

2020 Fourth Quarter Investor Presentation

Statements contained in any portion of the Company's annual meeting may be forward-looking statements, as that term is defined in the private securities litigation reform act of 1995. Forward-looking statements may be identified by the use of such words as "intend," "believe," "expect," "anticipate," "should," "planned," "estimated," and "potential." Such forward-looking statements are based on current expectations, but may differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time. Other factors which could have a material adverse effect on the operations of the Company and its subsidiaries which include, but are not limited to, changes in interest rates, general economic conditions, legislative and regulator changes, monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board, the quality and composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in the bank's market area, changes in relevant accounting principles and guidelines and other factors over which management has no control. The forward-looking statements are made as of the date of this meeting, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward looking statements.

Full service independent community bank, serving customers in Northwest Ohio, Northeast Indiana, and Southern Michigan



Overview

- Compelling valuations and returns (at January 31, 2021):
 - P/2020 EPS: 12.7x – P/2020 Q4 Tg. Book: 1.3x
 - 2020 ROAA: 1.14% – 2020 NIM: 3.38%
- Top 100 Farm Lending Bank and Top 200 Publicly Traded Community Bank, according to American Banker
- Twice named Top 50 Social Media Banks by ICBA
- Strong asset quality, and above average net income growth
- Total loans, net were \$1.303 billion at December 31, 2020, a 6.9% increase from the prior year period
- Total deposits were \$1.596 billion at December 31, 2020, a 23.9% increase from the prior year period

Track Record of Growth

- Successfully executing growth-oriented strategy
- Three new LPOs opened in 2020 in OH, IN, and MI, and a new full-service office expected to open in FT. Wayne in Q1 2021
- Announced the acquisition of Ossian Financial Services, Inc. and purchased the assets and clients of Adams County Financial Resources
- New and expanded management team focused on growth
- Capitalizing on compelling new market demographics
- Diverse loan portfolio – unique agriculture exposure

F&M Market Highlights

	Ohio	Indiana
Deposit Market Share ⁽¹⁾	#4	#2
Offices	20	10
Population ⁽²⁾	1,288,180	506,633
Total Businesses ⁽²⁾	100,432	42,443
Agricultural Land ⁽³⁾	2.3 mil. acres	0.9 mil. acres
Farms ⁽³⁾	5,523	5,939
Avg. Median HH Income ⁽²⁾	\$52,740	\$49,276

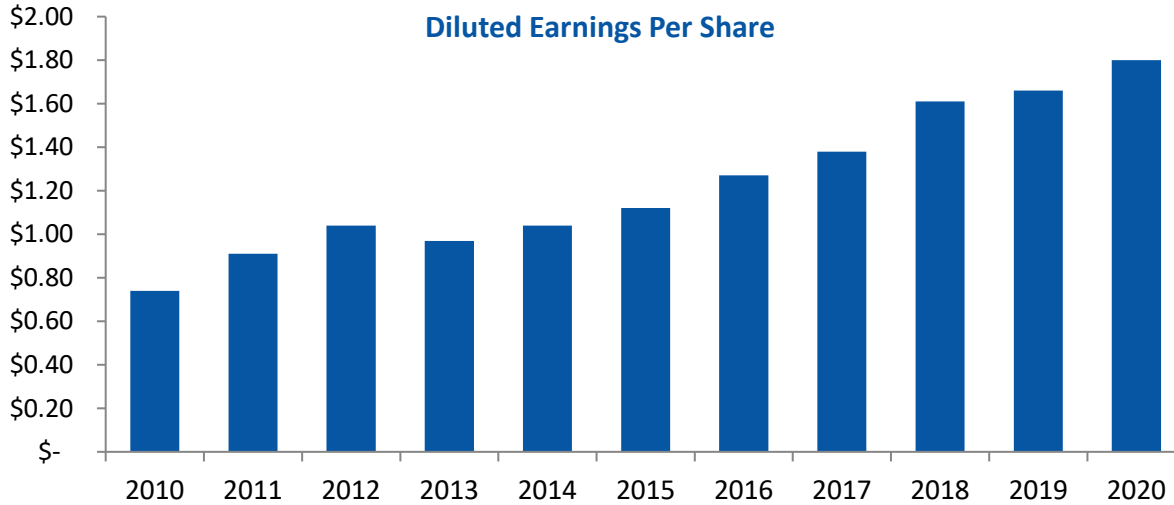
⁽¹⁾ Market share data based on zip codes of all F&M offices

