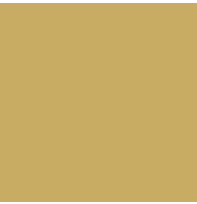




2025

ANNUAL REPORT

Proud to be called Your Community Bank!



Our Wholly Owned Subsidiary
FARMERS & MERCHANTS BANK
Established 1923

*The 2026 Annual
Shareholders Meeting
will be held on:*

**Wednesday, April 15, 2026
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:
Jason Hunley
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:

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



Chairman's Message to Shareholders:

The financial markets of 2025 were amazing to follow as the S&P 500, Dow Jones Industrial Average, and Nasdaq all had historic highs. Historically high home prices and other financial challenges seemed to not adversely impact a resilient U.S. economy. The growth in AI, and need for more and more data centers, has had a positive trickle-down effect on the construction supply chain. Unemployment is still at historic lows, and the labor market is near full employment in our region. The strong local economy was good news for F&M Bancorp and Farmers & Merchants Bank as we saw another year of record growth in most every area of the bank as reflected through our year end numbers.

Net income was \$5,547,965 as of December 31, 2025, compared to \$4,443,078, at year end 2024 on an after-tax basis. Net earnings were up a remarkable 24.87% for the year. F&M Bancorp grew in 2025 with total assets reaching \$355,205,200 as of December 31, 2025, or a 9.49% increase over the prior year. Deposits grew 9.14% to \$302,658,328, and loans grew 9.20%, to \$282,561,548 for the year. Total shareholders' equity increased by 23.59% to \$38,988,693 as of December 31, 2025.

Shareholders saw an increase of 9.44% in the fair market value of F&M Bancorp stock for the year. The price at year end 2025 was \$125.80 per share, compared to \$114.95 at year-end 2024. It should also be noted, that as of the production of this report the price increased to \$130.60 per share on January 27, 2026. If you have an interest in expanding your ownership or participating in our Dividend Reinvestment Program (DRIP), please contact Jason Hunley at F&M Bancorp at 937-866-2455. He 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 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 B. 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, 2025 and 2024, 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, 2025 and 2024, 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 17, 2026

CONSOLIDATED BALANCE SHEET

	<i>Years Ended December 31,</i>	
	2025	2024
ASSETS		
Cash and due from banks	\$ 2,160,307	\$ 2,226,241
Federal funds sold	9,231,000	35,000
Cash and cash equivalents	11,391,307	2,261,241
Time deposits	100,000	100,000
Securities available for sale	48,738,488	50,142,930
Restricted stock	1,007,525	1,239,225
Loans, net of allowance for credit losses of \$4,394,021 and \$3,905,836 for 2025 and 2024, respectively	282,561,548	258,751,165
Accrued interest receivable	1,645,443	1,572,828
Property and equipment, net	3,631,589	3,712,503
Bank-owned life insurance	4,116,896	4,007,736
Deferred income taxes	1,704,051	2,259,743
Other assets	308,353	366,613
Total assets	<u>\$355,205,200</u>	<u>\$324,413,984</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Deposits	\$302,658,328	\$277,311,635
Borrowed funds	12,300,000	14,000,000
Accrued interest payable	340,544	341,747
Other liabilities	917,635	1,212,771
Total liabilities	<u>316,216,507</u>	<u>292,866,153</u>

SHAREHOLDERS' EQUITY

Common stock, no par value; 5,000,000 shares authorized 338,473 And 335,853 shares issued and outstanding at stated value	500	500
Additional paid-in capital	4,725,793	4,223,529
Retained earnings	37,193,423	32,396,004
Treasury stock, 3,725 and 4,125 shares, at cost, for 2025 and 2024, respectively	(47,462)	(98,182)
Accumulated other comprehensive income (loss)	<u>(2,883,561)</u>	<u>(4,974,020)</u>
Total shareholders' equity	<u>38,988,693</u>	<u>31,547,831</u>
Total liabilities and shareholders' equity	<u>\$355,205,200</u>	<u>\$324,413,984</u>

