



CAMELS FINANCIAL OPTICS REPORT

COMPANY OVERVIEW

F & M Bancorp/Farmers and Merchants Bank

Company Description

F&M Bancorp ("FMB")("the Company") is an Ohio financial institution headquartered in Miamisburg, Ohio. The Company is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. The Company is the parent bank holding company for its wholly owned subsidiary, Farmers and Merchants Bank ("FMB")("the Bank"), which was formed in 1923.

The Company is a customer-focused community bank that targets business owners, professionals, and individuals, as well as other segments of the financial market within greater Dayton markets that offer opportunities for growth and profitability.

Business Insights

Key Performance Indicators (KPIs): The Bank's KPIs recorded increases in assets, deposits, and income for year-end 2020 over prior year. (See *Key Highlights back page*). Performance validated Board/management efforts in meeting the challenges brought forth by the State of Ohio's response to the pandemic. In early 2020 Board Management took the action of increasing loan loss reserves well in advance of any possible impact of local economic disruptions due to the pandemic.

Shareholder Return: The Company reported strong investor results noting Company income of \$2,712,000/\$8.54 per share, as of year-end 2020. Shareholders received \$473,896/\$1.52 per share in cash dividends, as of YE 2020. Fair Market Value ("FMV") per share common of the Company increased 9.18% in value over year-end 2019 and 11.09% when including dividends. The recently introduced FMB Dividend Re-investment Program (DRIP). already has 36% of shareholders participating representing 26% of all O/S. as of YE 2020. The program allows for the re-investment of cash dividends and optional cash investments for the purchase of additional shares in FMB.

Investor Information

The Company is privately held and does not actively trade on any electronic exchange. The Company's common stock is traded through the Bank's internal trading desk and is the Company's transfer agent. Community Banc Investments is Company's market maker. Company historically pays quarterly dividends. The Company provides for the purchase of Company stock through Self-Directed IRAs and Dividend Re-Investment Plan. The Company's stock is priced quarterly through an independent third-party firm. Individuals seeking to purchase shares are directed to contact Investor Relations.



Headquarters

41 South First Street
 Miamisburg, OH 45343

Investor Relations Contact

Cindy Spencer
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December 31, 2020

Stock Price (FMV)	\$86.80
Price to Book Value	118%
Book Value Per Share	\$73.59
YE 2019 Stock Price	\$79.50
Income Per Share	\$8.54
Shares Outstanding	317,584
Board of Director Ownership	8.0%

Financial Data (000)

Assets	\$227,132
Deposits	\$ 186,606
Equity	\$23,370
Loans	\$157,230
Net Income	\$2,712

Key Highlights (FMB)

- **Assets:** Bank assets of \$225,385,000, as of YE 2020 up from \$181,284,000 for the same period 2019.
- **Deposit:** Bank deposits of \$187,156,000, as of YE 2020 compared to \$151,294,000 for the same period 2019.
- **Loans:** Bank loans of \$159,597,000, as of YE 2020 compared to \$135,980,000 for the same period 2019.
- **Earnings:** Bank earned \$2,749,000, as of YE 2020 compared to \$2,293,000 for the same period 2019.
- **Net Interest Margin:** Bank earned 4.16%, as of YE 2020 compared to 4.41% for the same period 2019.
- **Efficiency Ratio:** 56.48%, as of YE2020 compared to 61.09% for the same period 2019.

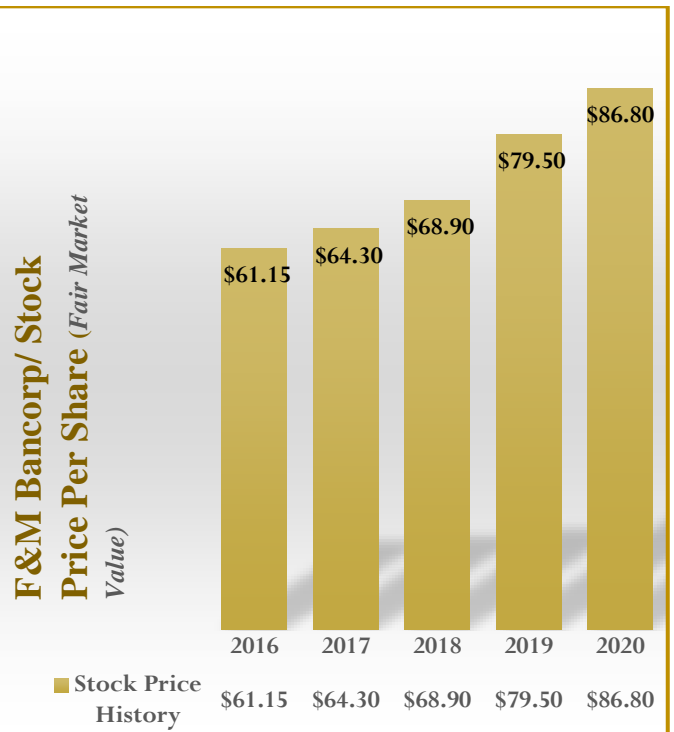
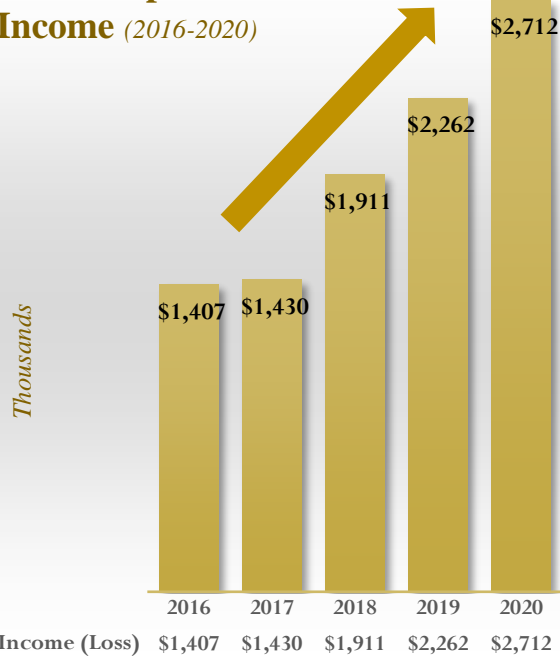
Performance Ratios (FMB)

Return on Average Assets	1.30%
Return on Average Common Equity	13.72%
Yield on Loans	5.25%
Total Loans to Deposits	85.27%
Demand Deposits to Total Deposits	38.04%
Risk Based Capital/Risk Weighted Assets*	12.37%
Non-Performing Loans to Total Loans	0.76%
Allowance for Loan Losses to Total Loans	1.48%
Cost of Funds	0.72%

*Well capitalized 10% Regulatory Benchmark

F&M Bancorp

Net Income (2016-2020)



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"Increasing Shareholder Value"

CAMELS Consulting Group offers a comprehensive suite of proprietary products and services exclusively designed to increase the shareholder value of community banks. Backed by more than three decades of experience in stock and bank valuation analysis, CAMELS Financial Optics Report provides the investment community with an objective overview of financial institutions.

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