⁽²⁾ According to U.S. Census Bureau

⁽³⁾ According to USDA

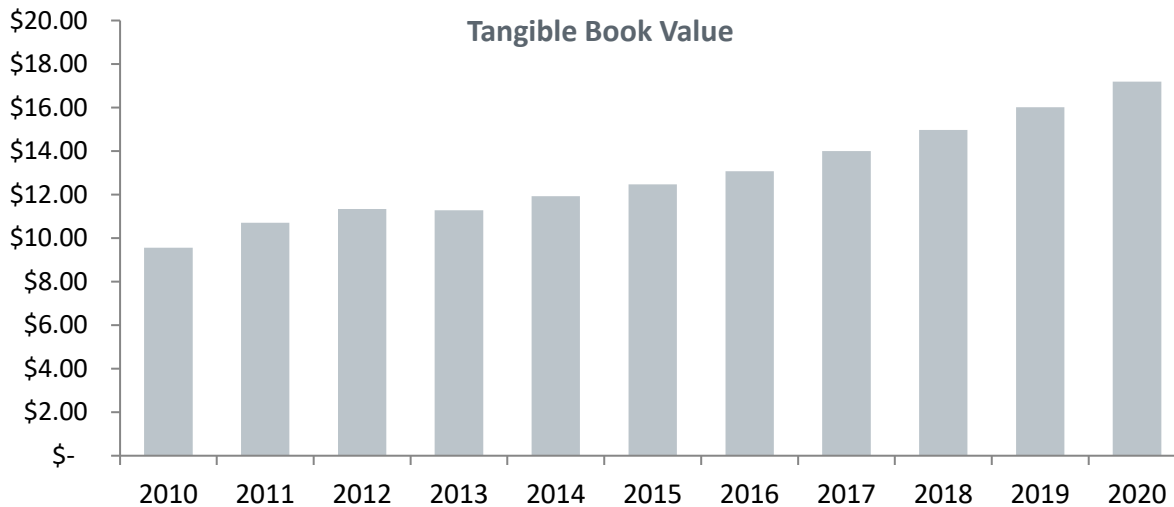
Proven Earnings Model...

Diluted Earnings Per Share



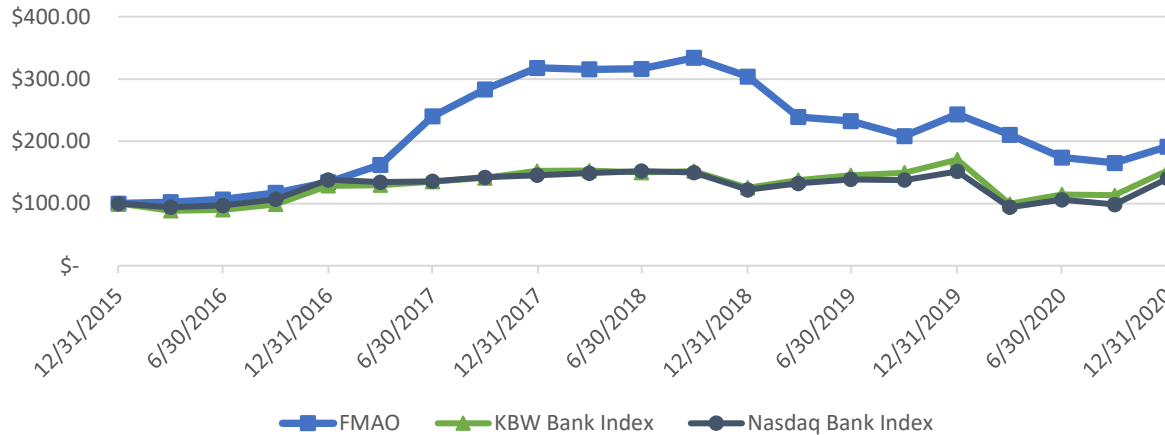
Proven earnings model supported by geographic expansion, strong loan growth and pricing, controlled operating expenses, accretive acquisitions, and the contribution of noninterest income