CONSOLIDATED STATEMENT OF INCOME

	<i>Years Ended December 31,</i>	
	2025	2024
INTEREST INCOME		
Loans	\$18,816,043	\$16,181,219
Investment securities		
Taxable	1,274,013	1,334,897
Nontaxable	408,526	416,385
	<u>20,498,582</u>	<u>17,932,501</u>
Interest on federal funds sold	141,169	123,105
Interest on deposits with banks	11,708	11,699
Total interest income	<u>20,651,459</u>	<u>18,067,305</u>
INTEREST EXPENSE		
Interest on deposits and borrowed funds	<u>6,218,546</u>	<u>5,564,174</u>
Net interest income	14,432,913	12,503,131
PROVISION FOR LOAN LOSSES	<u>600,000</u>	<u>539,159</u>
Net interest income after provision for loan losses	<u>13,832,913</u>	<u>11,963,972</u>
OTHER INCOME (EXPENSE)		
Service charges on deposit accounts	433,197	322,117
Other service charges and fees	812,365	768,608
Life insurance income	109,159	106,935
Loss on sale of securities	(453,253)	(421,140)
Other income	156,642	126,671
	<u>1,058,110</u>	<u>903,191</u>
OTHER EXPENSES		
Salaries and employee benefits	4,116,530	3,909,086
Occupancy expense	473,059	447,239
Equipment and data processing	1,167,022	886,840
Outside services	192,225	165,793
Supplies, postage and communication	314,356	276,171
Taxes	253,950	217,378
FDIC insurance expense	151,101	138,626
Other operating expense	1,333,513	1,302,150
	<u>8,001,756</u>	<u>7,343,283</u>
INCOME BEFORE FEDERAL INCOME TAX	6,889,267	5,523,880
Federal income tax expense	<u>1,341,302</u>	<u>1,080,802</u>
NET INCOME	<u>\$ 5,547,965</u>	<u>\$ 4,443,078</u>
NET INCOME APPLICABLE TO COMMON STOCK		
Earnings per average shares outstanding	<u>\$ 16.66</u>	<u>\$ 13.51</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<i>Years Ended December 31,</i>	
	<u>2025</u>	<u>2024</u>
NET INCOME	\$ 5,547,965	\$ 4,443,078
OTHER COMPREHENSIVE INCOME NET OF TAX:		
Unrealized net holding gain (loss) on securities available-for-sale, net of income taxes of \$(650,878) and (166,682) for the years ended December 31, 2025 and 2024, respectively	2,543,712	712,751
Reclassification adjustment for gains (losses) realized, net of income taxes of \$95,183 and \$88,439 for the years ended December 31, 2025 and 2024, respectively	<u>(453,253)</u>	<u>(421,140)</u>
OTHER COMPREHENSIVE INCOME (loss)	<u>2,090,459</u>	<u>291,611</u>
COMPREHENSIVE INCOME (loss)	<u>\$ 7,638,424</u>	<u>\$ 4,734,689</u>

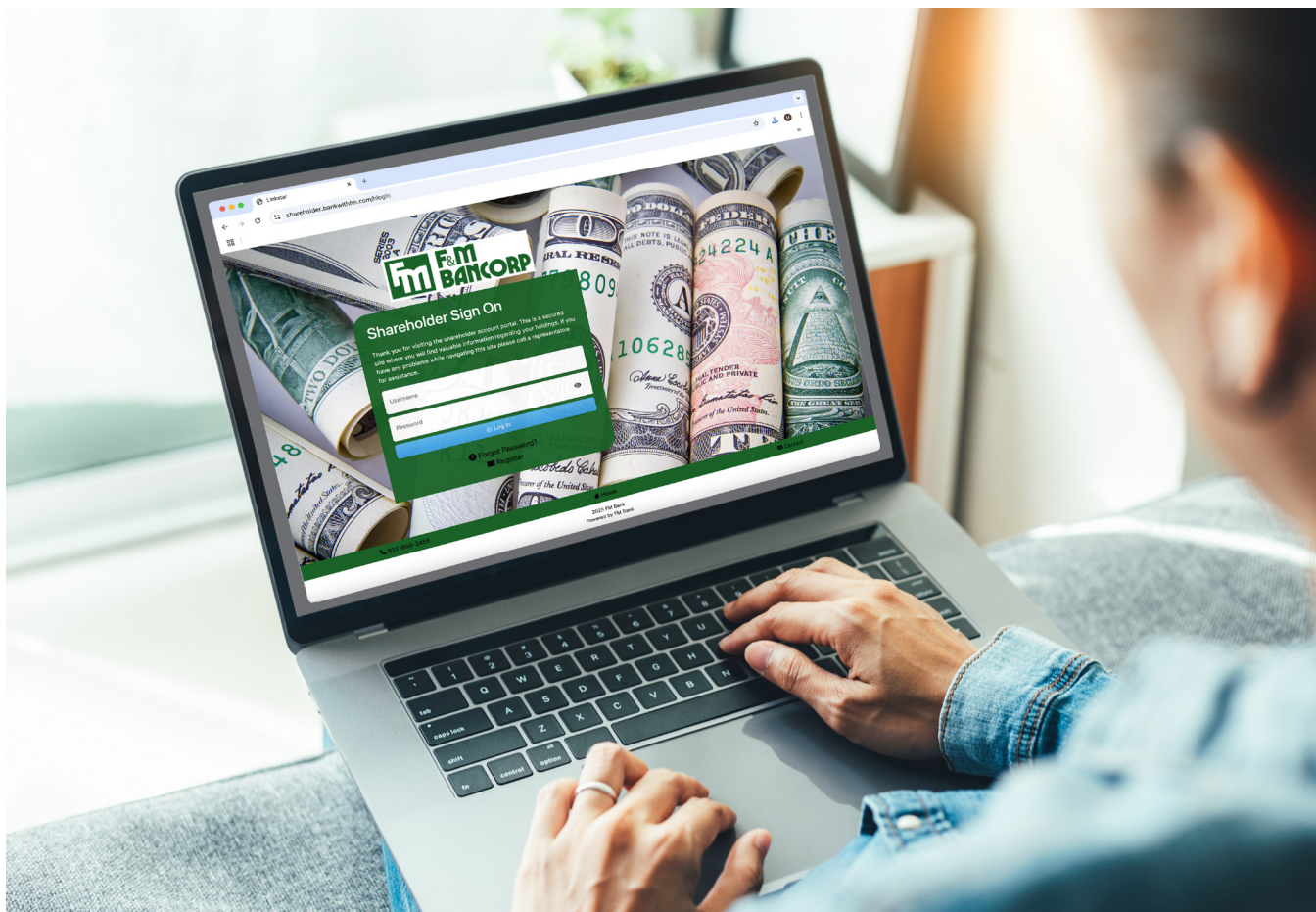
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Years Ended December 31, 2025 and 2024

