



# 2024

## ANNUAL REPORT

Proud to be called Your Community Bank!



Our Wholly Owned Subsidiary  
**FARMERS & MERCHANTS BANK**  
Established 1923

*The 2024 Annual  
Shareholders Meeting  
will be held on:*

**Wednesday, April 16, 2025  
6:00 p.m.**

**Location:**

Baum Opera House  
15 South 1st St.  
Miamisburg, OH 45342

*Information on F&M  
Bancorp Stock may be  
obtained by contacting:*

**F&M Bancorp**

**Attention:**  
**Cindy Spencer**, SVP  
41 South 1st St.  
Miamisburg, OH 45342  
**937-866-2455**

**Community Banc Investments, Inc.**

**Attention:**  
**Jennifer McFarland**, President  
176 Valley Drive, SE  
Newark, Ohio 43056  
**1-800-224-1013**

*Shareholders wishing to contact our  
Board, Audit Committee or outside  
directors, may do so by writing to  
the following address:*

**Board of Directors  
P.O. Box 152  
Miamisburg, Ohio 45343**

## **DIRECTORS & OFFICERS**

### *Board of Directors:*

**Dr. Keith Basinger**  
**Gregory R. Bell**  
**Danielle L. Kuehnle**  
**Dawn M. Leonard**  
**Shon B. Myers** Chairman  
**Michael W. Sandner**  
**Michael E. Stover** Secretary

### *Directors Emeritus:*

**Raymond E. Shambrock** Past President  
**John E. Dempsey**

### *Bancorp & Bank Officers:*

**Shon B. Myers** President & CEO  
**Gregory G. Eagan** Senior Vice President  
Chief Financial Officer & Treasurer  
**Clint G. Morton** Senior Vice President &  
Chief Lending Officer  
**Cynthia K. Spencer** Senior Vice President

### *Bank Officers:*

**Elaine Allison** Vice President  
Commercial Loan Officer  
**Rhonda Johnston** Vice President  
Agricultural Lender  
**Lynn A. Hamilton** Vice President  
Information Technology & Operations  
**Melissa Renner** Vice President  
Commercial Loan/Agricultural Lender  
**Scott Woods** Vice President  
Commercial Loan Officer  
**Deanna Boggs** Assistant Vice President  
Branch Operations Specialist  
**Scott McDowell** Vice President  
Commercial Loan Officer  
**Erica Shade** Assistant Vice President  
Branch Manager & Compliance Officer  
**Alex Simmons** Assistant Vice President  
Commercial Lender & Credit Officer  
**Matthew Smith** Assistant Vice President  
Branch Manager



## Chairman's Message to Shareholders:

Some may look back at the year of 2024 as a year of conflict. It felt like an entire year of political advertising and news with a hot Presidential Election and Ohio Senate Election, among many other races. The Russia-Ukraine conflict also continued throughout the entire year. Many individuals, families, and communities also suffered personal conflict with tragic hurricanes and flooding events, and even devastating tornadoes here in Ohio. The good news is no one should be conflicted over where to bank. F&M Bancorp's subsidiary, Farmers & Merchants Bank, is one of the last remaining community banks in the area. With over one hundred years of operation, we still offer amazing personalized customer service and still have employees answer our phone lines. There is no conflict of having to choose between big bank products or community bank service, as we are able to offer the big bank products with outstanding community bank service. When you hear individuals complaining about their big bank service issues, make sure you remember to tell them about our community bank alternative option.

Net income was \$4,443,078 as of December 31, 2024, compared to \$3,921,485, at year end 2023 on an after-tax basis. Net earnings were up 13.30% for the year. F&M Bancorp grew in 2024 with total assets reaching \$324,385,390 as of December 31, 2024, or a 10.67% increase over the prior year. Deposits grew 11.94% to \$277,311,635, and loans saw a significant increase of 17.52%, to \$258,751,165 for the year. Total shareholders equity increased by 16.69% to \$31,547,831 as of December 31, 2024.

Shareholders saw an increase of 5.85% in the fair market value of F&M Bancorp stock for the year. The price at year end 2024 was \$114.95 per share, compared to \$108.60 at year-end 2023. It should also be noted, that as of the production of this report the price had increased to \$118.25 per share on January 14, 2025. If you have an interest in expanding your ownership or participating in our Dividend Reinvestment Program (DRIP), please contact Deanna Boggs or Jason Hunley at F&M Bancorp at 937-866-2455. They can also help you change from a paper dividend check to receiving your future dividends electronically. You may also continue to contact our "market maker," Jennifer McFarland with Community Banc Investments, Inc. at 1-800-224-1013 for stock sales and purchases. Please feel free to reach out to me personally at [smyers@bankwithfm.com](mailto:smyers@bankwithfm.com) with any questions at any time, and we thank you for your investment in F&M Bancorp.