Tangible Book Value



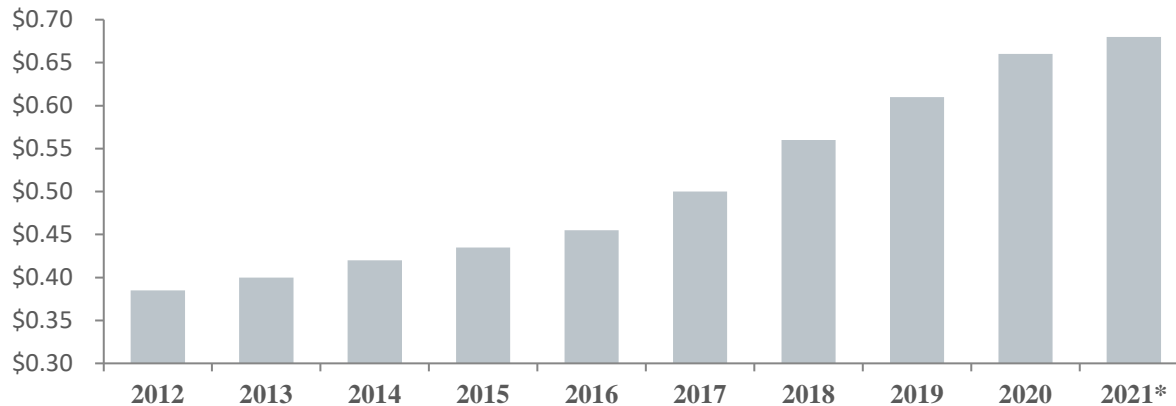
Consistent tangible book value growth as a result of strong asset quality and a history of earnings growth

5-Year Total Shareholder Return



F&M has outperformed both the KBW Bank Index and Nasdaq Bank Index as a result of strong earnings growth and continual increases in the annual dividend payment

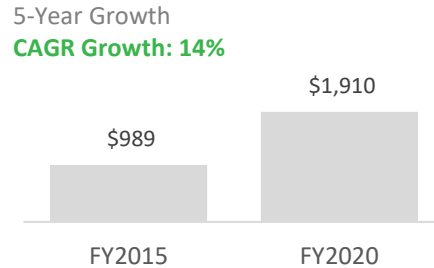
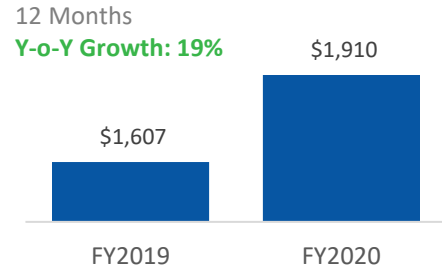
Annual Dividends



Our annual dividend has increased for 26 consecutive years as a result of our strong capital position and high-quality loan portfolio

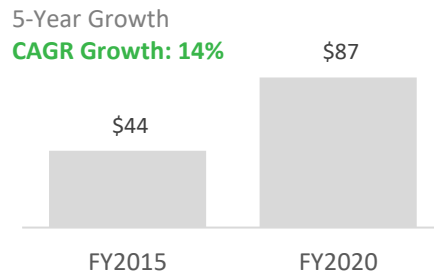
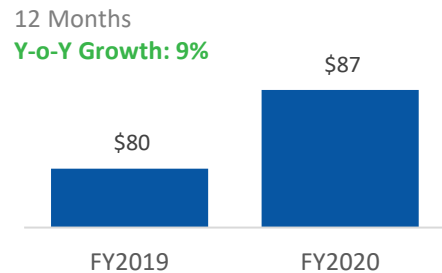
*Annualized

Total Assets (\$ in millions)



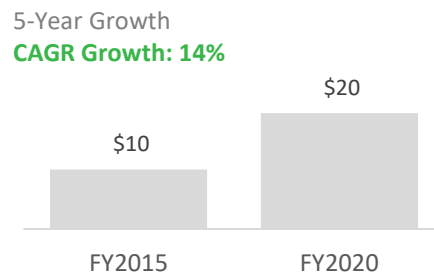
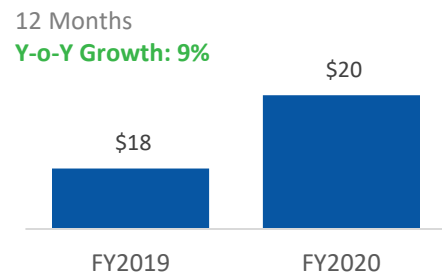
- Increase in cash and cash equivalents, available for sale securities was the primary driver of asset growth in 2020

Total Revenue (\$ in millions)