	<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>
BALANCES, JANUARY 1, 2024	\$ 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>
BALANCES, DECEMBER 31, 2024	500	4,223,529	32,396,004	(98,182)	(4,974,020)	31,547,831
Comprehensive income:						
Net income			5,547,965			5,547,965
Other comprehensive income, net of tax:						
Unrealized gains (losses) on securities					2,090,459	<u>2,090,459</u>
Total comprehensive income (loss)						7,638,424
Purchase of treasury stock (690 shares)				(81,970)		(81,970)
Sale of treasury stock (1,090 shares)				132,690		132,690
Issuance of common stock DRIP (4,107 shares)		502,264				502,264
Cash dividends paid, \$2.25 per share			(750,546)			<u>(750,546)</u>
BALANCES, DECEMBER 31, 2025	<u>\$ 500</u>	<u>\$4,725,793</u>	<u>\$37,193,423</u>	<u>\$(47,462)</u>	<u>\$(2,883,561)</u>	<u>\$ 38,988,693</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Years Ended December 31,</i>	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 5,547,965	\$ 4,443,078
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization, net	722,237	617,532
Depreciation	200,279	211,012
Provision for loan losses	600,000	539,159
Deferred tax (benefit)	313,240	(225,078)
Loss on sale of securities available for sale	454,861	421,140
Change in value of bank-owned life insurance	(109,160)	(106,935)
Change in cash arising from increase and decrease in assets and liabilities:		
Accrued interest receivable and other assets	(14,355)	(139,302)
Accrued interest payable and other liabilities	(296,329)	188,298
Net cash provided by (used in) operating activities	<u>7,418,738</u>	<u>5,948,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of securities available for sale	(8,069,803)	(5,091,317)
Maturities or call of securities available for sale	2,024,218	3,708,182
Sales of securities available for sale	8,605,842	6,933,263
Redemption of FHLB stock	231,700	-
Net decrease (increase) in loans	(24,410,383)	(39,113,213)
Purchase of property and equipment	(119,366)	(93,455)
Net cash provided by (used in) investing activities	<u>(21,737,792)</u>	<u>(33,656,540)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease) increase in deposits	25,346,692	29,580,864
Proceeds from FHLB advances	-	4,000,000
Payments on FHLB advances	(1,700,000)	(7,000,000)
Purchase of treasury stock	(81,970)	(32,641)
Proceeds from sale of treasury stock	132,690	48,854
Issuance of stock for DRIP	502,264	420,029
Cash dividends paid	(750,556)	(658,754)
Net cash (used in) provided by financing activities	<u>23,449,120</u>	<u>26,358,352</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	9,130,066	(1,349,284)
Cash and cash equivalents, beginning of year	<u>2,261,241</u>	<u>3,610,525</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$11,391,307</u>	<u>\$ 2,261,241</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ 6,219,749	\$ 5,491,399
Income taxes, net	1,592,000	1,294,853



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.



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