



CAMELS FINANCIAL OPTICS REPORT

COMPANY OVERVIEW

F&M Bancorp/Farmers & Merchants Bank

Company Description: F&M Bancorp ("the Company") is an Ohio financial holding company 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 company for its wholly owned subsidiary, Farmers & Merchants Bank ("the Bank"), which was formed in 1923.

Message from the Chairman/CEO: Our year-end profitability exceeded expectations for 2022, as we transitioned from a pandemic environment to one of high interest rates and inflation. (see Key Highlights) We have maintained focus on the investment portfolio during this period ensuring it's leveraging for greater return is continually addressed. Your Board and Management is fully engaged on meeting the challenging economic headwinds anticipated due to continued interest rates increases and inflationary pressures. Our Bank is well-positioned to meet those challenges with an exceptional banking staff able to navigate recessionary waters anticipated for mid-to-late 2023.

Performance of our Bank even in this challenging economic period has shown its market strength in maintaining growth levels in assets, deposits, and loans from YE 2018 to YE 2022. (See Growth Chart/Back Page) We anticipate continued overall market expansion in both retail/commercial loan growth. We are focused on the future and continually invest in new delivery systems ensuring our customers receive the best in financial services.

Shareholder Return: The fair market value of our stock has increased to \$102.45 per share 118% P/BV, as of YE 2022. This represents a per share increase of \$9.20/9.87% and 11.47% when including dividends in 2022. Shareholders have received total cash dividends of approximately \$499,968/\$1.50 per share. (See Stock Chart on the back page.)

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 pays quarterly dividends. Purchase of Company stock can be made 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
 Senior Vice President
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December 31, 2022

Stock Price (FMV)	\$102.45
Price to Book Value	118%
Book Value Per Share	\$87.13
YE 2021 Stock Price	\$93.25
Income Per Share (YTD)	\$10.47
Shares Outstanding	328,606
Board of Director Ownership	8%

Financial Data (000)

Assets	\$271,126
Deposits	\$ 237,071
Equity (Tier 1)	\$28,634
Loans	\$194,551
Net Income (YTD)	\$3,398

Key Highlights (Bank)

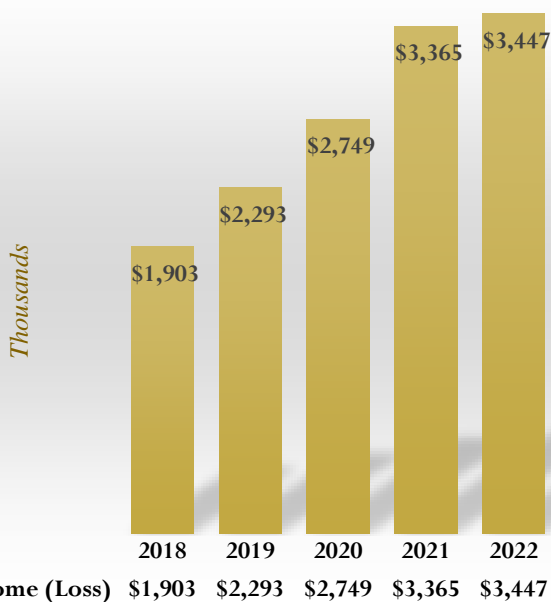
- **Assets:** Bank assets of \$271,327,000, as of YE 2022 up from \$264,553,000 for the same period 2021.
- **Deposit:** Bank deposits of \$237,318,000, as of YE 2022 compared to \$223,489,000 for the same period 2021.
- **Loans:** Bank loans of \$194,551,000, as of YE 2022 compared to \$171,275,000 for the same period 2021.
- **Earnings:** Bank earned \$3,447,000, as of YE 2022 compared to \$3,365,000 for the same period 2021.
- **Net Interest Margin:** Bank earned 4.00%, as of YE 2022 compared to 3.92% for the same period 2021.
- **Efficiency Ratio:** 57.58%, as of YE 2022 compared to 54.80% for the same period 2021.

Performance Ratios (Bank)

Return on Average Assets	1.28%
Return on Average Common Equity	16.16%
Yield on Loans	5.27%
Total Loans to Deposits	81.98%
Demand Deposits to Total Deposits	32.92%
Tier I Common Capital/Risk Weighted Assets*	13.10%
Non-Performing Loans to Total Loans	0.02%
Allowance for Loan Losses to Total Loans	1.56%
Cost of Funds	0.49%

*Well capitalized 10% Regulatory Benchmark

Farmers & Merchants Bank/Net Income (2018-2022)



F&M Bancorp/ Stock Price Per Share (Fair Market Value)



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"Increasing Shareholder Value"

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