Sincerely,

A handwritten signature in black ink that reads 'Shon B. Myers'.

**Shon Myers**

Chairman, President and Chief Executive Officer





# DIXON, DAVIS, BAGENT & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

1205 WEAVER DRIVE • GRANVILLE, OHIO 43023 • 740-321-1000 • FAX 740-321-1100

## INDEPENDENT AUDITOR'S REPORT

### The Audit Committee of the Board of Directors F&M Bancorp, Inc. and Subsidiaries • Miamisburg, Ohio

#### Opinion

We have audited the accompanying financial statements of F&M Bancorp, Inc. and Subsidiaries, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of F&M Bancorp, Inc. and Subsidiaries as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of F&M Bancorp, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about F&M Bancorp, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of F&M Bancorp, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude, whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about F&M Bancorp, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Dixon, Davis, Bagent & Company  
Granville, Ohio  
February 9, 2025

## CONSOLIDATED BALANCE SHEET

	<i>Years Ended December 31,</i>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 2,226,241	\$ 2,970,525
Federal funds sold	35,000	640,000
Cash and cash equivalents	2,261,241	3,610,525
Time deposits	100,000	100,000
Securities available for sale	50,142,930	56,255,002
Restricted stock	1,239,225	1,346,825
Loans, net of allowance for credit losses of \$3,905,836 and \$3,393,976 for 2024 and 2023, respectively	258,751,165	220,177,109
Accrued interest receivable	1,572,828	1,377,824
Property and equipment, net	3,712,503	3,830,059
Bank-owned life insurance	4,007,736	3,900,801
Deferred income taxes	2,259,743	2,083,588
Other assets	366,613	422,312
Total assets	<u>\$324,413,984</u>	<u>\$293,104,045</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits	\$277,311,635	\$247,730,771
Borrowed funds	14,000,000	17,000,000
Accrued interest payable	341,747	268,972
Other liabilities	1,212,771	1,068,648
Total liabilities	<u>292,866,153</u>	<u>266,068,391</u>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, no par value; 5,000,000 shares authorized 335,853 and 332,128 shares issued and outstanding at stated value	500	500
Additional paid-in capital	4,223,529	3,803,500
Retained earnings	32,396,004	28,611,680
Treasury stock, 4,125 and 4,258 shares, at cost, for 2024 and 2023, respectively	(98,182)	(114,395)
Accumulated other comprehensive income (loss)	(4,974,020)	(5,265,631)
Total shareholders' equity	<u>31,547,831</u>	<u>27,035,654</u>
Total liabilities and shareholders' equity	<u>\$324,413,984</u>	<u>\$293,104,045</u>



**CONSOLIDATED STATEMENT OF INCOME**

	<i>Years Ended December 31,</i>	
	<b>2024</b>	<b>2023</b>
<b>INTEREST INCOME</b>		
Loans	\$ 16,181,219	\$ 12,274,770
Investment securities		
Taxable	1,334,897	1,373,434
Nontaxable	416,385	441,479
	<u>17,932,501</u>	<u>14,089,683</u>
Interest on federal funds sold	123,105	210,392
Interest on deposits with banks	11,699	55,379
Total interest income	<u>18,067,305</u>	<u>14,355,454</u>
<b>INTEREST EXPENSE</b>		
Interest on deposits and borrowed funds	<u>5,564,174</u>	<u>3,070,520</u>
Net interest income	12,503,131	11,284,934
<b>PROVISION FOR LOAN LOSSES</b>	<u>539,159</u>	<u>375,000</u>
Net interest income after provision for loan losses	<u>11,963,972</u>	<u>10,909,934</u>
<b>OTHER INCOME (EXPENSE)</b>		
Service charges on deposit accounts	322,117	300,772
Other service charges and fees	768,608	704,511
Life insurance income	106,935	101,146
Loss on sale of securities	(421,140)	(402,649)
Other income	126,671	133,962
	<u>903,191</u>	<u>837,742</u>
<b>OTHER EXPENSES</b>		
Salaries and employee benefits	3,909,086	3,570,971
Occupancy expense	447,239	427,102
Equipment and data processing	886,840	1,028,843
Outside services	165,793	145,878
Supplies, postage and communication	276,171	297,784
Taxes	217,378	179,167
FDIC insurance expense	138,626	126,030
Other operating expense	1,302,150	1,133,597
	<u>7,343,283</u>	<u>6,909,372</u>
<b>INCOME BEFORE FEDERAL INCOME TAX</b>	5,523,880	4,838,304
Federal income tax expense	<u>1,080,802</u>	<u>916,819</u>
<b>NET INCOME</b>	<u>\$ 4,443,078</u>	<u>\$ 3,921,485</u>
<b>NET INCOME APPLICABLE TO COMMON STOCK</b>		
Earnings per average shares outstanding	<u>\$ 13.51</u>	<u>\$ 12.05</u>

