



For Immediate Release

Contact: NexTier Bank - Maria Smathers, SVP, Marketing, msmathers@thebank.com
412-996-1954 (C) or 724-538-2261 (O)

F & M Bank – Rich Krauland, President & CEO, RichardK@fmbwpa.com
724-548-9227 (O) or 412-874-7248 (C)

**NexTier Bank and Farmers & Merchants of Western PA to merge,
creating \$1 billion financial services leader**

BUTLER, PA and KITTANNING, PA May 7, 2013 – NexTier Bank and Farmers & Merchants Bank of Western PA (F&M Bank) announced today plans to merge the two organizations to create a \$1 billion financial services leader. The “new” NexTier Bank will offer Western Pennsylvania businesses and consumers a comprehensive line of products and services, 24 convenient locations, and a focus on premium customer service. The combined organization will continue the commitment to community that both organizations have made a priority for well over a century.

The merger is expected to generate cost synergies and drive a significantly improved cost structure. The new NexTier will have approximate assets of \$1 billion and will be headquartered in Butler, PA with operations in Armstrong, Butler and Allegheny Counties and approximately 240 employees.

"This is a decisive move that highlights the strengths of both organizations and positions the combined entity for success by providing even greater value to our customers," said Mark Snyder, current Chairman of NexTier Inc and a member of the F&M Board. "There are clear strategic benefits to combining the two highly complementary organizations, including growth opportunities. This is a particularly challenging time for the financial services industry. With an ever-changing regulatory landscape and an unprecedented low interest rate environment ultimately affecting income, smaller competitors will be forced to consider their options. This combination allows our organizations to not only stay viable, but to flourish -- together we will better be able to serve our communities, increase value for our shareholders and provide the level of service that customers of both organizations have come to expect ."

Subject to regulatory approvals, the transaction is expected to close in the first quarter, 2014. The merged entity will have headquarters in Butler.

Snyder concluded, "With our shared ownership, NexTier and F&M management teams are currently pursuing opportunities to align corporate structure, jointly negotiate contracts, share services such as Wealth Management, and work together on best practices in anticipation of this merger. We understand the benefit to completing the merger with speed and discipline. The significant talent in both organizations will allow us to achieve the synergies we have identified while maintaining our competitive position in the combined market."

Fact Sheet

A fact sheet related to the merger and corporate profiles are attached to this press release.

About NexTier Inc.

NexTier Inc. has assets of \$512 million and serves the western Pennsylvania region with corporate offices in Butler and Wexford. NexTier, Inc. includes NexTier Bank, NexTier Insurance Services, NexTier Wealth Management. NexTier Bank has 15 community offices throughout northern Allegheny, Butler and Armstrong counties. www.thebank.com

About Farmers & Merchants Bank of Western PA

Farmers & Merchants Bank of Western PA has assets of \$425 million and serves the western Pennsylvania region with corporate offices in Kittanning. F&M. includes F&M Bank and F&M Wealth Management. F&M Bank has 9 community offices in Armstrong County. www.fmbwpa.com.

###

NexTier and F&M Merger Fact Sheet

ANTICIPATED MERGER DATE: First Quarter, 2014

NAME: NexTier Bank

TOTAL ASSETS: Approximately \$1 Billion

HEADQUARTERS

NexTier Operations Center, 245 Pittsburgh Road, Butler, PA 16001

EMPLOYEES: 240

LOCATIONS

NexTier Bank

- NexTier Operations Center
- 24 branches in northern Allegheny County, Armstrong County and Butler County

NexTier Insurance Services

- NexTier Operations Center
- Kittanning, PA

NexTier Wealth Management

- Butler, PA

WEBSITE: www.thebank.com

MEDIA CONTACT: To schedule interviews, please contact:

Maria W. Smathers
SVP, Retail Delivery & Marketing
msmathers@thebank.com
(C) 412-996-1954
(O) 724-538-2261

Executive Quotes:

Mark Snyder, Chairman of the Board, NexTier, Inc & Board Member, Farmers & Merchants Bank of Western PA –

"This is a decisive move that highlights the strengths of both organizations and positions us for success by providing even greater value to our customers. There are clear strategic benefits to combining two highly complementary organizations, including growth opportunities. This is a particularly challenging time for the financial services industry. With an ever-changing regulatory landscape and an unprecedented low interest rate environment ultimately affecting income, smaller competitors will be forced to consider their options. This combination allows our organizations to not only stay viable, but to flourish -- together we will better be able to serve our communities, increase value for our shareholders and provide the level of service that customers of both organizations have come to expect ."

Richard Krauland, President & CEO, Farmers & Merchants Bank of Western PA –

"We are thrilled to join forces with the talented team at NexTier. Working closely with them for the past two years has positioned us to move quickly and decisively to combine the two organizations and recognize the cost synergies and increased productivity we expect."

Donald S. Shamey, CEO, NexTier Bank –

"Combining NexTier and F&M makes absolute sense from many perspectives. Financially, we expect to see increased earnings and overall better performance. With two highly talented and complementary management teams, we have the opportunity to exceed expectations, to take advantage of growth opportunities, and to continue the long standing tradition of excellence both organizations strive to achieve."

Margaret Irvine Weir, President, NexTier Bank –

"NexTier has always believed in offering innovative products and services, the highest level of customer service and a deep commitment to the communities we serve. My great-grandfather founded NexTier Bank 135 years ago and I am so pleased that we move forward with an organization whose mission and values so closely match ours."

NexTier Corporate Profile

NexTier, Inc. has a diversified business mix consisting of:

- NexTier Bank - Regional banking services, including:
 - Personal and business banking
 - Commercial banking and lending
 - Merchant services
 - Mortgage services
 - Cash management and preferred corporate services
 - Business and consumer online financial management services
- NexTier Insurance Services - Personal lines and business insurance,
- NexTier Wealth Management – Investment Services

HEADQUARTERS

NexTier Operations Center, 245 Pittsburgh Road, Butler, PA 16001

TELEPHONE

Main Telephone, Telephone Banking and Customer Care Center
1-800-262-1088

EXECUTIVE OFFICERS

Mark Karenchak, Chairman of NexTier Bank
Donald S. Shamey, Chief Executive Officer
Margaret Irvine Weir, President
Robert Howell, EVP, Chief Lending Officer
Richard DeHaas, SVP, Chief Credit Officer
Mark Schoen, SVP, Chief Financial Officer
Maria W. Smathers, SVP Retail Delivery & Marketing
Kathy Kriebel, VP, Operations
Rick Putnam, CEO, NexTier Insurance

EMPLOYEES: 160

ASSETS: \$512 million as of 3/31/13

LOCATIONS

NexTier Bank

- NexTier Operations Center, Butler, PA
- 15 branches in northern Allegheny County, Armstrong County and Butler County

NexTier Insurance Services

- NexTier Operations Center, Butler, PA
- Kittanning, PA

NexTier Wealth Management

- Butler, PA

WEBSITE: www.thebank.com

ONLINE BANKING

NexTier Online Banking
NexTier Online Bill Pay
NexTier Cash Manager
NexTier Business Online Bill Pay
NexTier Remote Deposit

COMMUNITY IMPACT

Key commitments to nonprofit organizations

Commitment to financial education

NexTier Connect Non-profit program

[More Community Impact](#) (links to this page on website)

