



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, with offices in greater Dayton markets.

Business Insights

Special Message from the President/CEO:

YTD 2021 financial results noted deposits remaining elevated. This is a result of continued government stimulus programs and subsequent payments to both individuals and businesses in meeting pandemic challenges. Although economic challenges remain in 2021 and will follow into 2022 the Bank's credit quality remains strong with loan delinquencies below sector levels.

The Bank's transition to a new core operating system and managed IT is moving forward utilizing the Financial Information System (FIS) Horizon XE. The system will position the bank with significant flexibility in addressing future business opportunities and provide elevated electronic delivery to customers. Transition to the new operating system will commence mid-August. The Bank placed significant resources into this initiative ensuring a seamless transition.

Shareholder Return: The Company reported income of \$1,653,809/\$5.18 per share, as of 2Q 2021. Shareholders received \$158,951/\$0.50 per share in cash dividends, as of 2Q 2021. The Company's price per share is \$88.10 Fair Market Value ("FMV") having increased \$1.30 (1.5%) in value over year-end 2020 and 2.07% when including dividends.

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

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June 30, 2021

Stock Price (FMV)	\$88.10
Price to Book Value	113%
Book Value Per Share	\$77.54
YE 2019 Stock Price	\$86.80
Income Per Share (YTD)	\$5.18
Shares Outstanding	323,119
Board of Director Ownership	8.0%

Financial Data (000)

Assets	\$257,244
Deposits	\$ 215,509
Equity	\$24,731
Loans	\$174,449
Net Income (YTD)	\$1,654

Key Highlights (FMB)

- **Assets:** Bank assets of \$255,597,000, as of 2Q 2021 up from \$221,052,000 for the same period 2020.
- **Deposit:** Bank deposits of \$215,966,000, as of 2Q 2021 compared to \$184,454,000 for the same period 2020.
- **Loans:** Bank loans of \$174,451,000, as of 2Q 2021 compared to \$164,118,000 for the same period 2020.
- **Earnings:** Bank earned \$1,663,000, as of 2Q 2021 compared to \$1,274,000 for the same period 2020.
- **Net Interest Margin:** Bank earned 3.83%, as of 2Q 2021 compared to 3.99% for the same period 2020.
- **Efficiency Ratio:** 55.88%, as of 2Q 2021 compared to 60.69% for the same period 2020.

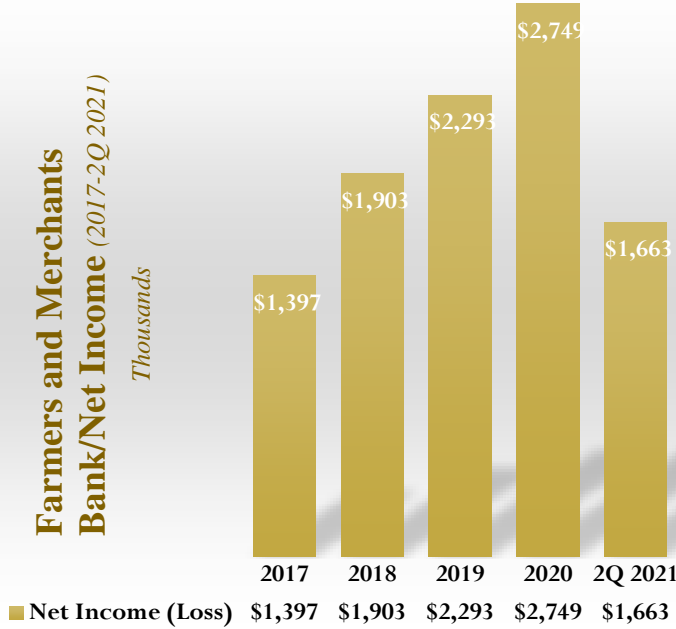
Performance Ratios (FMB)

Return on Average Assets	1.34%
Return on Average Common Equity	15.00%
Yield on Loans	5.18%
Total Loans to Deposits	80.78%
Demand Deposits to Total Deposits	36.69%
Risk Based Capital/Risk Weighted Assets*	12.47%
Non-Performing Loans to Total Loans	0.96%
Allowance for Loan Losses to Total Loans	1.44%
Cost of Funds	0.61%

*Well capitalized 10% Regulatory Benchmark

Farmers and Merchants Bank/Net Income (2017-2Q 2021)

Thousands



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

Stock Price History



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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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