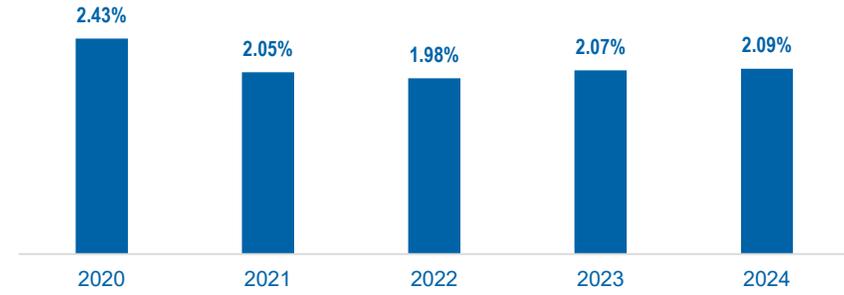
Overview

- Overall focus on driving efficiencies
- The Company has a number of process improvement projects underway.
- Track record of prudent expense management

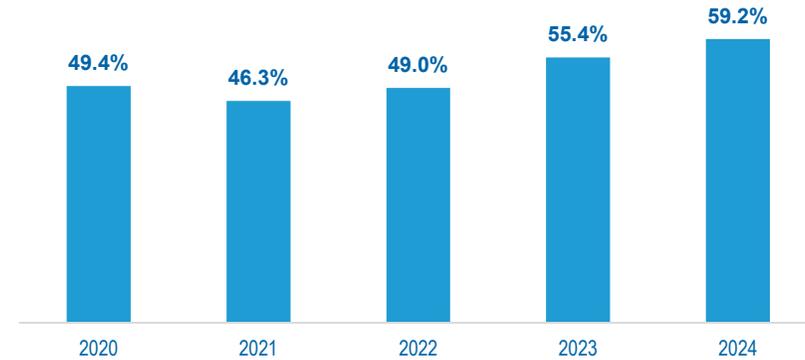
Noninterest Expense (in thousands) ⁽²⁾



Noninterest Expense to Average Assets ⁽¹⁾



Efficiency Ratio ⁽¹⁾



(1) Ratios adjusted for certain items. See Non-GAAP reconciliation in appendix.

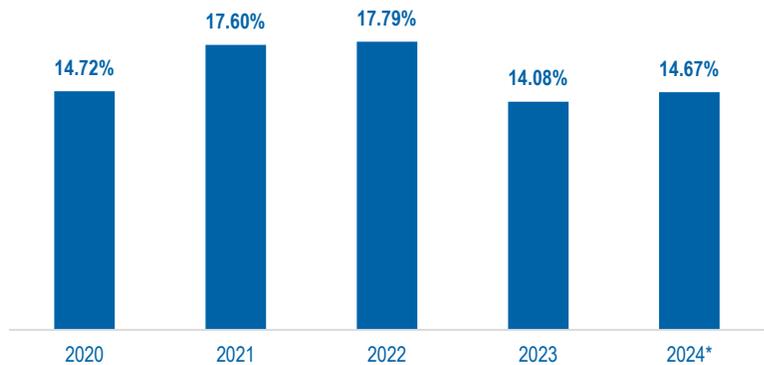
(2) All periods adjusted for certain items. See Non-GAAP reconciliation in appendix.

Capital

Overview

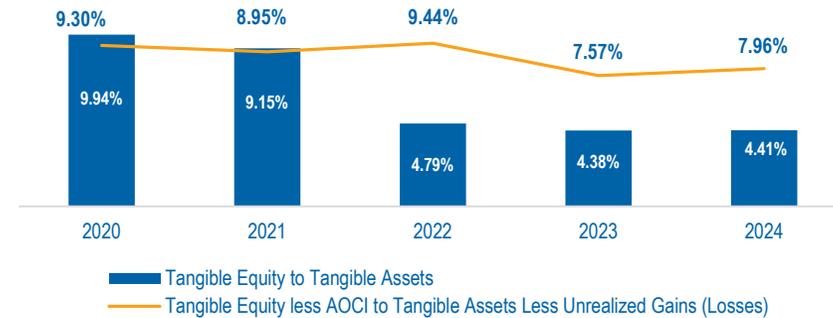
- All regulatory capital ratios above *well-capitalized* threshold
- Announced 1,000,000 share repurchase program in Q1 2023
- Strong dividend payout