- Average earning assets increased 17.3% to \$1.657 billion
- Noninterest income increased 42.0% to \$16.8 million driven primarily due to the benefits of PPP fees and a significant increase in the sale of loans as a result of strong residential mortgage originations

Net Income (\$ in millions)



- 2020 was our sixth consecutive year of record earnings, while achieving our lowest efficiency ratio in 16 years despite a \$7.0 million increase in our provision for loan losses associated with the COVID-19 pandemic
- Reduced cost of funds and managed noninterest expenses
- Benefits from interest and fees earned from the PPP and a gain on the settlement of a BOLI contract

F&M has developed a 3-year strategic plan focused on growing earnings and creating value for its shareholders



**Customer
Acquisition and
Retention**



**Attract, Develop
and Retain Talent**



**Actively Pursue
Accretive
Acquisitions**



**Drive Financial
and Operating
Excellence**



**Develop
Compelling
Digital Strategy**

Throughout 2020 we made significant progress in each of the five strategic objectives outlined in the strategic plan.

Customer Acquisition and Retention

- Grew deposits 23.9% in 2020
- Ranked as the 4th largest bank in our Ohio markets, and the 2nd largest bank in our Indiana markets.
- Deposit growth in 2020 exceeded the average of our UBPR peer group

Attract, Develop, and Retain Talent

- Multiple promotions throughout the organization
- Attracted new associates from outside the organization including new high-quality commercial and healthcare lenders
- Appointed a new outside director

Actively Pursue Accretive Acquisitions

- Purchased the assets and clients of Adams County Financial Resources
- Announced the Acquisition of Ossian Financial Services, Inc.

Drive Financial and Operating Excellence

- 2020 efficiency ratio improved to 58.17% from 63.42% last year
- Announced an office consolidation plan that will go into effect in 2021 and will further F&M's efforts to control noninterest expense

Develop Compelling Digital Strategy

- 2020 YoY growth across multiple KPIs including: a 94% increase in mobile deposits, a 66% increase in customers enrolled in ACH services, and a 71% increase in customers using positive pay.
- Converted payroll system, and onboarding and tax forms
- Automated back-office procedures related to online account opening

Significant Increase in Profitability Expected in 2022

~\$2.1 million

Expected annual benefit to net income in 2022 and beyond, as a result of reduced operating expenses and the contribution of additional sources of revenue

~\$2.5 million

Expected one-time expenses in 2021 as a result of 2020's strategic actions

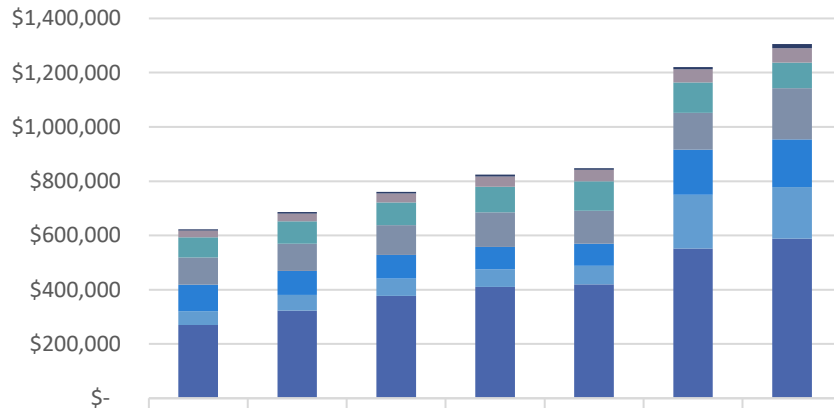


Track Record of Loan and Deposit Growth

Robust organic loan and deposit growth supported by new market expansion and F&M's focus on providing customers with community banking values and local service

Loans, net (in thousands)

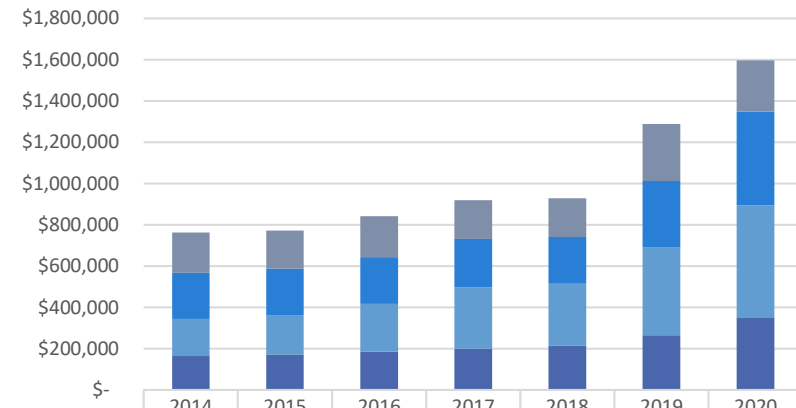
- Loans have increased at a 13.9% CAGR from 2015 to 2020
- Loans at December 31, 2020 increased 6.9% year-over-year