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<i>Years Ended December 31,</i>	
	<u>2024</u>	<u>2023</u>
<b>NET INCOME</b>	\$ 4,443,078	\$ 3,921,485
<b>OTHER COMPREHENSIVE INCOME NET OF TAX:</b>		
Unrealized net holding gain (loss) on securities available-for-sale, net of income taxes of \$(166,682) and (389,017) for the years ended December 31, 2024 and 2023, respectively	712,751	1,463,443
Reclassification adjustment for gains (losses) realized, net of income taxes of \$88,439 and \$84,556 for the years ended December 31, 2024 and 2023, respectively	<u>(421,140)</u>	<u>(402,649)</u>
<b>OTHER COMPREHENSIVE INCOME (loss)</b>	<u>291,611</u>	<u>1,060,794</u>
<b>COMPREHENSIVE INCOME (loss)</b>	<u>\$ 4,734,689</u>	<u>\$ 4,982,279</u>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

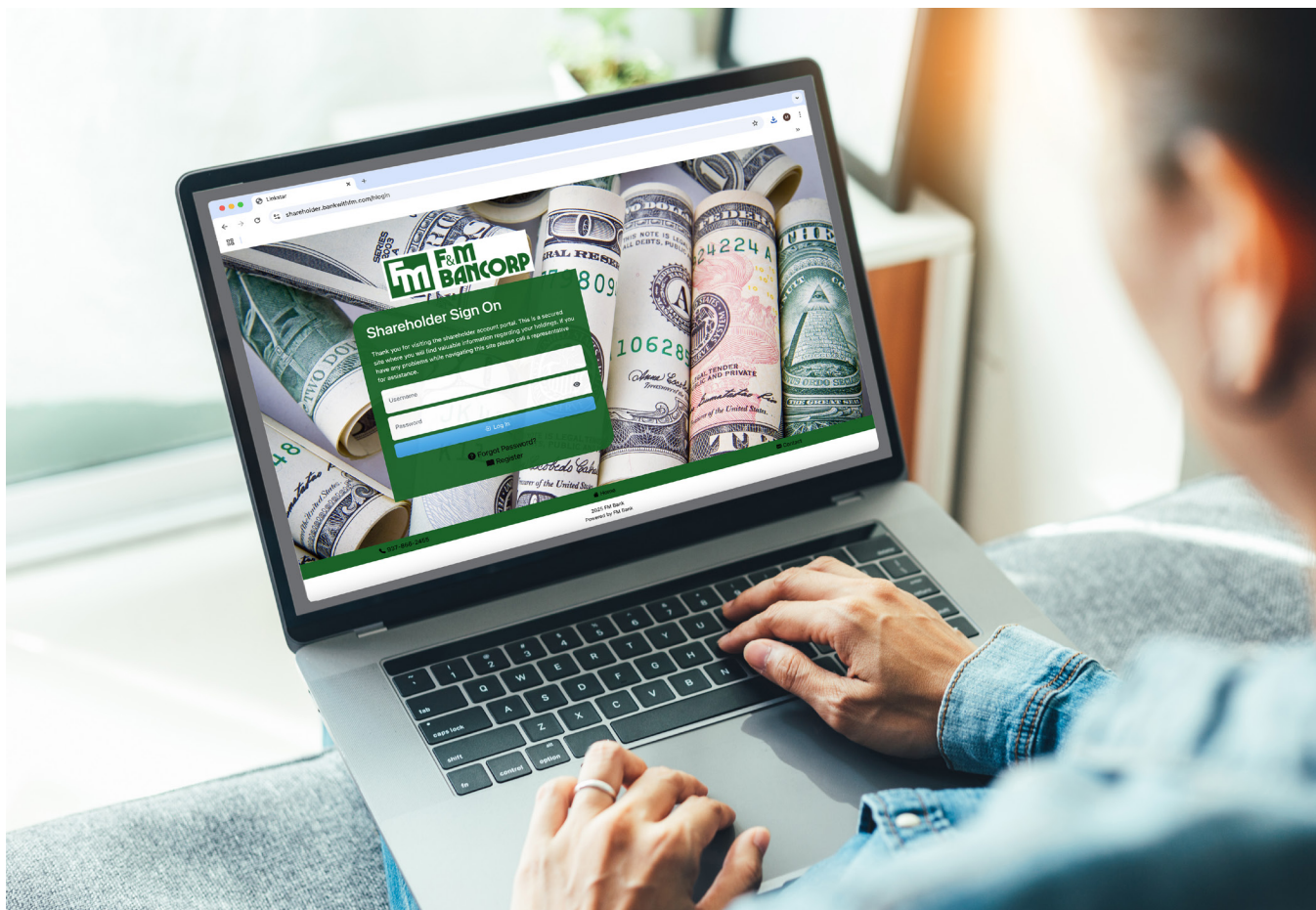
Years Ended December 31, 2024 and 2023

	<i>Common Stock</i>	<i>Additional Paid-In Capital</i>	<i>Retained Earnings</i>	<i>Treasury Stock</i>	<i>Accumulated Other Comprehensive Income (Loss)</i>	<i>Total</i>
<b>BALANCES, JANUARY 1, 2023</b>	\$ 500	\$3,434,182	\$25,309,384	\$ (84,948)	\$(6,326,425)	\$ 22,332,693
Comprehensive income:						
Net income			3,921,485			3,921,485
Other comprehensive income, net of tax:						
Unrealized gains (losses) on securities					1,060,794	<u>1,060,794</u>
Total comprehensive income (loss)						4,982,279
Purchase of treasury stock (1,387 shares)				(139,344)		(139,344)
Sale of treasury stock (1,075 shares)				109,897		109,897
Issuance of common stock DRIP 3,521 shares)		369,318				369,318
Cash dividends paid, \$1.90 per share			(619,189)			<u>(619,189)</u>
<b>BALANCES, DECEMBER 31, 2023</b>	500	3,803,500	28,611,680	(114,395)	(5,265,631)	27,035,654
Comprehensive income:						
Net income			4,443,078			4,443,078
Other comprehensive income, net of tax:						
Unrealized gains (losses) on securities					291,611	<u>291,611</u>
Total comprehensive income (loss)						4,734,689
Purchase of treasury stock (292 shares)				(32,641)		(32,641)
Sale of treasury stock (425 shares)				48,854		48,854
Issuance of common stock DRIP (3,726 shares)		420,029				420,029
Cash dividends paid, \$2.00 per share			(658,754)			<u>(658,754)</u>
<b>BALANCES, DECEMBER 31, 2024</b>	<u>\$ 500</u>	<u>\$4,223,529</u>	<u>\$32,396,004</u>	<u>\$ (98,182)</u>	<u>\$(4,974,020)</u>	<u>\$ 31,547,831</u>



**CONSOLIDATED STATEMENT OF CASH FLOW**

	<i>Years Ended December 31,</i>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 4,443,078	\$ 3,921,485
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization, net	617,532	626,328
Depreciation	211,012	232,541
