



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: Your Board and Management focus is centered on navigating our Bank through current economic climate of continued increasing of interest rates by the Federal Reserve to curb inflationary pressures setting the stage for a recessionary outcome expected in mid-2023. The level of rate hikes by the Federal Reserve is positioned to cause final demand to weaken causing a rise in unemployment and lowering of GDP growth. The Federal Reserve offered guidance is to get inflation down to a target of 2%. Accomplishing this through interest rate movement causes significant stress on both consumers and businesses through higher cost of credit, potential reduction in demand and employment instability. We are continually reviewing the bank's investment portfolio and maintaining the credit quality of our loan portfolio.

Performance of the Bank even in this difficult economic period has shown its market strength with increases in assets, deposits, and loans in comparing 3Q 2022 to the same period in 2021. The decline in income in 2022 is the result of not having income from the COVID PPP Loans generated in 2021. *(See Key Highlights/Back Page)*

Shareholder Return: The Company reported income of \$2,567,000/\$7.94 per share, as of September 30, 2022. Shareholders received approximately \$241,208/\$0.75 per share in cash dividends, as of 3Q 2022. The Company's price per share increased to \$96.15 Fair Market Value ("FMV")/113% of book value (\$85.24) having increased \$2.90/3.11% in value from year-end 2021. *(Please See Tables/Charts 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

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September 30, 2022

Stock Price (FMV)	\$96.15
Price to Book Value	113%
Book Value Per Share	\$85.24
YE 2021 Stock Price	\$93.25
Income Per Share (YTD)	\$7.94
Shares Outstanding	327,396
Board of Director Ownership	8.0%

Financial Data (000)

Assets	\$278,922
Deposits	\$ 246,838
Equity	\$27,907
Loans	\$246,838
Net Income (YTD)	\$2,567

Key Highlights (Bank)

- **Assets:** Bank assets of \$279,364,000, as of 3Q 2022 up from \$262,014,000 for the same period 2021.
- **Deposit:** Bank deposits of \$247,198,000, as of 3Q 2022 compared to \$221,102,000 for the same period 2021.
- **Loans:** Bank loans of \$186,622,000, as of 3Q 2022 compared to \$164,002,000 for the same period 2021.
- **Earnings:** Bank earned \$2,602,000, as of 3Q 2022 compared to \$2,878,000 for the same period 2021.
- **Net Interest Margin:** Bank earned 3.92%, as of 3Q 2022 compared to 4.07% for the same period 2021.
- **Efficiency Ratio:** 59.17%, as of 3Q 2022 compared to 52.30% for the same period 2021.

Performance Ratios (Bank)

Return on Average Assets	1.30%
Return on Average Common Equity	16.17%
Yield on Loans	5.21%
Total Loans to Deposits	75.49%
Demand Deposits to Total Deposits	33.75%
Tier I Common Capital/Risk Weighted Assets*	13.10%
Non-Performing Loans to Total Loans	0.03%
Allowance for Loan Losses to Total Loans	1.50%
Cost of Funds	0.46%

*Well capitalized 10% Regulatory Benchmark

Farmers & Merchants Bank/Net Income (2018-1Q 2022)

Thousands



■ Net Income (Loss) \$1,903 \$2,293 \$2,749 \$3,365 \$2,602

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



■ Stock Price History \$68.90 \$79.50 \$86.80 \$93.25 \$96.15



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"Increasing Shareholder Value"

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