	2014	2015	2016	2017	2018	2019	2020
Other	\$4,698	\$6,491	\$5,732	\$6,415	\$5,889	\$8,314	\$15,757
Consumer	\$24,277	\$27,770	\$33,179	\$37,757	\$41,953	\$49,237	\$52,540
Agricultural	\$74,611	\$82,654	\$84,563	\$95,111	\$108,495	\$111,820	\$94,358
C&I	\$100,126	\$100,125	\$109,256	\$126,275	\$121,793	\$135,631	\$189,246
Cons. - RE	\$97,550	\$88,189	\$87,273	\$83,620	\$80,766	\$165,349	\$175,588
Agricultural - RE	\$50,895	\$58,525	\$63,391	\$64,073	\$68,609	\$199,105	\$189,159
Commercial - RE	\$270,188	\$322,762	\$377,481	\$410,520	\$419,784	\$551,309	\$588,825

Total Deposits (in thousands)

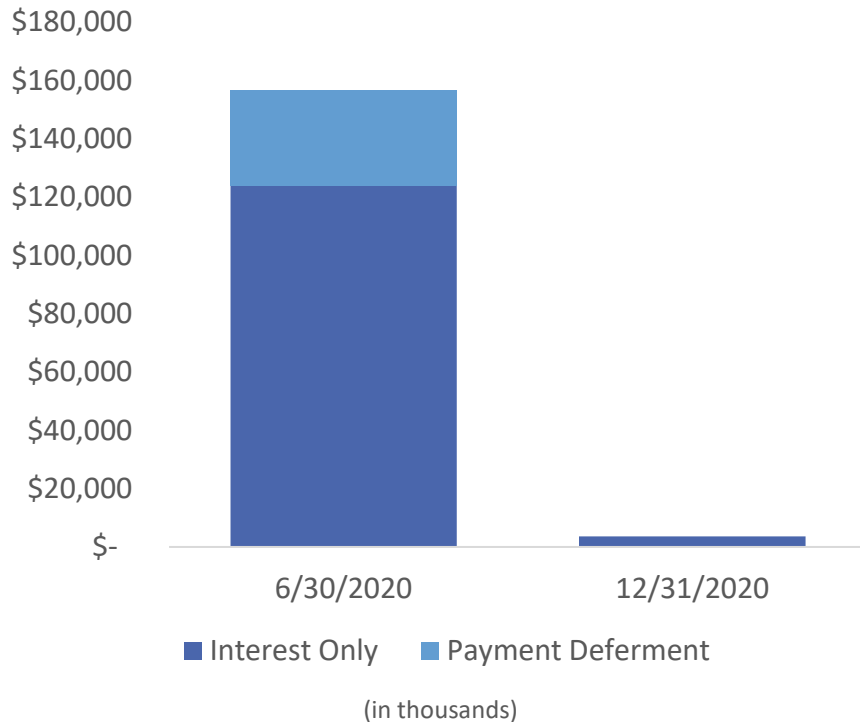
- Deposits have increased at a 15.7% CAGR from 2015 to 2020
- Deposits at December 31, 2020 increased 23.9% year-over-year



	2014	2015	2016	2017	2018	2019	2020
Time	\$195,500	\$184,285	\$198,830	\$187,566	\$187,413	\$276,563	\$247,553
Savings	\$223,189	\$225,052	\$226,537	\$233,949	\$227,701	\$322,973	\$455,145
NOW Accounts	\$179,862	\$190,890	\$230,446	\$298,711	\$298,254	\$423,655	\$542,317
Noninterest-bearing	\$164,009	\$171,112	\$186,390	\$199,114	\$215,422	\$265,156	\$351,147

