



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 (FMB)(the Bank) formed in 1923. The Bank operates offices in Germantown, West Carrollton, Miamisburg, New Lebanon, and Springboro.

Message from the Chairman/CEO: Farmers and Merchants Bank/F&M Bancorp is celebrating its 100th year of operation, as a locally owned community bank with headquarters in Miamisburg. In conjunction with the centennial celebration the Company donated \$100,000 to the Miamisburg Community Foundation to sponsor a new playground in Riverfront Park.

Performance: Your Board of Directors are pleased to report that our Company at the close of 2023 recorded strong performance in key areas of loan growth, deposit stability, liquidity, and year-end earnings. Earnings for year-end 2023 was \$3,921,000, a milestone for our bank. The accomplishments of management cannot be understated recognizing the challenging financial environment of this past year. Our Net Interest Margin (NIM), an important aspect of balance sheet management and key component of profitability has positively impacted earnings throughout this past year. This level of performance has ensured the maintaining of the fair market value of your stock and resultant dividend performance. *(See Key Highlights and Performance Ratios back page)*

Shareholder Return: The fair market value of our stock, as of YE 2023 is \$109.65 per share (FMV), increased from \$102.45 YE 2022. *(See Stock Chart Back Page)* Shareholders return YTD 2023 was 7.03% and 8.88% when including dividends. YTD 2023 shareholders have received total cash dividends of approximately \$619,189/\$1.90 per share. Your Board is appreciative of investor confidence in FMB and is pleased to provide this report on the financial soundness of your Bank. *(See Financial Highlights/Performance Ratios Back Page)*

Investor Information: The Company is privately held and does not actively trade on any electronic exchange. Community Banc Investments is Company's market maker. The Company offers a Dividend Re-Investment Plan (DRIP) Company pays quarterly dividends. Individuals seeking to purchase shares are directed to contact Investor Relations/Cindy Spencer.



Headquarters

41 South First Street
 Miamisburg, OH 45343

Investor Relations Contact

Cindy Spencer
 Senior Vice President
 (937) 866-2455
cspencer@bankwithfm.com

December 31, 2023

Stock Price (FMV)	\$109.65
Price to Book Value	133%
Book Value Per Share <i>(Based on Tier 1)</i>	\$82.39
YE 2022 Stock Price	\$102.45
Income Per Share <i>(YTD)</i>	\$11.97
Shares Outstanding	332,127
Board of Director Ownership	8.4%

Financial Data (000)

Assets	\$291,686
Deposits	\$247,731
Equity	\$27,012
Loans	\$223,571
Net Income <i>(YTD)</i>	\$3,923

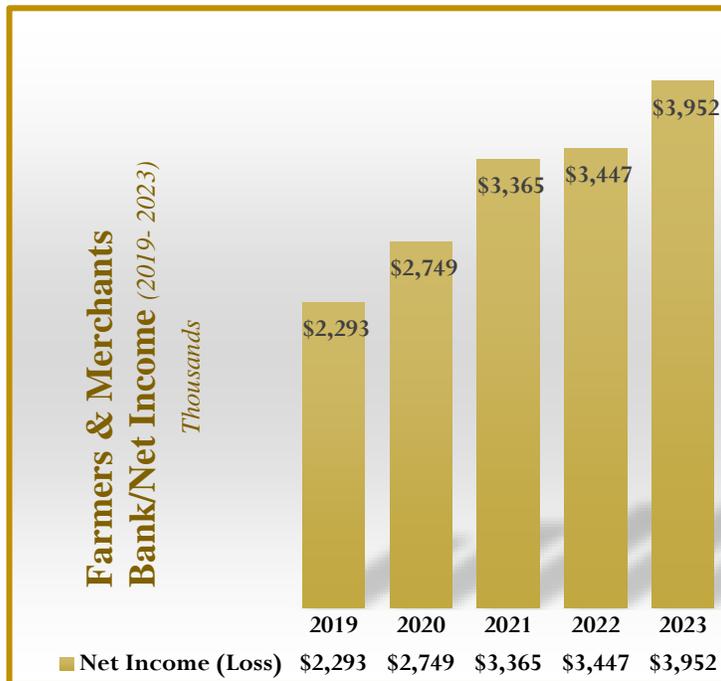
Key Highlights (Bank)

- **Assets:** Bank assets of \$291,520,000, as of YE 2023 up from \$271,327,000 for the same period 2022.
- **Deposit:** Bank deposits of \$247,872,000, as of YE 2023 compared to \$237,318,000 for the same period 2022.
- **Loans:** Bank loans of \$223,571,000, as of YE 2023 compared to \$194,551,000 for the same period 2022.
- **Earnings:** Bank earned \$3,952,000, as of YE 2023 compared to \$3,447,000 for the same period 2022.
- **Net Interest Margin:** Bank earned 4.02%, as of YE 2023 compared to 4.0 % for the same period 2022.
- **Efficiency Ratio:** 54.35%, as of YE 2023 compared to 57.58% for the same period 2022.

Performance Ratios (Bank)

Return on Average Assets	1.53%
Return on Average Common Equity	17.24%
Yield on Loans	5.95%
Total Loans to Deposits	90.20%
Demand Deposits to Total Deposits	27.13%
Tier I Common Capital/Risk Weighted Assets*	12.88%
Non-Performing Loans to Total Loans	0.10%
Allowance for Loan Losses to Total Loans	1.52%
Cost of Funds	1.67%

*Well capitalized 10% Regulatory Benchmark



CAMELS CONSULTING GROUP LLC
"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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