Total Risk Based Capital

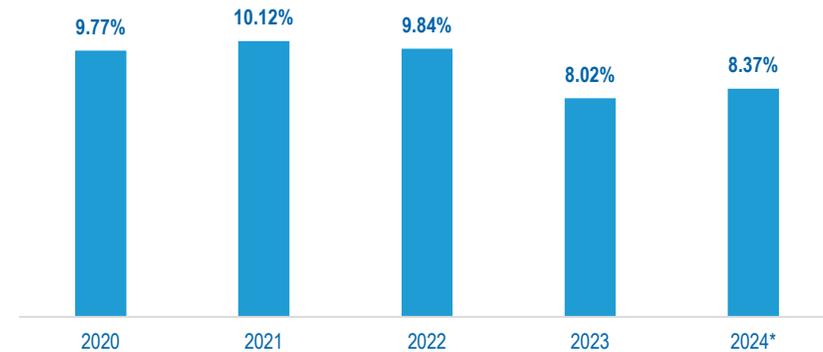


* Estimate

Tangible Equity to Tangible Assets



Tier 1 Leverage Ratio



Appendix – Non GAAP Reconciliations

	2020	2021	2022	2023	2024
Net income	\$ 41,876	\$ 51,844	\$ 60,597	\$ 49,932	\$ 45,949
Acquisition related costs - after tax	2,585	5,731	3,290	4,395	82
Acquisition related provision - after tax	-	3,846	-	6,077	-
Employee severance	-	-	-	798	-
Law suit settlement income - after tax	-	-	(6,616)	-	-
Law suit settlement contingent legal expense - after tax	-	-	1,639	620	-
Charitable donation - after tax	-	-	4,740	-	-
FHLB prepayment penalties - after tax	666	1,682	-	-	-
Net loss (gain) on asset/security sales - after tax	404	(598)	344	(723)	2,120
Gain on sale of non-mortgage loans - after tax	-	(189)	-	698	-
Core net income	\$ 45,531	\$ 62,316	\$ 63,994	\$ 61,797	\$ 48,151
Reported diluted EPS	\$ 1.47	\$ 1.77	\$ 1.79	\$ 1.33	\$ 1.22
Core diluted EPS	\$ 1.60	\$ 2.13	\$ 1.89	\$ 1.65	\$ 1.28
Reported return on average assets (annualized)	1.46%	1.52%	1.46%	0.99%	0.90%
Core return on average assets (annualized)	1.59%	1.83%	1.54%	1.23%	0.95%
Net interest income, reported	\$ 96,191	\$ 107,990	\$ 124,166	\$ 137,786	\$ 128,368
Net interest income, tax equated	\$ 98,582	\$ 110,835	\$ 127,530	\$ 140,588	\$ 130,848
Noninterest income	36,161	38,193	44,202	41,861	41,716
Legal settlement income	-	-	(8,375)	-	-
Net loss (gain) on asset/security sales	511	(757)	435	883	2,684
Net (gain) on commercial loan sale	-	-	-	-	-
Gain on sale of non-mortgage loans	-	(239)	-	(915)	-
Adjusted noninterest income	36,672	37,197	36,262	41,829	44,400
Net interest income and noninterest income adjusted	135,254	148,032	163,792	182,417	175,248
Noninterest expense less intangible amortization	70,001	77,817	92,438	108,361	103,830
Charitable donation	-	-	6,000	-	-
Contingent legal settlement expense	-	-	2,075	785	-
Employee severance	-	-	-	1,010	-
Acquisition related costs	3,223	7,109	4,070	5,475	92
FHLB prepayment penalties	-	2,129	-	-	-
Adjusted noninterest expense	66,778	68,579	80,293	101,091	103,738
Reported efficiency ratio (tax equivalent basis)	52.55%	51.13%	53.68%	59.24%	59.26%
Efficiency ratio excluding certain items	49.37%	46.33%	49.02%	55.42%	59.19%

Appendix – Non GAAP Reconciliations

	2020	2021	2022	2023	2024
Total assets	\$ 3,071,148	\$ 4,142,749	\$ 4,082,200	\$ 5,078,350	\$ 5,118,924
Less goodwill and other intangibles	49,617	102,606	101,666	190,287	188,200
Tangible Assets	\$ 3,021,531	\$ 4,040,143	\$ 3,980,534	\$ 4,888,063	\$ 4,930,724
Gross unrealized losses	\$ 27,889	\$ 11,718	\$ (266,487)	\$ (217,140)	\$ (233,055)
Tangible assets less gross unrealized gains (losses)	\$ 2,993,642	\$ 4,028,425	\$ 4,247,021	\$ 5,105,203	\$ 5,163,779
Stockholders' Equity	\$ 350,097	\$ 472,432	\$ 292,295	\$ 404,415	\$ 406,028
Less goodwill and other intangibles	49,617	102,606	101,666	190,287	188,200
Tangible common equity	300,480	369,826	190,629	214,128	217,828
Accumulated other comprehensive income (loss) (AOCI)	22,032	9,295	(210,490)	(172,554)	(193,265)
Tangible common equity less AOCI	\$ 278,448	\$ 360,531	\$ 401,119	\$ 386,682	\$ 411,093
Equity to assets	11.40%	11.40%	7.16%	7.96%	7.93%
Tangible equity to tangible assets	9.94%	9.15%	4.79%	4.38%	4.42%
Tangible equity less AOCI to tangible assets less gross unrealized gains (losses)	9.30%	8.95%	9.44%	7.57%	7.96%