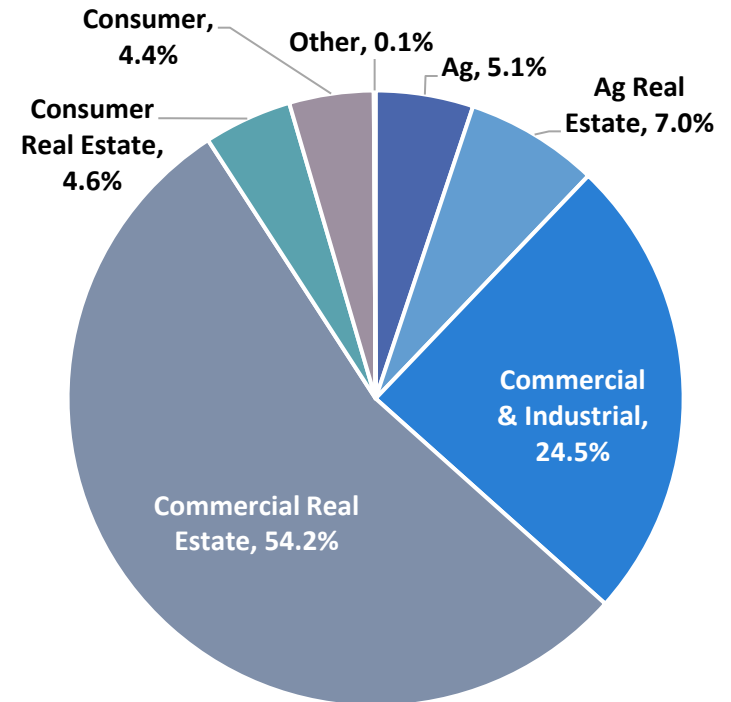
Significant Decline in Deferrals

At December 31, 2020, F&M only had 5 loans representing \$3.6 million with interest only modifications, and no payment deferrals, a 98% decline from \$156.6 million at June 30, 2020.



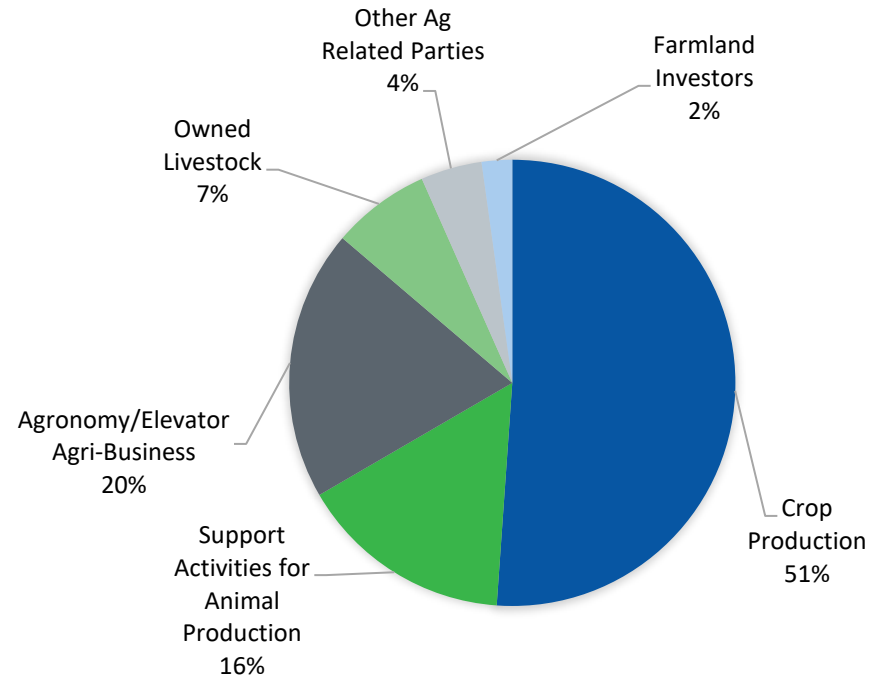
Allowance for Loan Losses by Loan Type

Total Allowance for Credit Losses at December 31, 2020 was \$13.7 million or 1.20% of total loans, adjusted for PPP balance.