AWARDS

- 2013 Fast Tracker Award by the Pittsburgh Business Times – Heidi McDowell, VP, Regional & Operations Manager
- 2013 Distinguished Citizen by Moraine Trails Council – Margaret Irvine Weir, President
- 2013 PA Banker's Association, Forty Years in Banking Award – Denny Stokes
- 2013 PA Banker's Association, Forty Years in Banking Award – Angie Banyay
- 2012 Top Woman in Business by the Pittsburgh Business Times – Carol Achezinski, SVP Preferred Corporate Services
- 2012 Healthiest Employers by the Pittsburgh Business Times
- 2012 PA Banker's Association, Forty Years in Banking Award – Eileen Collier
- 2010 Smart Futures "Corporate Champion in Education"
- 2009 Golden Triangle Award of Honor in Communication Management/Social Media by the International Association of Business Communicators
- 2009 Top Woman in Business by the Pittsburgh Business Times - Margaret Irvine Weir, President
- 2008 Torch Award for Marketplace Ethics by the Better Business Bureau of Western Pennsylvania
- 2008 "100 Best Places to Work in PA" by the PA Department of Community and Economic Development
- 2008 Silver Level Leadership Circle Award by Junior Achievement of Western Pennsylvania
- 2008 Woodlands Foundation honored Margaret Irvine Weir at its Butterfly Ball

Farmers & Merchants Bank of Western PA Corporate Profile

F&M has a diversified business mix, which includes:

- F&M Bank – hometown banking services, including:
 - Personal, consumer banking
 - Consumer & Commercial Business Lending
 - Home Equity and Mortgage Services
 - Business, & cash management services
 - Consumer online financial management services

- F&M Wealth Management – Investment Services

HEADQUARTERS

F&M Main Office, 222 Market Street, Kittanning, PA 16201

TELEPHONE

Main Telephone, Telephone Banking and Customer Care Center
724-543-1125

EXECUTIVE OFFICERS

Richard Krauland, President & Chief Executive Officer
Clem Rosenberger, SVP, Chief Operating Officer
Kristen Robertucci, SVP, Chief Financial Officer
Herman Krummert, SVP Chief Lending Officer
Andy Hornyak, SVP, Chief Credit Officer

EMPLOYEES: 100

ASSETS: \$425 million as of 3/31/13

LOCATIONS

F&M Bank, 9 offices in Armstrong County

- F&M Main Office
- 8 branches throughout Armstrong County

F&M Wealth Management

- Butler, PA

WEBSITE: www.fmbwpa.com

ONLINE BANKING

F&M FREE Online Banking with Net Banker
F&M FREE Online Bill Payer
F&M Cash Management

COMMUNITY IMPACT

Farmers & Merchants Bank of Western PA is proud to support our locally owned businesses and organizations through employee volunteering, donations, and fundraising. We are dedicated to enhancing the local community, and quality of life throughout Armstrong County. Our contributions remain in our area through nonprofit organizations, financial education, and our F&M Bank Employee Volunteerism Program.

AWARDS

- 2013 Keystone Imperial Partner for Free Enterprise Education
- 2008 - 2013 Armstrong County Sports Hall of Fame – Generosity of exemplary commitment to the Scholar-Athlete Programs of Armstrong County

- 2012 Golden Apple Business Award by the Commonwealth of Pennsylvania House of Representatives
- 2009-2012 The Keystone Royal Partner for Free Enterprise Education
- 2009-2012 Newspaper in Education Award – Valley News Dispatch
- 2008, 2010-2012 – Readers Choice Gold Award, Best Financial Institution
- 2012 ABA Community Bank Award for Outstanding Volunteer Community Dedication
- 2012 Business of the Year, Armstrong County Chamber of Commerce
- 2011 Top Workplaces with Pittsburgh Post-Gazette
- 2011 Applause & Accolades for Arts on the Allegheny
- 2011 Junior Achievement Leadership Circle Award
- 2011 Day of Giving Support of Local Nonprofit Organizations
- 2010-2011 American Cancer Society's Relay for Life Silver Award
- 2010 Business of the Year, Armstrong County Chamber of Commerce
- 2010 Vision for Tomorrow from 4CTechnologies for Information Technology – Brad Toy, Vice President / IT Manager & Lou Palumbo, IT Specialist
- 2008 Dedication of Service to the Marines of Allegheny Valley Detachment #827 and the Marine Corps League – For exemplifying the Marine Corps "Can Do Attitude" in all you do.