Provision for loan losses	539,159	375,000
Deferred tax (benefit)	(225,078)	(198,273)
Loss on sale of securities available for sale	421,140	402,649
Change in value of bank-owned life insurance	(106,935)	(101,146)
Change in cash arising from increase and decrease in assets and liabilities:		
Accrued interest receivable and other assets	(139,302)	(420,142)
Accrued interest payable and other liabilities	188,298	102,384
Net cash provided by (used in) operating activities	<u>5,948,904</u>	<u>4,940,826</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of securities available for sale	(5,091,317)	(4,330,700)
Maturities or call of securities available for sale	3,708,182	1,632,358
Sales of securities available for sale	6,933,263	9,011,152
Net decrease (increase) in loans	(39,113,213)	(29,037,657)
Purchase of property and equipment	(93,455)	(22,075)
Net cash provided by (used in) investing activities	<u>(33,656,540)</u>	<u>(22,746,922)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (decrease) increase in deposits	29,580,864	10,660,195
Proceeds from FHLB advances	4,000,000	10,000,000
Payments on FHLB advances	(7,000,000)	(5,000,000)
Purchase of treasury stock	(32,641)	(139,344)
Proceeds from sale of treasury stock	48,854	109,897
Issuance of stock for DRIP	420,029	369,318
Cash dividends paid	(658,754)	(619,189)
Net cash (used in) provided by financing activities	<u>26,358,352</u>	<u>15,380,877</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,349,284)	(2,425,219)
Cash and cash equivalents, beginning of year	<u>3,610,525</u>	<u>6,035,744</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 2,261,241</u>	<u>\$ 3,610,525</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	\$ 5,491,399	\$ 2,838,784
Income taxes, net	1,294,853	1,051,206



## Securely access information about your registered holdings online at:

<https://shareholder.bankwithfm.com/hlogin>

1. Click on the "Register" button under "Forgot Password".
2. Enter your Shareholder # (Call us at 937-866-2455 if you need this).
3. Enter the last 4 digits of your tax ID.
4. Enter the temporary password.
5. Click on the blue Register button.
6. You will now be prompted to update your password, username, and tax ID to something of your choice as well as to provide answers to 3 security questions.

Once registered, you will be able to view your holdings, generate and print statements, update your mailing address and email address, as well as your email consent preferences and more. If you have any questions, please contact us 937-866-2455 or at [mail@bankwithfm.com](mailto:mail@bankwithfm.com).





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