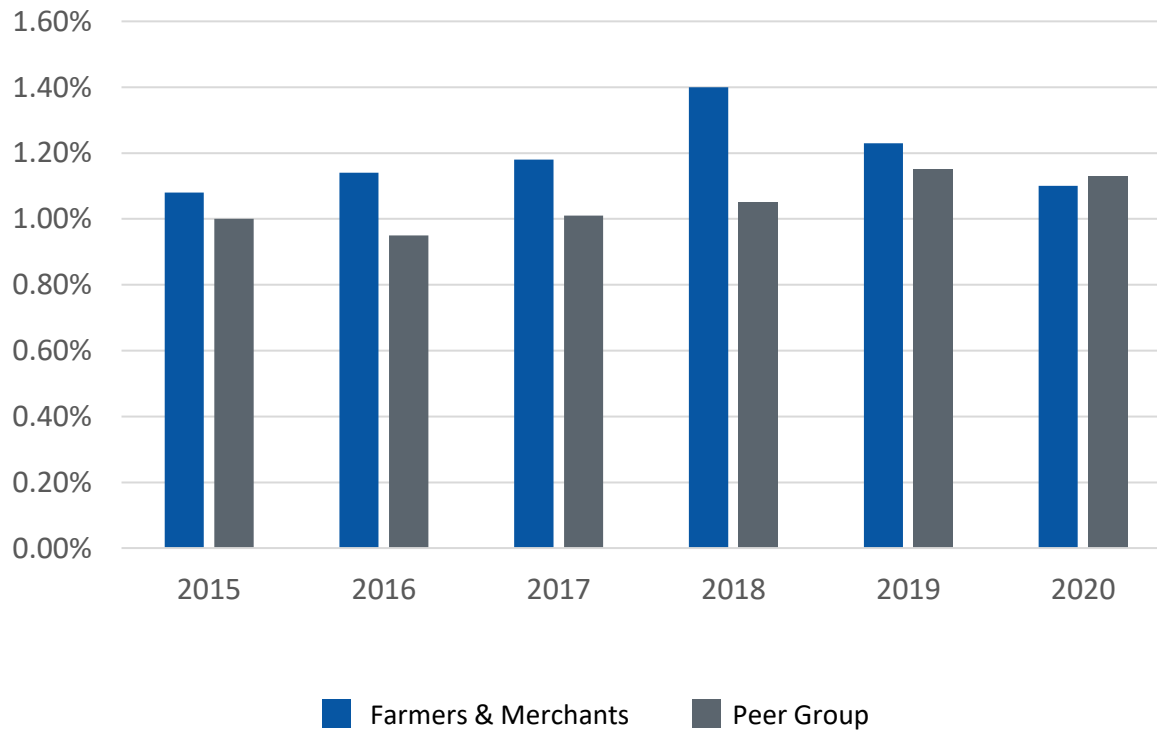
- Increases portfolio diversification and historically inverse cycle with commercial loan performance
 - Concentrated in three Midwest states to leverage soil quality
- ~45% of all F&M Ag lending is sold on the secondary market – significant fee income driver
- F&M’s Ag lenders average ~30 years in business
 - F&M has focused on Ag lending since 1897
 - Every lender operates their own farm
- Farmers perform well
 - 10-year Ag delinquency = 0.21%
 - 2020 Ag delinquency = 0.59%
- Crop insurance reduces risk
 - +95% of crop production portfolio has insurance
- Majority of Ag portfolio secured by real estate
 - Majority of cash grain borrowers have LTV of 51%
 - Avg. LTV of Support Activities for Animal Production book is 58%
- General Ag diversity
 - Dairy is 0.28% of total loan portfolio
 - Typical Ag customer has diversified business model

AGRICULTURAL LOAN PORTFOLIO
BROKEN OUT BY SECTOR
AS OF 6/30/2020



Strong Return on Average Assets Outperforms Peer

Annual Return on Assets ⁽¹⁾ ⁽²⁾

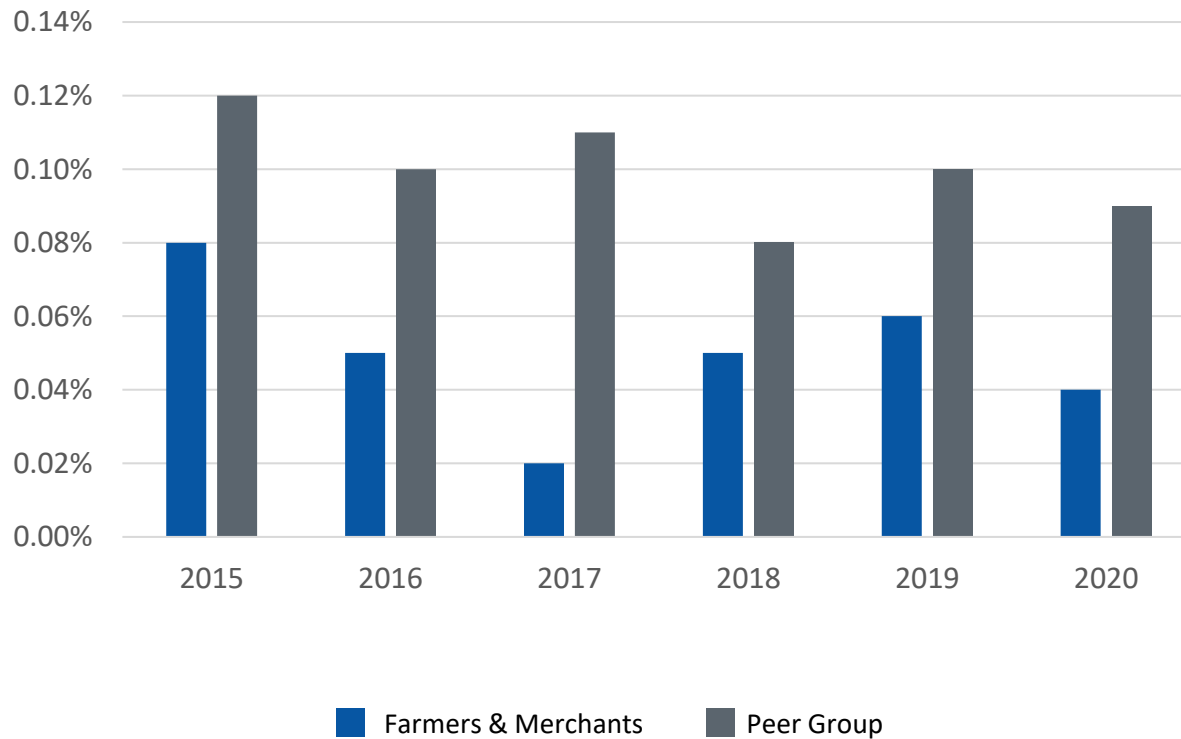


High performing loan growth and profit focused business model produces strong return on average assets

(1) 2018 and 2019 earnings includes one-time costs associated with the Bank of Geneva acquisition

(2) FDIC UBPR report of holding companies with \$1.0 billion - \$3.0 billion in assets

Net Charge-Offs to Average Loans



F&M has a history of strong asset quality and low past due loans, resulting in net charge offs consistently below peer.

Strong Liquidity (at December 31, 2020)

- Loan growth funded through core deposits
- Total loans, net / Total deposit ratio of 81.6%
- Total cash and cash equivalents of \$176 million
- The all-cash purchase of Ossian Financial Services, Inc. will be completed in 2021
- Securities available for sale of \$308 million

(at December 31, 2020, \$ in millions)

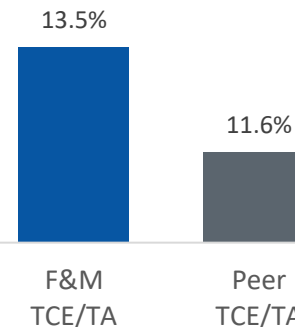
Unused FHLB Borrowings	\$87
Available Unsecured Correspondence Lines	\$69
Access to Promontory One Way	\$189
Unpledged Securities	\$207
<i>Total Available Funding</i>	<i>\$552</i>

Compelling Capital Position

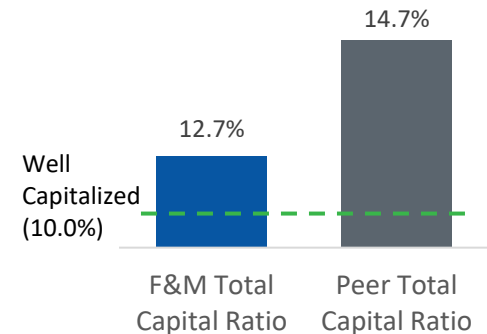
- \$249.2 million total stockholders' equity
- Tangible book value per share increased 7.4% Y-o-Y to \$17.19
- Modest capital deployment
 - Last 12 months common dividend declared of \$0.66
 - Annual dividend payout ratio was 35.76%
 - Annualized yield at January 31, 2021 was 3.0%

Bank Capital vs. Peers

TCE / TA



Total Risk-Based Capital



- At December 31, 2020
- According to FDIC UBPR Peer Group \$1-3 Billion